

**Consolidated Financial Statements  
International Financial Reporting Standards (IFRSs)  
for the interim year from January 1, 2016 to June 30, 2016**

**Contents:**

Consolidated Income Statement

Consolidated Statement of Comprehensive Income

Consolidated Statement of Financial Position

Consolidated Statement of Cash Flows

Consolidated Statement of Changes in Equity

Notes to the Consolidated Financial Statements

## Consolidated Income Statement (IFRSs) for the interim year from January 1, 2016 to June 30, 2016

T€	06/30/16	06/30/15
Sales	3.791.564	3.929.530
Cost of sales	-3.416.690	-3.578.009
<b>Gross Profit</b>	<b>374.874</b>	<b>351.521</b>
Selling expenses	-98.868	-98.952
Administration expenses	-163.220	-166.772
Research and development expenses	-46.114	-48.037
Other operating income	41.493	74.626
Other operating expenses	-22.698	-38.403
<b>EBIT</b>	<b>85.467</b>	<b>73.983</b>
Financial result	-24.039	-29.761
Income from associates	297	338
<b>Result before tax</b>	<b>61.725</b>	<b>44.560</b>
Income taxes	-17.618	-13.839
<b>Result for the period</b>	<b>44.107</b>	<b>30.720</b>
<b>Of which:</b>		
Attributable to owners of parent	40.084	27.855
Non-controlling interests	4.023	2.865

## Consolidated Statement of Comprehensive Income (IFRSs) for the interim year from January 1, 2016 to June 30, 2016

T€	06/30/16	06/30/15
<b>Result for the period</b>	<b>44.107</b>	<b>30.720</b>
<b>Items that will not be reclassified to the income statement in future periods:</b>		
Actuarial gains (losses) on defined-benefit plans (net)	-64.946	0
On these items of the comprehensive income relating taxes	19.489	0
	<b>-45.457</b>	<b>0</b>
<b>Items that will be reclassified to the income statement in future periods:</b>		
Gains (losses) on exchange differences on translation for foreign operations	-9.565	52.232
Gains (losses) on the measurement of cash flow hedges	6.550	14.779
On these items of the comprehensive income relating taxes	-1.545	-2.859
	<b>-4.560</b>	<b>64.153</b>
<b>Total comprehensive income</b>	<b>-5.910</b>	<b>94.873</b>
<b>Of which:</b>		
Attributable to owners of parent	-7.893	88.482
Non-controlling interests	1.983	6.391
Earnings per share	0,200	0,139

## Consolidated Statement of Financial Position (IFRSs)

T€	06/30/16	12/31/15
Intangible assets other than goodwill	46.200	48.410
Goodwill	6.442	6.442
Property, plant and equipment	2.159.081	2.127.082
Investments in associates	12.362	12.065
Deferred tax assets	147.661	124.035
Non-current income tax receivables	169	584
Other non-current receivables	25.486	25.546
<b>Non-current assets</b>	<b>2.397.402</b>	<b>2.344.164</b>
Inventories	789.268	748.228
Trade receivables	778.020	642.706
Receivables from contract production	13.358	6.768
Current tax receivables	29.425	40.241
Other current receivables and assets	237.723	213.300
Cash and cash equivalents	261.887	319.557
<b>Current assets</b>	<b>2.109.682</b>	<b>1.970.800</b>
<b>Total assets</b>	<b>4.507.084</b>	<b>4.314.964</b>
Issued capital	200	200
Capital reserves	175.275	175.275
Other reserves	738.858	762.325
<b>Equity attributable to owners of parent</b>	<b>914.333</b>	<b>937.800</b>
Non-controlling interests	54.918	57.827
<b>Total shareholders' equity</b>	<b>969.250</b>	<b>995.627</b>
Non-current financial liabilities	1.184.078	1.202.579
Non-current income tax liabilities	20.652	22.082
Other non-current liabilities	48.159	50.844
Pension provisions	438.068	370.729
Other non-current provisions	55.179	52.337
<b>Non-current liabilities</b>	<b>1.746.135</b>	<b>1.698.572</b>
Current financial liabilities	298.540	228.783
Trade payables	947.248	883.289
Current income tax liabilities	7.565	5.090
Other current liabilities	389.063	361.768
Other current provisions	149.283	141.834
<b>Current liabilities</b>	<b>1.791.698</b>	<b>1.620.765</b>
<b>Liabilities</b>	<b>3.537.834</b>	<b>3.319.337</b>
<b>Total shareholders' equity and liabilities</b>	<b>4.507.084</b>	<b>4.314.964</b>

## Consolidated Statement of Cash Flows (IFRSs) for the interim year from January 1, 2016 to June 30, 2016

T€	06/30/16	06/30/15
<b>Cash flows from operating activities</b>		
EBIT	85.467	73.983
Interest paid	-39.520	-49.444
Interest received	16.572	4.011
Income taxes paid / received (net)	-10.973	-21.026
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	110.799	114.471
Changes in non-current provisions	2.070	5.440
Other non-cash transactions	23.528	-22.677
<b>Cash flow from profit</b>	<b>187.944</b>	<b>104.756</b>
Changes in inventories	-42.872	7.484
Changes in trade receivables	-211.447	-227.184
Changes in trade liabilities	110.035	197.153
<b>Changes in working capital</b>	<b>-144.283</b>	<b>-22.548</b>
Changes in current provisions	8.749	28.387
Changes in other receivables	6.806	-6.928
Changes in other liabilities	38.747	24.207
Changes in other assets and liabilities	-20.020	9.186
<b>Cash Flow from operating activities</b>	<b>77.944</b>	<b>137.061</b>
<b>Cash Flows from investing activities</b>		
Cash payments for investments in property, plant and equipment and intangible assets	-154.467	-209.547
Cash receipts from the disposal of property, plant and equipment and intangible assets	738	4.429
Cash payments for investments in financial assets	-14.382	-9.692
Cash receipts from the disposal of financial assets	6.360	30.381
Net cash payments from the disposal of subsidiaries	-39	0
<b>Cash Flows from investing activities</b>	<b>-161.790</b>	<b>-184.429</b>
<b>Free Cash Flow</b>	<b>-83.847</b>	<b>-47.367</b>
<b>Cash Flow from financing activities:</b>		
Repayment of bonded loans	-55.000	-15.000
Cash receipts from the raising of bonded loans	23.000	0
Repayment of bank loans	-74.561	-37.005
Cash receipts from the raising of bank loans	165.200	158.375
Dividends paid	-26.367	-30.667
Cash payments for the acquisition of non-controlling interests	0	-7.700
Cash receipts from non-controlling interests	6.232	0
Other cash receipts/cash payments from financing	-12.188	-91.650
<b>Cash flow from financing activities</b>	<b>26.315</b>	<b>-23.647</b>
<b>Change in cash and cash equivalents</b>	<b>-57.532</b>	<b>-71.015</b>
Effect of exchange rate changes on cash and cash equivalents	-138	7.833
<b>Cash and cash equivalents of January 1</b>	<b>319.557</b>	<b>334.091</b>
<b>Cash and cash equivalents at June 30</b>	<b>261.887</b>	<b>270.910</b>

**Consolidated Statement of Changes in Equity (IFRSs)**  
for the interim year from January 1, 2016 to June 30, 2016

	Issued capital	Capital reserves	Other reserves				Total	Equity attributable to owners of parent	Non-controlling interests	Total share-holders' equity
			Foreign currency translation reserve	Cash Flow hedge reserve	Reserve for actuarial gains/losses	Other				
<b>T€</b>										
<b>Balance at December 31, 2015 = January 1, 2016</b>	<b>200</b>	<b>175.275</b>	<b>-19.941</b>	<b>-21.325</b>	<b>-130.812</b>	<b>934.403</b>	<b>762.325</b>	<b>937.800</b>	<b>57.827</b>	<b>995.627</b>
Result for the period						40.084	<b>40.084</b>	<b>40.084</b>	4.023	<b>44.107</b>
Other income (after tax)			-7.528	5.008	-45.457		<b>-47.977</b>	<b>-47.977</b>	-2.040	<b>-50.017</b>
Acquisition							<b>0</b>	<b>0</b>	6.232	<b>6.232</b>
Other changes						-575	<b>-575</b>	<b>-575</b>	243	<b>-332</b>
Dividends paid						-15.000	<b>-15.000</b>	<b>-15.000</b>	-11.367	<b>-26.367</b>
<b>Balance at June 30, 2016</b>	<b>200</b>	<b>175.275</b>	<b>-27.469</b>	<b>-16.318</b>	<b>-176.268</b>	<b>958.912</b>	<b>738.858</b>	<b>914.333</b>	<b>54.918</b>	<b>969.250</b>

## ***IFRS Notes to the Consolidated Financial Statements as of June 30, 2016***

### **Index**

General Information .....	2
1. Information about the company .....	2
2. Reporting basis .....	2
3. Changes in accounting and valuation methods .....	2
4. Scope of consolidation .....	2
Notes to the Consolidated Income Statement .....	5
5. Revenues .....	5
6. Cost of sales .....	5
7. Other operating income .....	5
8. Other operating expenses .....	5
Notes to the Consolidated Statement of Financial Position .....	6
9. Property, plant and equipment .....	6
10. Investments in associates .....	6
11. Inventories and trade receivables .....	6
12. Non-current provisions .....	7
13. Financial debts .....	7
14. Trade payables .....	7
15. Additional information about financial instruments .....	7
Additional information .....	15
16. Segment reporting .....	15
17. Number of employees .....	17
18. Related party transactions .....	17
19. Subsequent events .....	17
20. Dividends .....	17

## General Information

### 1. Information about the company

BENTELER International Aktiengesellschaft is the ultimate parent holding company of the BENTELER-Group, comprising the divisions Automotive, Steel/Tube and Distribution.

### 2. Reporting basis

In principle, the same accounting and valuation methods used in the consolidated financial statements for 2015 financial year were applied to this condensed interim consolidated financial statement of BENTELER International Aktiengesellschaft and its subsidiaries as of June 30, 2016 which was prepared in accordance with IAS 34. The consolidated financial statements for the year ended December 31, 2015 were prepared in line with the International Financial Reporting Standards (IFRSs) valid at the reporting date and the relevant interpretations of the International Financial Reporting Committee (IFRIC) to be applied within the European Union (EU). For further information on the individual accounting and valuation methods used, please refer to the consolidated financial statements for the year ended December 31, 2015.

The interim consolidated financial statements of BENTELER International Aktiengesellschaft were not reviewed by an external auditor.

### 3. Changes in accounting and valuation methods

No changes in accounting and valuation methods were made in the first half of 2016.

### 4. Scope of consolidation

In the first half of 2016, the number of fully consolidated companies developed as follows:

	<b>Austria</b>	<b>Other countries</b>	<b>Total</b>
Fully consolidated companies as at December 31, 2015	4	136	140
Included for the first time	-	1	1
Disposals as a result of mergers	-	1	1
Disposals as a result of sales		1	1
Fully consolidated companies as at June 30, 2016	<b>4</b>	<b>135</b>	<b>139</b>



To simplify the Group structure, in June 2016 BENTELER Automotive Alabama, Inc., Opelika, USA was merged with BENTELER Automotive Corporation, Auburn Hills, USA, as the acquiring company.

BENTELER JianAn Automotive (Chongqing) Co. Ltd, Chongqing, China, including the branches in Harbin and Shenzhen, was fully consolidated for the first time. The company has a non-controlling interest of 50 %. Control over this company results from an industrial leadership (consisting of technical, production and finance control) and a majority in the Supervisory board. In case of a deadlock in the Management Board, the Board shall submit any relevant decision to the Supervisory Board for decision.

The fair values of the assets and liabilities of BENTELER JianAn Automotive as concluded in the consolidated financial statements on January 1, 2016 are as follows:

	€ thousand
Non-current assets	2.982
Inventories	2.654
Trade receivables	9
Other assets	5.934
Cash and cash equivalents	4.519
Trade liabilities	6.292
Other liabilities	174

The first half-year the company contributed to the group result by EUR -959 thousand and to group sales by EUR 8 thousand.

### **Disposals in the first half of 2016**

The shares of BENTELER Trading International GmbH were sold to Casper BENTELER GmbH as of May 31, 2016. The Casper BENTELER GmbH is not part of the BENTELER-Group.

The following net assets were derecognized as a result of the loss of control:

	€ thousand
Non-current assets	61
Inventories	2.975
Trade receivables	38.061
Other assets	10.741
Cash and cash equivalents	39
Provisions	567
Trade liabilities	51.094
Other liabilities	131
<b>Deconsolidated net assets</b>	<b>85</b>

The purchase price for the net assets sold amounts to EUR 500 thousand. After the consideration of Cash-Flow-Hedges in the amount of EUR 82 thousand and the reversal of inter profit in the amount of EUR 130 thousand, presented in equity, the profit resulting from de-recognition amounts to EUR 627 thousand and is shown in other operating income.

Conditions precedents for the deal are the full payment of the purchase price and a complete settlement of financing from BENTELER-Group. Despite these conditions control was transferred as all ownership-rights actually might be executed by the acquirer.

## Notes to the Consolidated Income Statement

### 5. Revenues

Revenues of the BENTELER-Group comprise the following:

€ thousand	1-6 2016	1-6 2015
Sales of goods and services	3.758.376	3.900.038
Construction contracts	33.188	29.492
<b>Total</b>	<b>3.791.564</b>	<b>3.929.530</b>

### 6. Cost of sales

The costs of sales are composed as follows:

€ thousand	1-6 2016	1-6 2015
Material expenses	2.534.258	2.699.341
Other	882.432	878.668
<b>Total</b>	<b>3.416.690</b>	<b>3.578.009</b>

### 7. Other operating income

€ thousand	1-6 2016	1-6 2015
Foreign currency exchange gains	12.630	34.544
Income from the reversal of provisions	9.252	21.524
Income from the disposal of a company	631	0
Other	18.980	18.558
<b>Total</b>	<b>41.493</b>	<b>74.626</b>

### 8. Other operating expenses

Other operating expenses mainly consist of foreign currency translation losses.

## Notes to the Consolidated Statement of Financial Position

### 9. Property, plant and equipment

Property, plant and equipment increased compared to December 31, 2015 due to additions to land and buildings in the amount of EUR 6.242 thousand (previous year until June 30, 2015: EUR 17.655 thousand), to technical equipment and machinery in the amount of EUR 18.947 thousand (previous year until June 30, 2015: EUR 21.458 thousand) and to other equipment, factory and office equipment in the amount of EUR 7.175 thousand (previous year until June 30, 2015: EUR 8.305 thousand). Prepayments and assets under construction increased due to additions in the amount of EUR 119.287 thousand (previous year until June 30, 2015: EUR 167.529 thousand).

### 10. Investments in associates

The following overview shows in aggregated form the carrying amount of the investments in an associate and the pro rata income from associates:

€ thousand	06/30/2016 or 1-6 2016	12/31/2015 or 1-6 2015
Carrying amount of investments in associates	12.362	12.065
Pro rata result from continuing divisions	297	338

### 11. Inventories and trade receivables

Inventories increased by EUR 41.040 thousand as compared to December 31, 2015, mainly due to demand related inventory build-up in South America.

The increase in trade receivables of EUR 135.314 thousand refers primarily to a seasonal increase in the automotive business.

## 12. Non-current provisions

The change of non-current provisions of EUR 70.181 thousand result from the recalculation of the pension provisions. Due to the decrease of the interest rate the provision increased by EUR 65.106 thousand. The amounts of the provisions are based on an actuarial report prepared by an actuary as at the balance sheet date. For the interim consolidated financial statements, these amounts are extrapolated and the discount rate of 2 % as applied at December 31, 2015 was adjusted to the actual discount rate of 1,3 % as of June 30, 2016.

## 13. Financial debts

€ thousand	06/30/2016		12/31/2015	
	current	non-current	current	non-current
Bonded loans	88.336	353.133	84.934	385.826
Liabilities to banks	202.086	810.810	132.603	795.673
Lease liabilities	2.387	12.545	2.514	13.121
Miscellaneous	5.731	7.590	8.732	7.959
<b>Total</b>	<b>298.540</b>	<b>1.184.078</b>	<b>228.783</b>	<b>1.202.579</b>

Financial debts increased compared to December 31, 2015 in the amount of EUR 51.256 thousand. The change is due to a reduction in the bonded loans in the amount of EUR 29.291 thousand and an increase of liabilities to banks in the amount of EUR 84.620 thousand.

## 14. Trade payables

The increase of the trade payables of EUR 63.958 thousand also refers primarily to a seasonal increase in the automotive business.

## 15. Additional information about financial instruments

The following tables show the carrying amounts of financial assets and liabilities for each individual category of financial instrument, and reconcile them with the related items on the statement of financial position for the end of the reporting period as at June 30, 2016, and the prior year as at December 31, 2015:

€ thousand	Measurement category pursuant to IFRS 13	Carrying amount 06/30/2016	Measurement pursuant to IAS 39			Valuation pursuant to IAS 17	Non-financial items
			(Amortized) acquisition costs	Fair value outside profit or loss	Fair value through profit or loss		
<b>Trade receivables</b>	1)	<b>778.020</b>	<b>778.020</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Receivables from contraction contracts</b>	1)	<b>13.358</b>	<b>13.358</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other receivables and assets (non-current and current)</b>		<b>263.210</b>	<b>106.271</b>	<b>10.797</b>	<b>8.813</b>	<b>0</b>	<b>137.329</b>
Securities	2)	1.255	0	1.255	0	0	0
Investments in unconsolidated, associated entities	2)	501	501	0	0	0	0
Financial receivables	1)	105.770	105.770	0	0	0	0
Positive market values of derivatives without on-balance sheet hedging relationship	3)	8.813	0	0	8.813	0	0
Positive market values of derivatives with on-balance sheet hedging relationship (hedge accounting)	n/a	9.542	0	9.542	0	0	0
Other financial receivables	2)	0	0	0	0	0	0
Other non-financial receivables	n/a	137.329	0	0	0	0	137.329
<b>Cash and cash equivalents</b>	1)	<b>261.887</b>	<b>261.887</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>		<b>1.316.475</b>	<b>1.159.536</b>	<b>10.797</b>	<b>8.813</b>	<b>0</b>	<b>137.329</b>
<b>thereof by measurement category under IAS 39:</b>							
<b>1) Loans and receivables</b>		1.159.035	1.159.035	0	0	0	0
<b>2) Financial assets available for sale</b>		1.756	501	1.255	0	0	0
<b>3) Financial assets held for trading</b>		8.813	0	0	8.813	0	0

€ thousand	Measurement category pursuant to IFRS 13	Carrying amount 06/30/2016	Measurement pursuant to IAS 39			Valuation pursuant to IAS 17	Non-financial items
			(Amortized) acquisition costs	Fair value outside profit or loss	Fair value through profit or loss		
<b>Financial debt (non-current and current)</b>		<b>1.482.619</b>	<b>1.467.686</b>	<b>0</b>	<b>0</b>	<b>14.932</b>	<b>0</b>
Bonded loans	1)	441.469	441.469	0	0	0	0
Liabilities to banks	1)	1.012.896	1.012.896	0	0	0	0
Liabilities from finance lease	n/a	14.932	0	0	0	14.932	0
Other financial liabilities	1)	13.322	13.322	0	0	0	0
<b>Trade payables</b>	<b>1)</b>	<b>947.248</b>	<b>947.248</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other liabilities (non-current and current)</b>		<b>437.170</b>	<b>36.940</b>	<b>24.684</b>	<b>44.794</b>	<b>0</b>	<b>330.753</b>
Negative market values of derivatives without on-balance-sheet hedging relationship	2)	44.794	0	0	44.794	0	0
Negative market values of derivatives with on-balance sheet hedging relationship (hedge accounting)	n/a	24.684	0	24.684	0	0	0
Other financial liabilities	1)	36.940	36.940	0	0	0	0
Other non-financial liabilities	n/a	330.753	0	0	0	0	330.753
<b>Total</b>		<b>2.867.036</b>	<b>2.451.873</b>	<b>24.684</b>	<b>44.794</b>	<b>14.932</b>	<b>330.753</b>
<b>thereof by measurement category under IAS 39:</b>							
<b>1) Financial liabilities measured at amortized cost</b>		2.451.873	2.451.873	0	0	0	0
<b>2) Financial liabilities held for trading</b>		44.794	0	0	44.794	0	0

€ thousand	Measurement category pursuant to IFRS 13	Carrying amount 12/31/2015	Measurement pursuant to IAS 39			Valuation pursuant to IAS 17	Non-financial items
			(Amortized) acquisition costs	Fair value outside profit or loss	Fair value through profit or loss		
<b>Trade receivables</b>	1)	<b>642.706</b>	<b>642.706</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Receivables from contraction contracts</b>	1)	<b>6.768</b>	<b>6.768</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other receivables and assets (non-current and current)</b>		<b>238.846</b>	<b>74.177</b>	<b>10.951</b>	<b>9.609</b>	<b>0</b>	<b>144.110</b>
Securities	2)	1.254	0	1.254	0	0	0
Investments in unconsolidated, associated entities	2)	2.367	2.367	0	0	0	0
Financial receivables	1)	71.809	71.809	0	0	0	0
Positive market values of derivatives without on-balance sheet hedging relationship	3)	9.609	0	0	9.609	0	0
Positive market values of derivatives with on-balance sheet hedging relationship (hedge accounting)	n/a	9.697	0	9.697	0	0	0
Other financial receivables	2)	0	0	0	0	0	0
Other non-financial receivables	n/a	144.110	0	0	0	0	144.110
<b>Cash and cash equivalents</b>	<b>1)</b>	<b>319.557</b>	<b>319.557</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>		<b>1.207.877</b>	<b>1.043.208</b>	<b>10.951</b>	<b>9.609</b>	<b>0</b>	<b>144.110</b>
<b>thereof by measurement category under IAS 39:</b>							
<b>1) Loans and receivables</b>		1.040.841	1.040.841	0	0	0	0
<b>2) Financial assets available for sale</b>		3.621	2.367	1.254	0	0	0
<b>3) Financial assets held for trading</b>		9.609	0	0	9.609	0	0



€ thousand	Measurement category pursuant to IFRS 13	Carrying amount 12/31/2015	Measurement pursuant to IAS 39			Valuation pursuant to IAS 17	Non-financial items
			(Amortized) acquisition costs	Fair value outside profit or loss	Fair value through profit or loss		
<b>Financial debt (non-current and current)</b>		<b>1.431.363</b>	<b>1.415.728</b>	<b>0</b>	<b>0</b>	<b>15.635</b>	<b>0</b>
Bonded loans	1)	470.760	470.760	0	0	0	0
Liabilities to banks	1)	928.276	928.276	0	0	0	0
Liabilities from finance lease	n/a	15.635		0	0	15.635	0
Other financial liabilities	1)	16.692	16.692	0	0	0	0
<b>Trade payables</b>	<b>1)</b>	<b>883.289</b>	<b>883.289</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other liabilities (non-current and current)</b>		<b>412.612</b>	<b>43.674</b>	<b>30.868</b>	<b>45.558</b>	<b>0</b>	<b>292.512</b>
Negative market values of derivatives without on-balance-sheet hedging relationship	2)	45.558	0	0	45.558	0	0
Negative market values of derivatives with on-balance sheet hedging relationship (hedge accounting)	n/a	30.868	0	30.868	0	0	0
Other financial liabilities	1)	43.674	43.674	0	0	0	0
Other non-financial liabilities	n/a	292.512		0	0	0	292.512
<b>Total</b>		<b>2.727.264</b>	<b>2.342.691</b>	<b>30.868</b>	<b>45.558</b>	<b>15.635</b>	<b>292.512</b>
<b>thereof by measurement category under IAS 39:</b>							
<b>1) Financial liabilities measured at amortized cost</b>		2.342.691	2.342.691	0	0	0	0
<b>2) Financial liabilities held for trading</b>		45.558	0	0	45.558	0	0

No reclassifications between categories of financial instruments were performed during the first half-year 2016 or in the previous year 2015. Reclassifications are taken into account at the end of the reporting period.

## **Fair values and fair value hierarchy**

The carrying amount for current primary financial instruments, especially trade receivables and trade payables as well as other current receivables and liabilities, equals the fair value. The fair value of fixed-interest loans and liabilities is the present value of expected future cash flows. They are discounted at interest rates effective at the end of the reporting period. For variable interest liabilities, the carrying amounts equal their fair values.

The fair value of currency forwards is calculated as the present value based on the middle spot exchange rate at the end of the reporting period, under consideration of any forward premiums or discounts for the remaining term of the respective contract compared with the contracted forward rate. For currency options, generally accepted models were used for calculating option prices. The fair value of an option is affected not only by the remaining term of the option, but also by other factors such as the current level and volatility of the underlying exchange rate, or the underlying base interest rate.

Interest rate swaps and interest / currency swaps are measured at fair value by discounting expected future cash flows. The market interest rates, which are equivalent to the remaining term of the contracts, are used as a basis. In addition, for interest / currency swaps, the exchange rates of those foreign currencies in which the respective payments proceed are taken into account.

The fair value of aluminum and propane gas commodity forwards is based on official market quotations (LME – London Metal Exchange).

Measurements are performed both internally and by external financial partners at the end of the period. The measurement of derivatives also incorporates the counterparty risk. Determination is carried out in accordance with IFRS 13 and is based on a unilateral approach without taking into account any offsetting agreements. The calculation is based on a constant estimation of future exposures as well as on a historical default probability according to the rating of the counterparty and / or a rating estimation of the BENTELER-Group.

The following tables show the fair values and carrying amounts of financial assets and liabilities measured at their fair values, classified by fair value hierarchy:

	06/30/2016				
€ thousand	Carrying amount	Fair value	Level 1	Level 2	Level 3
<b>Other receivables and assets (non-current and current)</b>	<b>19.610</b>	<b>19.610</b>	<b>0</b>	<b>19.610</b>	<b>0</b>
- Securities	1.255	1.255		1.255	
- Positive market values of derivatives without on-balance sheet hedging relationship (financial assets held for trading)	8.813	8.813	0	8.813	0
- Positive market values of derivatives with on-balance sheet hedging relationship (hedge accounting)	9.542	9.542	0	9.542	0
<b>Other liabilities (non-current and current)</b>	<b>69.478</b>	<b>69.478</b>	<b>0</b>	<b>69.478</b>	<b>0</b>
- Negative market values of derivatives without on-balance sheet hedging relationship (financial assets held for trading)	44.794	44.794	0	44.794	0
- Negative market values of derivatives with on-balance sheet hedging relationship (hedge accounting)	24.684	24.684	0	24.684	0

	12/31/2015				
€ thousand	Carrying amount	Fair value	Level 1	Level 2	Level 3
<b>Other receivables and assets (non-current and current)</b>	<b>20.559</b>	<b>20.559</b>	<b>0</b>	<b>20.559</b>	<b>0</b>
- Securities	1.254	1.254	0	1.254	0
- Positive market values of derivatives without on-balance sheet hedging relationship (financial assets held for trading)	9.609	9.609	0	9.609	0
- Positive market values of derivatives with on-balance sheet hedging relationship (hedge accounting)	9.697	9.697	0	9.697	0
<b>Other liabilities (non-current and current)</b>	<b>76.426</b>	<b>76.426</b>	<b>0</b>	<b>76.426</b>	<b>0</b>
- Negative market values of derivatives without on-balance sheet hedging relationship (financial assets held for trading)	45.558	45.558	0	45.558	0
- Negative market values of derivatives with on-balance sheet hedging relationship (hedge accounting)	30.868	30.868	0	30.868	0

The following table shows the carrying amount and the fair value of financial liabilities measured at amortized cost, classified by fair value hierarchy:

	<b>06/30/2016</b>				
€ thousand	<b>Carrying amount</b>	<b>Fair value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial liabilities (non-current and current)</b>	<b>1.469.297</b>	<b>1.483.424</b>	<b>0</b>	<b>0</b>	<b>1.483.424</b>
- Bonded loans	441.469	453.959	0	0	453.959
- Liabilities to banks	1.012.896	1.014.386	0	0	1.014.386
- Liabilities from finance lease	14.932	15.078	0	0	15.078

	<b>12/31/2015</b>				
€ thousand	<b>Carrying amount</b>	<b>Fair value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial liabilities (non-current and current)</b>	<b>1.414.671</b>	<b>1.412.919</b>	<b>0</b>	<b>0</b>	<b>1.412.919</b>
- Bonded loans	470.760	477.658	0	0	477.658
- Liabilities to banks	928.276	920.312	0	0	920.312
- Liabilities from finance lease	15.635	14.950	0	0	14.950

## Additional information

### 16. Segment reporting

The segments of BENTELER Group cover the following business activities:

#### Automotive:

Developing, producing and selling ready-to-install modules, components and systems made of metals and a wide range of other materials, together with producing and selling the associated tools; Developing, producing and selling machines, machinery, tools, constructions and similar products

#### Steel/Tube:

Producing steel and developing, producing, machining and selling steel products, especially steel tubes

#### Distribution:

Trading in tubes, tubes accessories, profiles, sheet metal and similar products

#### Information about result, assets and liabilities:

#### Segment reporting as per 06/30/2016 and 1-6 2016

€ thousand	Automotive	Steel/Tube	Distribution	Others/ Consolidation	BENTELER- group
Revenue from external customer	2.916.654	314.080	514.110	46.720	3.791.564
Intersegment revenue	10.353	93.710	18.119	-122.181	
<b>Total revenue</b>	<b>2.927.007</b>	<b>407.789</b>	<b>532.229</b>	<b>-75.461</b>	<b>3.791.564</b>
EBIT (Segment result)	77.695	-1.383	5.044	4.111	85.467
Investments <sup>1</sup>	110.212	41.146	3.727	1.320	156.405
Amortization <sup>2</sup>	82.418	20.556	4.419	3.405	110.798
thereof impairment <sup>3</sup>	5	0	-1	0	4
Income taxes	-14.762	789	-499	-3.146	-17.618
Segment assets	2.857.545	1.298.238	421.854	-70.553	4.507.084
thereof Investments in associates	765	0	11.597	0	12.362
Segment liabilities	2.061.210	799.511	320.885	356.227	3.537.833

<sup>1</sup> Investments in property, plant and equipment and Intangible assets

<sup>2</sup> Without write-downs of financial assets

<sup>3</sup> Including reversals of impairments

## Segment reporting as per 12/31/2015 and 1-6 2015

€ thousand	Automotive	Steel/Tube	Distribution	Others/ Consolidation	BENTELER- group
Revenue from external customer	2.997.766	414.301	474.806	42.658	3.929.530
Intersegment revenue	12.983	97.859	12.716	-123.559	
<b>Total revenue</b>	<b>3.010.749</b>	<b>512.160</b>	<b>487.522</b>	<b>-80.901</b>	<b>3.929.530</b>
EBIT (Segment result)	58.716	13.694	-592	2.165	73.983
Investments <sup>1</sup>	79.126	123.425	11.414	5.071	219.036
Amortization <sup>2</sup>	86.768	20.005	4.292	3.406	114.471
thereof impairment <sup>3</sup>	667	9	1	0	677
Income taxes	-11.871	-3.403	501	934	-13.839
Segment assets	2.919.757	1.198.506	455.281	-152.991	4.420.553
thereof Investments in associates	915	0	11.697	0	12.612
Segment liabilities	2.195.121	685.741	360.238	190.457	3.431.557

<sup>1</sup> Investments in property, plant and equipment and Intangible assets

<sup>2</sup> Without write-downs of financial assets

<sup>3</sup> Including reversals of impairments

## Information referring to geographical regions:

Geographic Regions	Sales		Long-term assets	
	1-6 2016	1-6 2015	06/30/2016	06/30/2015
€ millions				
Austria	19	24	42	44
Other countries*	3.772	3.906	2.170	2.036
<b>Total Group</b>	<b>3.792</b>	<b>3.930</b>	<b>2.212</b>	<b>2.081</b>
* thereof in				
Germany	1.122	1.130	647	639
USA	588	659	707	600

Sales were attributed to the countries based on the location of the relevant company site. 20,7 % (previous year 21,0 %) of the sales and EUR 784 million (previous year EUR 826 million) and 12,7 % (previous year 12,0 %) of the sales and EUR 483 million (previous year EUR 472 million) refer to one single customer each. These sales refer to the segment Automotive.

## **17. Number of employees**

The BENTELER-Group employed an average number of 27.957 full-time equivalents worldwide (prior year: 27.769). Personnel expenses amount to EUR 731.606 thousand (prior year: EUR 734.457 thousand).

## **18. Related party transactions**

The Group's related parties according to IAS 24 are substantially the members of the Supervisory Board and the Shareholders' Committee, the members of the Benteler family, members of Group management and, as entities, the associates of the BENTELER-Group and entities controlled or significantly influenced by related parties.

The entities included in the consolidated financial statement of the BENTELER-Group have been engaged and/or continue to engage in corporate transactions with the related parties.

BENTELER Trading International GmbH was sold in the first half of the year to Casper BENTELER GmbH (see also Note 4). Mr. DI Casper Benteler (son of Hubertus Benteler) is managing director and owner of Casper BENTELER GmbH.

## **19. Subsequent events**

There were no events of significant importance subsequent the end of the reporting period that might have caused a material change of assets or liabilities as at June 30, 2016, or that would require disclosure.

## **20. Dividends**

A dividend of TEUR 15.000 thousand, equalling EUR 75 per share (200.000 shares) was distributed to the shareholders of BENTELER International Aktiengesellschaft.

Salzburg, September 7, 2016

The Executive Board

Hubertus Benteler

Boris Gleißner

Isabel Diaz Rohr