FINANCIAL YEAR 2015

HALF-YEARLY FINANCIAL REPORT 2015

CONTENT

SUMMARY OF THE **SECOND QUARTER OF THE 2015 FINANCIAL YEAR**

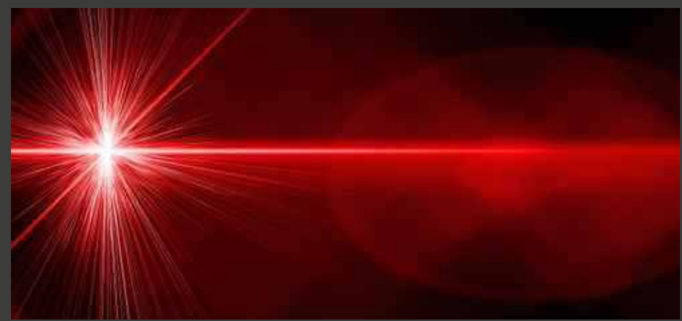
GREATER STANDARDISATION OF WORLDWIDE WEBSITE PRESENCE OF THE EDAG GROUP

Companies's websites have long been the most important instru-ments of commu-nication and information. In this context, after the integration of Rücker GmbH into the EDAG Group, all the websites of the non-domestic subsidiaries around the world have been adapted to the look and feel of the group's homepage. The focus is not just on the application of a standard corporate design, but also on the implementation of „story-telling", of publishing authentic reports from the EDAG world which provide insight into our range of services and the commitment of our employees to finding high-tech solutions.

In April the website of the Swedish subsidi-ary EDAG Engineering AB was put online. New websites for EDAG Brazil and China are currently under construction; by the end of the year, the worldwide update of the EDAG websites will be completed with the relaunch in Japan and Poland.

NEW LIGHT LABORATORY OPENS IN WOLFSBURG

The subject of light „in" and „on" the vehicle has taken on enormous significance in recent years, and is now an integral element of the vehicle development process. This has prompted EDAG to set up a light laboratory at the Wolfsburg site, which will allow developers not only to map light technology components virtually and to create prototypes, but also to conclusively test their operability in trials. „The opening of the light laboratory is a symbol of the way things at EDAG – and particularly here at the Wolfsburg site, where the new Technology and Development Centre is being built – are thriving and will continue to thrive in the future," said division manager Willi Schwarz at the opening ceremony in Wolfsburg on June 16, 2015.



FURTHER EXPANSION OF EDAG PS SITE NETWORK

Our subsidiary EDAG Production Solutions GmbH & Co. KG cele-brated the opening of its new site in Weingarten in May. This further increases the presence of EDAG PS in southern Germany A new competence centre for the development of forming tools for the automotive industry is to be created at the new site in Weingarten.

Right from the start, there will be more than 20 specialists available to handle our customers' - vehicle manufacturers and suppliers - technological tasks in the field of forming technology.

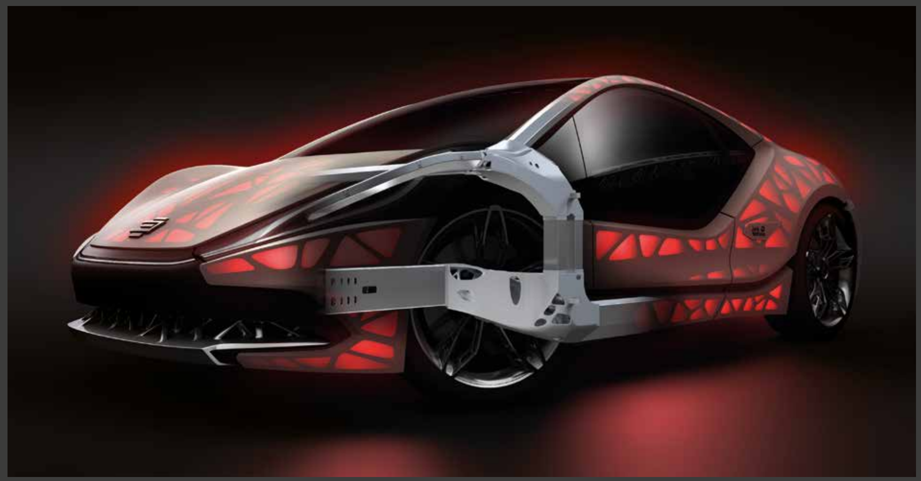
APRIL

MAY

SUMMARY OF THE **SECOND QUARTER OF THE 2015 FINANCIAL YEAR**

GIRLS DAY 2015
FIRST STEPS IN JUNIOR STAFF DEVELOPMENT

Training is an essential part of in-house junior staff development EDAG, too, is adapting to the drop in the number of school leavers, and is involved in programmes aimed at generating the interest of young people in the company and the technical career opportunities it offers. This year, over 200 schoolgirls accepted the invitation to attend Girls Day 2015 at the Fulda, Ingolstadt, Sindelfingen, Munich and Wolfsburg sites, where an informative programme combined with interactive tasks awaited them, to show them as clearly as possible something of the fascination of technical professions.



VISIT OF HESSE'S MINISTER TAREK AL-WAZIR
AT EDAG DEVELOPMENT SITE IN FULDA

On June 29, 2015, Tarek Al-Wazir, Hesse's Minister for Economy, Energy, Transport and Urban and Regional Development, visited the Fulda branch in recognition of EDAG's commitment to innovation and the development of sustainable mobility concepts.
Last year the company was voted Hessen Champion by the state government of Hesse, singling it out as the most innovative design engineering company in the automotive industry. The highlight of the visit of Minister Tarek Al-Wazir was the presentation of the company's latest concept car, the additively manufactured „EDAG Light Cocoon" which is based on a bionic concept.

During the press conference attended by numerous representatives of Hesse's local and economic press, EDAG's COO, Harald Poeschke, pointed out that for EDAG, the proactive development of innovative mobility concepts was a central element towards safeguarding the company's own future. „We can shape the future of our company by spotting opportunities at the right moment, on the verge of breakthrough, and in this way secure ourselves a global competitive edge. The future belongs to those who create it."

At the end of his 1 1/2-hour fact finding visit to EDAG, Tarek Al-Wazir was visibly impressed. „Companies like EDAG show that here in Hesse, we are very much to the fore when it comes to developing products of the future," commented the minister.

MAY

JUNE

KEY FIGURES AND EXPLANATIONS BY THE EDAG GROUP AS PER JUNE 30, 2015

in € million	01/01/2015 - 06/30/2015	01/01/2014 - 06/30/2014	+/- in %	04/01/2015 - 06/30/2015	04/01/2014 - 06/30/2014	+/- in %
Incoming orders	441.2	490.9	- 10.1	204.8	217.0	- 5.6
Total sales revenue and changes in inventories	355.3	332.6	6.8	180.6	167.8	7.6
EBIT [1]	32.6	28.6	14.2	16.9	17.6	- 3.7
EBIT margin [%]	9.2%	8.6%		9.4%	10.5%	
EBIT, adjusted	35.4	24.1	46.9	18.0	13.8	30.1
EBIT margin [%], adjusted	10.0%	7.2%		10.0%	8.2%	
Operating cash flow	- 0.1	2.4	x	- 11.6	- 6.0	95.0
Investing cash flow	- 7.6	- 42.3	x	- 7.8	- 3.9	98.5
Free cash flow (equity approach)	- 7.7	- 39.9	x	- 19.4	- 9.9	96.4
Gross investments	12.4	11.0	12.7	7.0	6.4	9.0

in € million	06/30/2015	12/31/2014	%
Orders on hand	371.2	310.8	19.4
Equity on reporting date	140.3	117.4	19.5
Statement of financial position total on reporting date	512.9	484.6	5.8
Equity ratio [%]	27.4%	24.2%	
Net financial debt on reporting date	133.9	121.7	10.0
Employees[2] on reporting date [number]	7.761	7.401	4.9

[1] *Earnings before interest and taxes*
[2] *Employees including apprentices*

The market environment of the EDAG Group during the current financial year has so far been positive. Across the group, the EDAG Group has generated new orders to the value of € 441.2 million, which is well above expectation for the current half year.

As of June 30, 2015, orders on hand amounted to € 371.2 million, compared to € 310.8 million as of December 31, 2014.

The sales revenues and changes in inventories for the first half year totalled € 355.3 million, which represents an increase of 6.8 percent compared to the same period in the previous year (€ 332.6 million). All three segments (Vehicle Engineering, Production Solutions and Electrics/Electronics) contributed to this growth.

The EBIT figure was € 32.6 million, compared to € 28.6 million in same period in 2014. Adjusted for the depreciation, amortisation and impairments from the purchase price allocations of the previous financial years and special effects due to company mergers and further restructuring expenses in connection with the fusion of EDAG and Rücker in 2014 that were recorded in the first half of 2015, the EBIT figure („adjusted EBIT") was € 35.4 million, which is equivalent to an adjusted EBIT margin of 10.0 percent (first half of 2014: 7.2 percent).

The EDAG Group continues to grow - on the reporting date, the company had 7,761 employees working to secure the success of the Group (12/31/2014: 7,401 employees).

In the last half year, gross investments in fixed assets amounted to € 12.4 million, which was above the level of the same period in the previous year (€ 11.0 million). The equity ratio on the reporting date was 27.4 percent.

At € 133.9 million, the net financial debt is well below the level recorded June 30, 2014 (€ 181.3 million) but above the level recorded on December 31, 2014 (€ 121.7 million). The reason for this is that working capital resulting from project stock (future receivables from construction contracts) is built up in the first half of the year.

INTERIM MANAGEMENT REPORT

1 Basic Information on the Group

1.1 Business Model

SEGMENTATION

Business is divided up into a number of segments: Vehicle Engineering, Production Solutions and Electrics/Electronics. Our main focus is on the automobile and commercial vehicle industries.

EDAG Engineering GmbH is one of the largest independent engineering partners to the automotive industry, and specialises in the development of vehicles, derivatives, modules and production facilities. Our special know-how is in complete vehicle development, and in the guidance and support of customers from the initial idea through to the finished prototype. In addition, BFFT, one of our subsidiaries, has specialised technical knowledge in the field of electrical and electronic development. EDAG Production Solutions offers particular expertise in the development of production facilities and their implementation.
Business is divided up into a number of segments: Vehicle Engineering, Production Solutions and Electrics/Electronics. The principle we work on is that of production-optimised solutions. This means that we always ensure that development results are in line with current production requirements.
Our main focus is on the automobile and commercial vehicle industries. A closely integrated global network of some 60 facilities ensures our customers of our local presence.
The EDAG Group belongs to ATON GmbH, an investment company focusing on the fields of engineering & plant construction, mining and medical technology. ATON invests in companies which are characterised by innovation and market leadership in their core competencies. One of the key aspects here is continual growth.

Presentation of the Vehicle Engineering Segment

VEHICLE ENGINEERING

In this segment, we offer all services relating to vehicle development.

The Vehicle Engineering segment covers services for the automobile development process and responsibility for derivatives and complete vehicles. The segment is divided into the following divisions:

In the Design Concepts department, we offer a full range of styling and design services, and in our design studios we are able to realise large model building volumes. Our Body Engineering department brings together all of our services such as package, body assembly as well as interior and exterior. This also includes the development of door systems. Our Vehicle Integration department is responsible for the complete functional integration and the vehicle validation. Extensive testing services are provided in our certified test laboratories. Calculation and simulation are likewise included in our range of services. Complete vehicle projects and large-scale interdisciplinary module packages, some of them calling for the involvement of our international subsidiaries, are managed by the Project Management division. The Product Reliability + Documentation department provides assistance with consulting and support for quality-related matters, as well as services which explain a product and enable it to be used effectively.

Presentation of the Production Solutions Segment

PRODUCTION SOLUTIONS

This segment handles the development and implementation of production processes.

As an all-round engineering partner, in the Production Solutions segment we accept responsibility for the development and implementation of production processes at 27 facilities around the world. In addition to handling the individual stages in the product creation process as well as all factory and production systems-related services, we are also able to optimally plan complete factories over all fields, including cross processes, and to provide the realisation from a single source. In the context of „Simultaneous Engineering", we favour an integrative approach, with the vehicle engineering, systems planning and production simulation departments all working together in order to design the optimum project interfaces.

In the systems engineering division, we offer integrated competence for everything from one-off solutions to turn-key systems for the complete body in white assembly. With our comprehensive know-how in design, simulation and automation in all of the regular systems, we are able to handle sophisticated development projects.

Our portfolio is also complemented with our process consulting and „Feynsinn" CAx development department. Here, IT-supported sequences and methods are developed, as are software for product design, development, production and marketing. Feynsinn also offers consulting, conceptual and realisation services in the field of visualisation technologies. Customised training opportunities complete the portfolio.

Presentation of the Electrics/Electronics Segment

ELECTRICS/ELECTRONICS

The integration of new E/E components and modules is the service offered by this segment.

The range of services in the „Electrics/Electronics" segment encompasses the following fields: driver assistance and safety systems, infotainment and connectivity, car IT, convenience and car body electronics, electrification, electrics/vehicle electrical system and electrics/electronics for the complete vehicle.

In the E/E Vehicle Engineering department, we take responsibility for all E/E services for complex and fully integrated development tasks as part of complete vehicle or derivative developments.

The E/E Systems Engineering team are powerful engineering partners for the vehicle manufacturers and their system suppliers, taking responsibility for work packages: from conception, specification and integration to the testing of innovative E/E systems in the vehicle.

The E/E Embedded Systems environment handles complex project volumes in hardware and software development, from the conceptual design, through production-ready development, to model set-up and commissioning of electronic control units for system suppliers and vehicle manufacturers.
EDAG E/E Car IT is the driving force behind the digital transformation in automobile software

development, and markets services and software developed in-house as products for the networked mobility industry. In addition, this expertise is also used for development and standardisation services and consulting in the field of networking. Customers are vehicle manufacturers, system suppliers and IT companies.

1.2 Targets and Strategies

The end customer's desire for individual mobility, greater comfort and being linked up to the world outside of the car are currently the most powerful driving forces in automotive development. Combined with this is a growing awareness of the need for environmentally friendly transport. It is hardly surprising, then, that these trends had a marked influence on the automotive market last year. Technological advances in the field of autonomous driving, the networking of vehicles and infotainment were as much in the public eye as new material technologies were.

In order to accommodate the increasing complexity of the car of the future and meet the high technological requirements placed on it and its development, EDAG has concentrated the special knowledge needed in four competence centres: „Lightweight Construction, Materials and Technologies", „Electric Mobility", „Interconnection / Car-IT" and „New Production Technology". All of EDAG's divisions use these as drivers for innovation, or as incubators.

For the automotive industry, outsourcing engineering services is an attractive means of reducing complexity and optimising resources. An increase in project scope can be expected in the future and, on account of its size, the company will profit greatly from this.

The term „Industry 4.0" stands for an issue that is of enormous importance to us. A catchphrase that was, for instance, at the focus of the last CEBIT. Industry 4.0 is the next stage of evolution in production technology. Robots, production equipment and logistics systems are linked together with the help of the Internet of Things, so that future production will be able to offer optimum resource allocation and extreme flexibility, in the sense of the intelligent factory. Products are becoming more and more intelligent, and know not only their own production processes but also possible adjustments to these procedures. This results in serious changes - not only for machine and plant construction. Existing automobile development and production processes will also change, as levels of integration in business and value adding processes between the involved parties become increasingly more pronounced. Both EDAG and EDAG Production Solutions have succeeded in generating know-how and extensive project experience in this forward-looking field over the last few years. Work in both self-regulating factory processes with intelligent objects and in the implications for the development processes (Development 4.0) is intense.

We systematically pursue the following strategic targets:

- Further strengthening our market position
- Offering best-cost services
- Expanding and developing international facilities
- Further improving our productivity
- Further increasing profitability
- Maintaining and further building critical scale for large and complex projects
- Pursuing external growth by way of strategic acquisitions
- Focusing on Innovation
- Strategic expansion of our E/E Division
- Fostering our attractiveness as employer
- Maintaining operating flexibility

FORECAST MACROECONOMIC DATA

Global economic growth: 3.3 percent
Euro area growth: 1.5 percent
German growth: 1.6 percent

2 Financial Report

2.1 Macroeconomic and Industry-Specific Conditions

Basic Conditions and Overall Economic Development

In July, the International Monetary Fund (IMF) slightly reduced its forecast for global economic growth 2015. While in April worldwide growth of 3.5 percent was forecast, a growth rate of 3.3 percent is now expected. The main reason is a temporary slowdown in the US economy. The IMF also sees further risks in the Greek debt crisis and a slowdown of economic activity in China.

In the eurozone, the IMF continues to anticipate a growth rate of 1.5 percent, and of 1.6 percent in Germany. The forecast for China remains unchanged (6.8 percent), despite the recent volatility on the Chinese stock market. The Japanese economy is expected to increase by only 0.8 percent, instead of 1.0 percent.

A 1.5 percent downturn in economic activities is expected for Brazil, and 3.4 percent for Russia.

The IMF sees risks in the geopolitical situation in the Ukraine, the Middle East and Africa.
The growth rate for 2016 is nevertheless expected to increase to 3.8 percent.

The moderate growth will continue, with an improvement of the situation in economically advanced countries, while there will be a slowdown of activities in the emerging markets and developing countries.

Automotive Industry Development

The first half of 2015 saw a significant upswing in the the automotive market in the EU.
Vehicle registrations rose to a total of 7.4 million - about 8 percent more than in the same period in the previous year. The European market for new vehicles is looking good and continues to grow, borne along by a low interest rate, discounts, a fall in unemployment and increased consumer spending. In the first half of 2015, 1.6 million vehicles were registered, which is equivalent to an increase of 5 percent. In the USA, too, 4 percent (8.5 million) more vehicles were sold in the first half of 2015. In China, the world's largest automobile market, 9.5 million vehicles were registered: approximately 7 percent more than in the same period in the previous year.

On the other hand, sales fell in Japan (-12 percent), Brazil (-20 percent) and Russia (-36 percent). Overall, a further increase in registrations is anticipated worldwide. The prospects for growth have, however, taken a slight turn for the worse.

Development of the Engineering Service Market

Driven by signals from the automobile markets, the overall impression on the market for engineering services is positive. The volume of engineering services externally awarded by the automotive OEMs remains high, tying in with the development of the previous quarter. The trend towards outsourcing large development packages continues.

In terms of costs, we continue to face appreciable competitive pressure.

Engineering market developments over the last six months show that reorganisation of the group was the right thing to do. A reorganisation that enabled us to respond more effectively to the needs of the market.

ENGINEERING MARKET DATA

The trend towards outsourcing large development packages continued.

DATA ON THE RESULTS OF THE EDAG GROUP FOR THE FIRST HALF YEAR

Incoming orders: € 441.2 million
Total operating performance: € 355.3 million
ADJUSTED EBIT: € 32.6 MILLION

EDAG GROUP EMPLOYMENT DATA

Workforce
as of June 30, 2015: 7,761 employees

2.2 Financial performance, cash flows and financial position of the EDAG Group

Financial Performance

In the last half year, incoming orders amounted to € 441.2 million (first half of 2014: € 491 million).
At € 355.3 million, the sales revenues and changes in inventories was increased by € 22.7 million or 6.8 percent compared to the same period in the previous year (€ 332.6 million).

Compared to the same period in the previous year, the EBIT increased by € 4.1 million to € 32.6 million (first half of 2014: € 28.6 million). This means that an EBIT margin of 9.2 percent was achieved (first half of 2014: 8.6 percent). Adjusted for the depreciation, amortisation and impairments from the purchase price allocations of the previous financial years and special effects due to company mergers and further restructuring expenses in connection with the fusion of EDAG and Rücker in 2014 that were recorded in the first half of 2015, the EBIT figure was € 35.4 million, which is equivalent to an adjusted EBIT margin of 10.0 percent (first half of 2014: 7.2 percent).

The materials expenses decreased by 3.9 percent to € 47.9 million. The materials expenses ratio was 13.5 percent (first half of 2014: 15.0 percent).

The EDAG Group's personnel expenses increased by € 10.3 million or 4.8 percent to € 223.4 million compared to the same period in the previous year. The ratio of personnel expenses in relation to sales revenues and changes in inventories, which stood at 62.9 percent, fell compared with the same period in the previous year (64.1 percent), which is attributable to further efficiency gains. The reporting date headcount (employees including trainees) on June 30, 2015 was 7,761 employees (12/31/2014: 7,401 employees).

Depreciation, amortisation and impairments totalled € 11.8 million (first half of 2014: € 12.2 million). The ratio for other expenses in relation to sales revenues and changes in inventories was 13.9 percent and thus slightly below last year's level (14.2 percent).

The financial result for the first half of 2015 was € -3.6 million, (first half of 2014: € -5.8 million), an improvement of € 2.2 million compared to the same period in the previous year. One important effect were lower interest charges due to a partial repayment of the loan from ATON Group Finance GmbH towards the end of the 2014 financial year, and to higher interest income. With tax expenses amounting to € 8.7 million in the 2015 reporting period, the tax ratio recorded is equivalent to 29.9 percent.

Development of the „Vehicle Engineering" Segment
Incoming orders amounted to € 271.9 in the first half of 2015, a drop of € -14.0 million compared to the outstanding value for the same period in the previous year (first half of 2014: € 285.9 million). The sales revenues and changes in inventories were increased by € 18.8 million (9.0 percent) to € 225.6 million (first half of 2014: € 206.8 million). All in all, an EBIT of € 20.9 million was achieved for the Vehicle Engineering segment in 2015 (first half of 2014: € 13.4 million), and an adjusted EBIT of € 23.5 million (first half of 2014: € 16.0 million),. This allowed the EBIT margin to be increased disproportionately to the sales revenues and changes in inventories, to 9.3 percent. The adjusted EBIT margin amounts to 10.4 percent (first half of 2014: 7.8 percent). The reason for the positive development are the synergies generated by the integration of Rücker.

Development of the „Production Solutions" Segment
In this segment, incoming orders amounted to € 72.2 million, the same level as in the same period in the previous year (first half of 2014: € 71.8 million). Sales revenues and changes in inventories increased significantly by € 10.4 million (21.8 percent) to € 58.2 million (first half of 2014: € 47.8 million). Overall, an EBIT of € 6.7 million (first half of 2014: € 5.4 million) was generated for the Production Solutions segment in 2015. This enabled EBIT growth to keep pace with the overall increase in sales revenues and changes in inventories. At 11.6 percent, the adjusted EBIT margin is slightly higher than the previous year's level (first half of 2014: 11.4 percent).

Development of the „Electrics/Electronics" Segment
Incoming orders increased by € 10.3 million amounting € 112.3 million for the first half of 2015 compared to the same period in the previous year (first half of 2014: € 102.0 million). Sales revenues and changes in inventories reached a value of € 76.6 million (first half of 2014: € 52.1 million), which represents an increase of € 24.5 million (47.2 percent). In the EBIT, the Electrics/Electronics division increased from € 0.2 million (0.4 percent) in the six months in 2014 to € 4.6 million (6.0 percent) in 2015. The adjusted EBIT margin amounts to 7.0 percent (first half of 2014: 2.0 percent). This means that, compared to the same period in the previous year, the segment made a far more positive contribution to the Group's success. The significant increase in earnings in the E/E segment, compared to the previous quarter, was brought about by a change in structure in the procurement practice of a major customer. The last 12 months brought about the change from engineering service provider to a partner with responsibility for modules and derivatives. Because of this, special expenses were incurred during the first half of 2014 due to under-utilisation and the postponement of orders; however these were made up for in the course of the year.

VEHICLE ENGINEERING DATA

Total operating performance, first half:
€ 271.9 million
EBIT first half: € 9.3 million

PRODUCTION SOLUTIONS DATA

Total operating performance, first half:
€ 72.2 million
EBIT first half: € 6.7 million

ELECTRICS / ELECTRONICS DATA

Total operating performance, first half:
€ 76.6 million
EBIT first half: € 4.6 million

DATA ON THE FINANCIAL POSITION OF THE EDAG GROUP

Statement of financial position total compared to December 31, 2014: € 512.9 million (+ 5.9 percent)

Equity: € 140.3 million

Cash Flows and Financial Position

Compared to December 31, 2014, the EDAG Group's statement of financial position total increased by € 28.4 million or 5.9 percent to € 512.9 million. The reduction of current accounts receivable (€ 58.3 million) are balanced by an increase in future receivables from construction contracts in the amount of € 69.0 million and cash and cash equivalents in the amount of € 16.5 million.

On the equity, liabilities and provisions side, equity increased due to the net income totalling € 20.3 million and the valuation of pension benefits due to the increase in interest rates (€ 1.6 million). Overall, equity increased to € 140.3 million (12/31/2014: € 117.4 million), and the quota is now approximately 27.4 percent (12/31/2014: 24.2 percent).
The future liabilities from construction contracts fell by € 18.6 million, compared to December 31, 2014. However, this was compensated by an increase in current financial liabilities amounting to € 26.4 million. Essentially, the loans to VKE Versorgungskasse EDAG-Firmengruppe e.V. have been increased here.

In the first half of 2015, the operating cash flow was € -0.1 million (first half of 2014: € 2.4 million). Despite the improvement in the results compared with the same period in the previous year, an increased working capital inventory resulting from an increase in future receivables from construction contracts had a negative effect on the operating cash flow.
At € 12.4 million, investments in intangible assets, plant and equipment in the reporting year were about € 1.4 million above the previous year's levels (€ 11.0 million). Deposits from disposals of tangible fixed assets totalling € 5.8 million resulted from receipt of payment for a building sold in the previous year.

The executive board regards the overall economic situation of the EDAG Group overall as good.

2.3 Personnel Management and Development

As an internationally active design engineering company for the automotive industry, the EDAG Group is shaped by its employees who bring their specific qualifications to bear in a wide variety of positions in more than 50 divisions. On June 30, 2015 the EDAG Group employed a workforce of 7,761 employees (12/31/2014: 7,401 employees).

In the reporting period, personnel expenses amounted to € 223.4 million (first half of 2014: € 213.1 million).

3 Subsequent Events

No important events took place after the reporting period.

4 Forecast, Risk and Reward Report

There were no significant changes during the reporting period to the risks and rewards described in the Annual Report for 2014. For a more detailed representation of the Risk and Reward Report, please see the Annual Report for 2014.

Assuming favourable economic conditions - that the economy will continue to grow - the EDAG Group predicts a moderate increase in their sales revenues and changes in inventories and adjusted EBIT for this fiscal year. This growth in sales revenues and changes in inventories is expected across all segments. At segment level, the Executive Board anticipates stronger growth than in the engineering market as a whole. Due to the good earnings situation, we also expect a positive development of our financial situation in the future. In this respect, there were no significant changes during the reporting period to the forecast described in the Annual Report for 2014.

5 Disclaimer

The management report contains future-based statements related to anticipated developments. These statements are based on current projections, which by their nature include risks and uncertainties. Actual results may differ from the statements provided here.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 Consolidated Statement of Comprehensive Income

in € thousand	01/01/2015 - 06/30/2015	01/01/2014 - 06/30/2014	04/01/2015 - 06/30/2015	04/01/2014 - 06/30/2014
Profit or Loss				
Continuing Operations				
Sales revenues and changes in inventories	355,330	332,603	180,606	167,816
Sales revenues	355,184	341,786	180,919	177,860
Changes in inventories	146	- 9,183	- 313	- 10,044
Other income	9,815	18,362	5,207	11,508
Material expenses	- 47,852	- 49,799	- 24,846	- 25,579
Gross Profit	**317,293**	**301,166**	**160,967**	**153,745**
Personnel Expenses	- 223,356	- 213,109	- 112,848	- 106,210
Depreciation, amortisation and impairment	- 11,824	- 12,174	- 6,214	- 6,285
Other expenses	- 49,479	- 47,306	- 25,009	- 23,700
Earnings before interest and taxes (EBIT)	**32,634**	**28,577**	**16,896**	**17,550**
Reconciliation to adjusted earnings before interest and taxes (adjusted EBIT):				
Earnings before interest and taxes (EBIT)	**32,634**	**28,577**	**16,896**	**17,550**
Adjustments:				
Expenses (+) from purchase price allocation	3,385	3,483	1,680	1,738
Income (-) / Expenses (+) from deconsolidations	-	- 11,986	-	- 8,169
Income (-) from the reversal of provisions	- 2,154	-	- 2,154	-
Income (-) / Expenses (+) from initial consolidations	-	30	-	30
Expenses (+) from additional selling costs from M & A transactions	70	518	70	305
Expenses (+) from restructuring	1,410	3,485	1,410	2,365
Expenses (+) from the sale of real estate	70	-	70	-
Adjusted earnings before interest and taxes (adjusted EBIT)	**35,415**	**24,107**	**17,972**	**13,819**
Earnings before interest and taxes (EBIT)	**32,634**	**28,577**	**16,896**	**17,550**
Result from investments accounted for using the equity method	527	-	160	-
Financial income	1,284	355	675	174
Financing expenses	- 5,440	- 6,166	- 2,953	- 3,159
Financial result	**- 3,629**	**- 5,811**	**- 2,118**	**- 2,985**
Earnings before taxes from continuing operations	**29,005**	**22,766**	**14,778**	**14,565**
Income Taxes	- 8,664	- 5,530	- 4,414	- 3,538
Earnings after taxes from continuing operations	**20,341**	**17,236**	**10,364**	**11,027**
Discontinued operations				
Earnings after taxes from discontinued operations	**-**	**1,550**	**-**	**1,550**
Profit or Loss	**20,341**	**18,786**	**10,364**	**12,577**

in € thousand	01/01/2015 - 06/30/2015	01/01/2014 - 06/30/2014	04/01/2015 - 06/30/2015	04/01/2014 - 06/30/2014
Profit or Loss	20,341	18,786	10,364	12,577
Other Comprehensive Income				
Reclassifiable profits/losses				
Currency conversion difference				
Profits/Losses included in equity from currency conversion difference	559	329	- 223	119
Reclassified in profits/losses	-	- 1	-	- 1
Total reclassifiable profits/losses	**559**	**328**	**- 223**	**118**
Not reclassifiable profits/losses				
Revaluation of net obligation from defined benefit plans				
Revaluation of net obligation from defined benefit plans before taxes	2,208	- 4,510	6,419	- 2,279
Deferred taxes on defined benefit commitments and similar obligations	- 663	1,343	- 1,927	679
Income and expenses included in equity from shares accounted for using the equity method after taxes	25	-	25	-
Total not reclassifiable profits/losses	**1,570**	**- 3,167**	**4,517**	**- 1,600**
Total other comprehensive income before taxes	2,792	- 4,182	6,221	- 2,161
Total deferred taxes on the other comprehensive income	- 663	1,343	- 1,927	679
Total other comprehensive income	**2,129**	**- 2,839**	**4,294**	**- 1,482**
Total comprehensive income	**22,470**	**15,947**	**14,658**	**11,095**
From the profit or loss attributable to:				
Shareholders of the parent company	20,317	18,851	10,351	12,566
Minority shares (non-controlling interest)	24	- 65	13	11
Of the total comprehensive income attributable to:				
Shareholders of the parent company	22,446	16,012	14,645	11,084
Non-controlling interests	24	- 65	13	11

2 Consolidated Statement of Financial Position

in € thousand	06/30/2015	12/31/2014
Assets		
Intangible Assets	109,069	109,864
Property, Plant and Equipment	58,322	55,608
Financial assets	158	171
Investments accounted for using the equity method	16,072	15,519
Non-current accounts receivable and other receivables	1,342	1,350
Deferred tax assets	521	681
TOTAL non-current assets	**185,484**	**183,193**
Inventories	7,146	6,884
Future receivables from construction contracts	119,344	50,373
Current accounts receivable and other receivables	138,832	197,084
Other financial assets	102	92
Income tax assets	5,281	6,679
Cash and cash-equivalents	55,981	39,502
Assets held for sale / discontinued operations	750	750
TOTAL current assets	**327,436**	**301,364**
TOTAL assets	**512,920**	**484,557**

in € thousand	06/30/2015	12/31/2014
Equity, liabilities and provisions		
Subscribed capital	20.000	20.000
Capital reserves	41.120	40.746
Retained earnings	88.073	67.756
Reserves from profits and losses recognized directly in equity	- 8.022	- 9.592
Currency conversion difference	- 1.010	- 1.568
Equity attributable to shareholders of the parent company	**140.161**	**117.342**
Non-controlling interests	93	69
TOTAL equity	**140.254**	**117.411**
Provisions for pensions and similar obligations	21.162	22.358
Other non-current provisions	4.827	5.004
Non-current financial liabilities	161.329	162.003
Non-current accounts payable and other liabilities	220	151
Non-current income tax liabilities	1.460	1.460
Deferred tax liabilities	12.568	10.155
TOTAL non-current liabilities and provisions	**201.566**	**201.131**
Current provisions	8.344	12.767
Current financial liabilities	31.233	4.858
Future liabilities from construction contracts	42.996	61.618
Current accounts payable and other liabilities	74.153	73.082
Income tax liabilities	14.374	13.690
TOTAL current liabilities and provisions	**171.100**	**166.015**
TOTAL equity, liabilities and provisions	**512.920**	**484.557**

3 Consolidated Cash Flow Statement

in € thousand	01/01/2015 - 06/30/2015	01/01/2014 - 06/30/2014
Earnings after taxes from continuing operations	**20,341**	**17,236**
Earnings after tax from discontinued operations	**-**	**1,550**
+ Income tax expenses	8,664	6,195
– Income taxes paid/received	- 4,645	- 8,832
+ Financial result	3,630	5,811
+ Interest received	340	355
+/– Depreciation and amortisation/Write-ups on tangible and intangible assets	11,824	12,174
+/– Other non-cash expenses/income	1,731	- 15,824
+/– Increase/Decrease in non-current provisions	- 1,550	5,434
–/+ Profit/Loss on the disposal of fixed assets	- 171	2
–/+ Increase/Decrease in inventories	- 245	7,531
–/+ Increase / Decrease in future receivables from construction contracts, receivables and other assets that are not attributable to investing or financing activities	- 17,006	- 21,357
+/– Increase/Decrease in current provisions	- 4,765	- 4,056
+/– Increase/Decrease in accounts payables and other liabilities and provisions that are not attributable to investing or financing activities	- 18,212	- 3,858
= Cash inflow / outflow from operating activities / operating cash flow	**- 64**	**2,361**
+ Deposits from disposals of tangible fixed assets	5,758	435
– Payments for investments in tangible fixed assets	- 9,111	- 7,796
+ Deposits from disposals of intangible assets	174	26
– Payments for investments in intangible fixed assets	- 3,277	- 3,199
+ Deposits from disposals of financial assets	19	- 891
– Payments for investments in financial assets	- 7	- 30
+ Deposits from disposals in shares of fully consolidated companies/divisions	-	9,167
– Payments for investments in shares of fully consolidated companies / divisions / business combinations	- 1,161	- 39,995
= Cash inflow / outflow from investing activities / investing cash flow	**- 7,605**	**- 42,283**

in € thousand	01/01/2015 - 06/30/2015	01/01/2014 - 06/30/2014
- Interest paid	- 369	- 633
+ Borrowing of financial liabilities	21,270	175
- Repayment of financial liabilities	-	- 17,881
- Repayment of leasing liabilities	- 11	- 233
+/- Repayment/Investment in financial receivables	2,958	16,818
= Cash inflow / outflow from financing activities / financing cash flow	**23,848**	**- 1,754**
Zahlungswirksame Veränderungen des Finanzmittelbestands	**16,179**	**- 41,676**
-/+ Wechselkursbedingte und sonstige Wertänderungen des Finanzmittelbestands	300	219
+ Finanzmittelbestand am Anfang der Periode	39,502	69,902
= Finanzmittelbestand am Ende der Periode	**55,981**	**28,445**
= Free Cash Flow (FCF) - Equity Approach	**- 7,669**	**- 39,922**

4 Consolidated Statement of Changes in Equity

in € thousand	Subscribed capital	Capital reserves	Retained earnings		Currency conversion	Revaluation from pension plans	Securities available for sale	Shares in invest-ments accounted for using the equity method	Total equity attributable to majority shareholders	NCI	Total equity
			Legal reserves	Other retained earnings							
As per 01/01/2015	**20,000**	**40,746**	**2,000**	**65,756**	**- 1,568**	**- 9,554**	**1**	**- 39**	**117,342**	**69**	**117,411**
Profit or Loss	-	-	-	20,317	-	-	-	-	20,317	24	20,341
Other comprehensive income	-	-	-	-	559	1,545	-	25	2,129	-	2,129
Total comprehensive income	**-**	**-**	**-**	**20,317**	**559**	**1,545**	**-**	**25**	**22,446**	**24**	**22,470**
Share-based payment	-	373	-	-	-	-	-	-	373	-	373
As per 06/30/2015	**20,000**	**41,119**	**2,000**	**86,073**	**- 1,009**	**- 8,009**	**1**	**- 14**	**140,161**	**93**	**140,254**

in € thousand	Subscribed capital	Capital reserves	Retained earnings		Currency conversion	Revaluation from pension plans	Securities available for sale	Shares in invest-ments accounted for using the equity method	Total equity attributable to majority shareholders	NCI	Total equity
			Legal reserves	Other retained earnings							
Date of initial application 01/01/2014	**50**	**40,000**	**5**	**67,834**	**- 2,059**	**- 3,187**	**126**	**-**	**102,769**	**153**	**102,922**
Contribution EDAG GmbH & Co.KGaA	19,950	-	-	- 59,950	-	-	-	-	- 40,000	-	- 40,000
As per 01/01/2014	**20,000**	**40,000**	**5**	**7,884**	**- 2,059**	**- 3,187**	**126**	**-**	**62,769**	**153**	**62,922**
Profit or Loss	-	-	-	18,851	-	-	-	-	18,851	- 65	18,786
Other comprehensive income	-	-	-	-	328	- 3,167	-	-	- 2,839	-	- 2,839
Total comprehensive income	**-**	**-**	**-**	**18,851**	**328**	**- 3,167**	**-**	**-**	**16,012**	**- 65**	**15,947**
Disposals of consolidated companies	-	-	-	-	-	-	-	-	-	-	-
As per 06/30/2014	**20,000**	**40,000**	**5**	**26,735**	**- 1,731**	**- 6,354**	**126**	**-**	**78,781**	**77**	**78,858**

5 Notes

5.1 General Information

The EDAG Group is an expert in developing of vehicles, derivatives, modules and production facilities, specialising in complete vehicle development. As one of the largest independent engineering partners for the automotive industry, we regard mobility not only as a product characteristic, but rather as a fully integrated purpose.

By a resolution approved at the annual general meeting on March 05, 2015 and registration under German commercial law on March 18, 2015, EDAG Engineering AG was changed from a joint stock company to a company with limited liability, in accordance with § 190 Section 1 of the German Reorganisation of Companies Act (UmwG). The company is now called EDAG Engineering GmbH, Wiesbaden.

The parent company of the EDAG Group is EDAG Engineering GmbH („EDAG GmbH"), a company with limited liability registered in the Federal Republic of Germany. The headquarters of the company are at: Kreuzberger Ring 40, 65205 Wiesbaden. EDAG GmbH a wholly owned subsidiary of EDAG Engineering Holding GmbH, Munich, which in turn is a wholly owned subsidiary of ATON GmbH, Munich. ATON GmbH is therefore the ultimate parent company in the Group and obliged to prepare a consolidated financial statement.

The financial statements of the companies included in the consolidated financial statement have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the European Union as of the financial reporting date of EDAG GmbH (June 30).

The consolidated interim report has been prepared using the euro as the reporting currency. If not otherwise stated, all amounts are stated in thousands of euros. Where percentage values and figures are given, differences may occur due to rounding.

In accordance with IAS 1, the statement of financial position is divided into non-current and current assets, liabilities and provisions. Assets and liabilities are classified as current if they are expected to be sold or settled respectively within a year or within the company's or group's normal operating cycle. In compliance with IAS 12, deferred taxes are posted as non-current assets and liabilities. Likewise, pension provisions are also posted as non-current items.

The statement of comprehensive income is structured according to the nature of expense method.

5.2 Basic Principles and Methods

Basic Accounting Principles

The consolidated financial statement of EDAG GmbH and its subsidiaries for December 31, 2014 has been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), as they are to be applied pursuant to Directive No. 1606/2002 of the European Parliament and Council regarding the application of international accounting standards in the EU. In addition to the International Financial Reporting Standards, the term IFRS also includes the still valid International Accounting Standards (IAS), the Interpretations of the International Financial Reporting Committee (IFRIC) and those of the former Standing Interpretations Committee (SIC). Accordingly, these consolidated interim financial statements for the six months ending June 30, 2015 have been prepared in accordance with IAS 34, and the scope of the report has been reduced, making it shorter than the consolidated financial statements. The requirements of all accounting standards and interpretations resolved as of June 30, 2015 and adopted in national law by the European Commission and the additional requirements of German commercial law pursuant to § 315a Sect. 3 HGB [German Commercial Code] have been fulfilled.

In addition to the statement of financial position, the statement of comprehensive income (including profit or loss), the IFRS consolidated financial statement also includes additional components, namely the statement of changes in equity, the cash flow statement and the notes. The separate report on the risks of future development (risk management report in accordance with § 315 section 1 HGB) is included in the intermediate group management report.

This consolidated half-year financial statements have not been subjected to a review by a person qualified to audit financial statements, nor to an audit in accordance with § 317 HGB (German Commercial Code).

Accounting and Valuation Principles

EDAG has applied all accounting standards adopted by the EU and legally required to be applied since January 1, 2015.
Since January 1, 2015, various regulations have come into force in line with the Annual Improvement Project 2013 to improve the International Financial Reporting Standards. These include changes to IFRS 1, IFRS 3, IFRS 13 and IAS 40, and do not materially influence the financial performance, cash flows and financial position in the EDAG Group's consolidated half-year financial statements.

In addition, IFRIC 21 is required to be applied since January 1, 2015. IFRIC 21 governs the accounting of levies not covered by IAS 12 „Income Taxes". In particular, it clarifies the circumstances under which a liability to pay a levy has to be recognized. This interpretation likewise does not have any material effect on the financial performance, cash flows and financial position of the EDAG Group.

For these consolidated half-year financial statements, a discount rate of 2.4 percent has been used for domestic pension provisions (12/31/2014: 2.0 percent). The increase in the interest rate led to a reduction in the pension provisions, to the applicable deferred taxes, and to the actuarial losses related to pension provisions recorded in equity in the retained earnings.

On January 22, 2015, a control and profit and loss transfer agreement as per § 291, section 1, AktG [Stock Corporations Act] was concluded between EDAG Engineering Holding GmbH, Munich, and EDAG Engineering GmbH, Wiesbaden. The registration in the Commercial Register was made on February 9, 2015. Insofar, the relationship between the two companies is that of a consolidated tax group for income tax purposes. A proportionate transfer of profit and loss according to the German Code of Commercial Law (HGB) was not posted, as, due to the differences between the HGB and IFRS accounting principles, the HGB result owing to the controlling company was insignificant, so accordingly no liability is shown. The actual income tax expense/income is always disclosed on level of the controlling company. This controlling company is not included in the scope of consolidation. In accordance with the objective of financial statements set out in F.12 et seq., IAS 1.9 and IAS 8.10 et seq., reference to IAS 34.30 was considered appropriate when determining income tax expense for the half-year reporting period. Accordingly, the weighted average expected annual tax rate was used – on the assumption that no consolidated tax group for income tax purposes exists.

Restructuring measures in the amount of € 1,410 thousand were carried out in the first half of 2015. A reversal in the amount of € 1,163 thousand was carried out for provisions for restructuring measures created the year before. These effects are shown in the adjusted operating profit (adjusted EBIT).

The book value of investments in Zweite FOM Objekt GmbH & Co. KG accounted for using the equity method is still € 0 thousand. The estimated proportionate current result of € 33 thousand in the first half of 2015 was not recognised, so that the amount of € 7,739 thousand (12/31/2014: € 7,772 thousand) is carried over as unrecognised negative profit.

Otherwise, the same accounting and valuation methods and consolidation principles used in the 2014 consolidated financial statements were applied when preparing the consolidated half-year financial statements and determining comparative figures for the previous year. A detailed description of these methods has been published in the Notes to the Consolidated Financial Statement in the 2014 Annual Report.

Presentation of the consolidated half-year report in accordance with IFRS requires qualified estimates for several balance sheet items which have an effect on the basis and valuation in the balance sheet and statement of recognised income and expense. The amounts that are actually realised can deviate from these estimates. Such estimates relate to ascertaining the useful life of the property, plant and equipment or intangible assets that are subject to wear and tear, the measurement of provisions, the valuation of investments and other assets or liabilities. Although adequate account is taken of existing uncertainties during valuation, actual results can still deviate from the estimates.

Irregular expenses incurred during the financial year are reported in cases where reporting would also be effected at the end of the financial year.

EDAG's operating activities are not subject to any significant seasonal influences.

5.3 Changes in the Scope of Consolidation

Rücker Gesellschaft m.b.H., Grambach, Austria was liquidated on February 28, 2015.

On March 26, 2015 BFFT Italia S.R.L, Bologna, Italy, was founded and included in the scope of consolidation for the first time on March 31, 2015.

EDAG Testing Solutions GmbH was merged with EDAG Engineering GmbH, Wiesbaden with retrospective effect from January 1, 2015.

EDAG Immobilien spol. s r.o., Mladá Boleslav, Czech Republic, was merged with EDAG Engineering CZ spol. s r.o., Mladá Boleslav, Czech Republic with retrospective effect from January 1, 2015.

With the sales agreement of April 2, 2015 and with effect from April 30, 2015 the operative business of iSILOG GmbH, Baden-Baden was acquired. The acquisition was effected in such a way that, in the process of the transfer, EDAG Production Solutions GmbH & Co. KG acquired certain individual assets and took over the employees necessary and useful for carrying on the business. The acquisition costs amounted to € 1,400 thousand. The actual cash outflow amounted to € 1,161 thousand.

The following table sets out the assets and liabilities identified for the acquisition of the company and assumed at the time of acquisition.

in € thousand	Historical book values (IFRS)	Adjustments to fair values	Fair values at time of acquisition
Intangible Assets	196	873	1,069
Property, plant and equipment	24	-	24
Financial assets	-	-	-
Non-current accounts receivable and other non-current receivables	-	-	-
Other non-current assets	-	-	-
Non-current assets	**219**	**873**	**1,093**
Inventories	-	-	-
Accounts receivable and other receivables	19	-	19
Other current assets	-	-	-
Cash and cash-equivalents	-	-	-
Current assets	**19**	**-**	**19**
TOTAL assets	**239**	**873**	**1,112**
Provisions	3	-	3
Financial liabilities	-	-	-
Trade payables	50	-	50
Other current liabilities	40	-	40
Deferred tax liabilities	-	-	-
TOTAL liabilities and provisions	**93**	**-**	**93**
Acquired net assets	**145**	**873**	**1,019**

The following table gives an overview of the PPAs (Purchase Price Allocations) of the acquisition of iSILOG GmbH:

in € thousand	First half of 2015
Attributable fair value of the purchase price for net assets	**1,354**
Net assets at book values	145
Difference	**1,209**
Adjustment to fair values	
Software	873
Remaining goodwill	**336**

Synergies from the asset-deal with iSILOG GmbH result from the experience and expertise of the employees in the field of process and distribution logistics. Of the remaining goodwill, € 323 thousand is tax-deductible. Subsequent changes of the acquisition costs may occure due to variable purchase price payments dependent on future revenue and profit as well as transition of employment contracts and customer relations. These contingent purchase price payments have been accrued with its expected discounted amount of € 193 thousands. The amount may vary from € 0 thousand up to € 200 thousand. The income and profit or loss from the acquisition of the business since the acquisition date cannot be shown here, as the business has been completely integrated into the Production Solutions segment, i.e. into the legal entity EDAG Production Solutions GmbH & Co. KG".

In the period January 01, 2015 to June 30, 2015, the the group of combined or consolidated companies developed as follows:

	Domestic	Non-domestic	Total
Fully consolidated subsidiaries			
Included as of 12/31/2014	10	28	38
Included for the first time in current financial year		1	1
Withdrawn in current financial year	1	2	3
Included as of 06/30/2015	9	27	36
Companies accounted for using the equity method			
Included as of 12/31/2014	3	-	3
Included for the first time in current financial year	-	-	-
Withdrawn in current financial year	-	-	-
Included as of 06/30/2015	3	-	3
Companies included at acquisition cost			
Included as of 12/31/2014	2	2	4
Included for the first time in current financial year	-	-	-
Withdrawn in current financial year	-	2	2
Included as of 06/30/2015	2	-	2

5.4 Currency conversion

Currency conversion in the consolidated interim report was based on the following exchange rates:

Country	Currency 1 EUR = Nat. currency	06/30/2015		06/30/2014	
		Period-end exchange rate	Ø exchange rate	Period-end exchange rate	Ø exchange rate
Great Britain	GBP	0.7114	0.7322	0.8015	0.8214
Brazil	BRL	3.4699	3.3068	3.0002	3.1343
USA	USD	1.1189	1.1155	1.3658	1.3705
Malaysia	MYR	4.2185	4.0598	4.3856	4.4781
Hungary	HUF	314.9300	307.4110	309.3000	307.0369
India	INR	71.1873	70.1016	82.2023	83.3047
China	CNY	6.9366	6.9392	8.4722	8.4519
Mexico	MXN	17.5332	16.8812	17.7124	17.9790
Czech Republic	CZK	27.2530	27.5022	27.4530	27.4434
Switzerland	CHF	1.0413	1.0565	1.2156	1.2213
Poland	PLN	4.1911	4.1396	4.1568	4.1762
Romania	RON	4.4725	4.4477	4.3830	4.4643
Russia	RUB	62.3550	64.5890	46.3779	48.0345
Sweden	SEK	9.2150	9.3409	9.1762	8.9546
Japan	JPY	137.0100	134.1389	138.4400	140.4005
South Korea	KRW	1,251.2700	1,226.7011	1,382.0400	1,438.5453

5.5 Reconciliation of the Adjusted Operating Profit (adjusted EBIT)

Among the adjustments, initial and deconsolidation income, restructuring in the scope of the company merger and all effects from the purchase price allocations on the EBIT are shown.

in TEUR in € thousand	01/01/2015 - 06/30/2015	01/01/2014 - 06/30/2014	04/01/2015 - 06/30/2015	04/01/2014 - 06/30/2014
Earnings before interest and taxes (EBIT)	**32,634**	**28,577**	**16,896**	**17,550**
Adjustments:				
Expenses (+) from purchase price allocation	3,385	3,483	1,680	1,738
Income (-) / expenses (+) from deconsolidations	-	- 11,986	-	- 8,169
Income (-) from the reversal of provisions	- 2,154	-	- 2,154	-
Income (-) / expenses (+) from initial consolidations	-	30	-	30
Expenses (+) from additional selling costs from M&A transactions	70	518	70	305
Expenses (+) from restructuring	1,410	3,485	1,410	2,365
Expenses (+) from the sale of real estate	70	-	70	-
Total adjustments	**2,781**	**- 4,470**	**1,076**	**- 3,731**
Adjusted earnings before interest and taxes (adjusted EBIT)	**35,415**	**24,107**	**17,972**	**13,819**

The „expenses (+) from the purchase price allocation" are stated under the amortisation. All other adjustments are reported under the non-operating expenses or non-operating income. The restructuring expenses include not just consulting costs but also expenses for severance pay (first half of 2015: € 894 thousand; first half of 2014: € 2,572 thousand).

5.6 Segment Reporting

The segment reporting was prepared in accordance with IFRS 8 „Operating Segments". Individual consolidated results are reported by company divisions in conformity with the internal reporting and organisational structure of the group. The key performance indicator for the executive board at the segment level is the EBIT, as the adjusted effects are presented under „Others". At a segment level, therefore, the EBIT shown is basically equal to the adjusted EBIT. The only exception to this rule are the effects of the purchase price allocation shown in the segment EBIT. In the adjusted segment EBIT, these effects are eliminated. Segment presentation is intended to show the profitability, assets and financial situation of individual business activities. Intercompany sales are accounted for at customary market prices and are equivalent to sales towards third parties (arm's length principle).

As at June 30, 2015, the non-current assets amounted to € 185.5 million (12/31/2014: € 183.2 million). Of these, € 172.5 million are domestic and € 13.1 million are non-domestic (12/31/2014: [domestic: € 171.9 million; non-domestic: € 11.3 million]).

The assets, liabilities and provisions are not reported by segments, as this information is not part of the internal reporting.

The **„Vehicle Engineering"** segment (in short: VE) consists of services along the vehicle development process as well as responsibility for derivative and complete vehicles.
The segment is divided into the following divisions:

In the Design Concepts department, we offer a full range of styling and design services, and in our design studios we are able to realise large model building volumes. Our Body Engineering department brings together all of our services such as package, body assembly as well as interior and exterior. This also includes the development of door systems. Our Vehicle Integration department is responsible for the complete functional integration and the vehicle validation. In addition to this, we also offer extensive testing services in our certified test laboratories. Calculation and simulation are likewise included in our range of services. Complete vehicle projects and large-scale interdisciplinary module packages, some of them calling for the involvement of our international subsidiaries, are managed by the Project Management division. The Product Reliability + Documentation department provides assistance with consulting and support for quality-related matters, as well as services which explain a product and enable it to be used effectively.

In our **„Production Solutions"** segment (in short: PS), in our role as an all-round engineering partner, we are responsible for the development and implementation of production processes at 27 locations worldwide. In addition to handling the individual stages in the product creation process as well as all factory and production systems-related services, we are also able to optimally plan complete factories over all fields, including cross processes, and to provide the realisation from a single source. In the context of „Simultaneous Engineering", we favour an integrative approach, with the vehicle engineering, systems planning and production simulation departments all working together in order to design the optimum project interfaces.

In the systems engineering division, we offer integrated competence for everything from one-off solutions to turn-key systems for the complete body in white assembly. With our comprehensive know-how in design, simulation and automation in all of the regular systems, we are able to handle sophisticated development projects.

Our portfolio is also complemented with our process consulting and „Feynsinn“ CAx development department. Here, IT-supported sequences and methods are developed, as are software for product design, development, production and marketing. Feynsinn also offers consulting, conceptual and realisation services in the field of visualisation technologies. Customised training opportunities complete the portfolio.

The range of services in the **„Electrics/Electronics“** segment encompasses the following fields: driver assistance and safety systems, infotainment and connectivity, car IT, convenience and car body electronics, electrification, electrics/vehicle electrical system and electrics/electronics for the complete vehicle. In the E/E Vehicle Engineering department, we take responsibility for all E/E services for complex and fully integrated development tasks as part of complete vehicle or derivative developments. The E/E Systems Engineering team are powerful engineering partners for the vehicle manufacturers and their system suppliers, taking responsibility for work packages: from conception, specification and integration to the testing of innovative E/E systems in the vehicle. The E/E Embedded Systems environment handles complex project volumes in hardware and software development, from the conceptual design, through production-ready development, to model set-up and commissioning of electronic control units for system suppliers and vehicle manufacturers. EDAG E/E Car IT is the driving force behind the digital transformation in automobile software development, and markets services and software developed in-house as products for the networked mobility industry. In addition, this expertise is also used for development and standardisation services and consulting in the field of networking. Customers are vehicle manufacturers, system suppliers and IT companies.

Under „Others“, it was essentially the small batch production of chassis modules at our location in Eisenach which was carried out during the same period in the previous year. This was spun off on October 01, 2014 into EDAG Werkzeug + Karosserie GmbH. Loss of control was recorded on December 31, 2014. EKS InTec GmbH, Weingarten, which was sold on May 31, 2014, and the Aerospace business which was sold on March 31, 2014 are also included in the previous year. All of the essential non-operating expenses and income are also reported here. Among others, this includes income / expenses from deconsolidations, from company sales, from the sale of property and buildings, and from restructuring costs (severance pay, consulting costs).

	01/01/2015 - 06/30/2015						
in € thousand	**Vehicle Engineering**	**Production Solutions**	**Electrics/ Electronics**	**Others**	**Total Segments**	**Consolidation**	**Total Group**
Sales revenue with third parties	223,005	55,516	76,565	98	355,184	-	355,184
Sales revenue with other segments	2,412	2,726	56	88	5,282	- 5,282	-
Changes in inventories	135	-	11	-	146	-	146
Total sales revenue and changes in inventories	**225,552**	**58,242**	**76,632**	**186**	**360,612**	**- 5,282**	**355,330**
EBIT	**20,940**	**6,717**	**4,562**	**415**	**32,634**	**-**	**32,634**
EBIT margin [%]	9.3%	11.5%	6.0%	223.1%	9.0%	-	9.2%
Effects from purchase price allocation	2,528	49	808	-	3,385	-	3,385
Other adjustments:	-	-	-	- 604	- 604	-	- 604
Adjusted EBIT	**23,468**	**6,766**	**5,370**	**- 189**	**35,415**	**-**	**35,415**
Adjusted EBIT margin [%]	10.4%	11.6%	7.0%	- 101.6%	9.8%	-	10.0%
Depreciation, amortisation and impairment	- 8,887	- 1,017	- 1,918	- 2	- 11,824	-	- 11,824

	01/01/2014 - 06/30/2014						
in € thousand	**Vehicle Engineering**	**Production Solutions**	**Electrics/ Electronics**	**Others**	**Total Segments**	**Consolidation**	**Total Group**
Sales revenue with third parties	204,224	46,604	52,060	38,898	341,786	-	341,786
Sales revenue with other segments	1,978	1,215	-	29	3,222	- 3,222	-
Changes in inventories	635	-	3	- 9,821	- 9,183	-	- 9,183
Total sales revenue and changes in inventories	**206,837**	**47,819**	**52,063**	**29,106**	**335,825**	**- 3,222**	**332,603**
EBIT	**13,374**	**5,436**	**196**	**9,571**	**28,577**	**-**	**28,577**
EBIT margin [%]	6.5%	11.4%	0.4%	32.9%	8.5%	-	8.6%
Effects from purchase price allocation	2,659	-	824	-	3,483	-	3,483
Other adjustments:	-	-	-	- 7,953	- 7,953	-	- 7,953
Adjusted EBIT	**16,033**	**5,436**	**1,020**	**1,618**	**24,107**	**-**	**24,107**
Adjusted EBIT margin [%]	7.8%	11.4%	2.0%	5.6%	7.2%	-	7.2%
Abschreibungen	- 8,820	- 804	- 1,636	- 914	- 12,174	-	- 12,174

In all three operating segments - Vehicle Engineering, Production Solutions and Electrics/Electronics - sales revenues and EBIT were increased. Further explanations of the financial performance of the individual segments can be found in the chapter „Business Trends and Developments" in the intermediate group management report.

The reason for the positive development of the VE segment are the synergy effects generated by the integration of Rücker.

The significant increase in earnings in the E/E segment, compared to the previous quarter, was brought about by a change in structure in the procurement practice of a major customer.
The last 12 months brought about the change from engineering service provider (employee leasing) to a partner with responsibility for modules and derivatives (work packages). Because of this, special expenses were incurred during the first half of 2014 due to under-utilisation and the postponement of orders; however these were made up for in the course of the year.

5.7 Contingent Liabilities/Receivables and Other Financial Obligations

Contingent liabilities

Compared to December 31, 2014, there were no material changes in the contingent liabilities.

Other financial obligations

In addition to the provisions, liabilities and contingent liabilities, there are also other financial liabilities, and these are composed as follows:

in € thousand	06/30/2015	12/31/2014
Obligations from the renting of property	153,450	89,451
Obligations from miscellaneous renting and leasing contracts	11,376	8,862
Open purchase orders	2,178	1,179
Other miscellaneous financial obligations	470	538
Total	**167,474**	**100,030**

The great increase in obligations from the renting of property is the result of the construction of a new development site in Wolfsburg-Warmenau, which is to provide 22,000 m² office space and approx. 6,500 m² for factory and workshop areas. This will lead to the bundling of the engineering activities of the existing sites in Wolfsburg. The basic rental period set out in the contract with the owner of the building is 13.5 years.

The increase in open purchase orders as per June 30, 2015 results, among other things, from installations at the Ingolstadt branch.

Contingent receivables

As in previous years, there were no contingent receivables on the half-yearly reporting date.

5.8 Financial instruments

Net financial debt/credit

The Executive Board's aim is to keep the net financial debt as low as possible in relation to equity (net gearing).

Apart from ATON Group Finance GmbH, Going am Wilden Kaiser, Austria, the other major creditor of the EDAG Group is VKE Versorgungskasse EDAG – Firmengruppe e.V. As of June 30 2015, there were loan obligations to ATON Group Finance GmbH (including accrued interest) in the amount of € 164,005 thousand (12/31/2014: € 160,013 thousand).
Of this amount, € 158,800 thousand is to be classified as non-current financing. As of June 30, 2015, there are obligations, including interest, in the amount of € 20,137 thousand from VKE Versorgungskasse EDAG – Firmengruppe e.V. (12/31/2014: € 139 thousand).

in € thousand	06/30/2015	12/31/2014
Financial liabilities	- 192,562	- 166,861
Financial receivables from the cash pool towards the shareholder	2,613	5,539
Securities / derivative financial instruments	102	92
Cash and cash-equivalents	55,981	39,502
Net financial debt/credit [-/+]	**- 133,866**	**- 121,728**
Net assets of the Group [equity]	140,254	117,411
Net gearing [%]	**95.4%**	**103.7%**
Liabilities due to credit institutions	- 8,205	- 6,350
Cash and cash-equivalents	55,981	39,502
Net financial balance with credit institutions	**47,776**	**33,152**

As in the previous year, the EDAG Group reported a net financial balance with credit institutions on the reporting date. This means that the liquidity situation of the EDAG Group continues to be rated as very positive.

Book values, valuation rates and fair values of the financial instruments as per valuation category

The principles and methods for assessing at fair value have not changed compared to last year. Detailed explanations of the valuation principles and methods can be found in the 2014 Annual Report.

For the most part, cash and cash equivalents, accounts receivable and other receivables have only a short time to maturity. For this reason, their book values on the reporting date are close approximations of the fair values.

The fair values of other receivables and financial assets held to maturity with a remaining term of more than a year correspond to the net present values of the payments associated with the assets, taking into account the relevant interest parameters, which reflect the market and counterparty-related changes in conditions and expectations.

Accounts payable and other financial liabilities regularly have short remaining terms to run, and the values posted are close approximations of the fair values.

The book values and fair values of all financial instruments recorded in the consolidated interim financial statements are shown in the following table.

in € thousand	Valuation category as per IAS 39	Book value 06/30/2015	Valuation category of statement of financial position as per IAS 39				Valuation statement of financial position as per IAS 17
			Amortised acquisition costs	Acquisition costs	Fair value recognized directly in equity	Fair value through profit or loss	
Financial assets (assets)							
Cash and cash-equivalents	[LaR]	55,981	55,981	-	-	-	-
Accounts receivable and other receivables in terms of IAS 32.11	[LaR]	128,634	128,634	-	-	-	-
Future receivables from construction contracts	[LaR]	119,344	119,344	-	-	-	-
Loans	[LaR]	106	106	-	-	-	-
Assets available for sale	[AfS]	144	52	-	92	-	-
Derivative financial assets							
Derivatives without hedge relationship	[FAHfT]	11	-	-	-	11	-
Financial liabilities (liabilities)							
Financial liabilities							
Credit institutions	[FLAC]	8.205	8.205	-	-	-	-
Other interest-bearing liabilities	[FLAC]	184.159	184.159	-	-	-	-
Liabilities from financing leases	[n.a.]	198	-	-	-	-	198
Derivative financial liabilities	[FLHfT]	-	-	-	-	-	-
Accounts payable and other liabilities in terms of IAS 32.11	[FLAC]	18.886	18.886	-	-	-	-
Financial assets and financial liabilities, aggregated as per valuation category, in accordance with IAS 39							
Loans and receivables	[LaR]	304.065	304.065	-	-	-	-
Financial assets held for trading	[FAHfT]	11	-	-	-	11	-
Available-for-sale financial assets	[AfS]	144	52	-	92	-	-
Financial liabilities measured at amortised cost	[FLAC]	211.250	211.250	-	-	-	-
Financial liabilities held for trading	[FLHfT]	-	-	-	-	-	-

in € thousand	Valuation category as per IAS 39	Book value 12/31/2014	Valuation category of statement of financial position as per IAS 39				Valuation statement of financial position as per IAS 17
			Amortised acquisition costs	Acquisition costs	Fair value recognized directly in equity	Fair value through profit or loss	
Financial assets (assets)							
Cash and cash-equivalents	[LaR]	39,502	39,502	-	-	-	-
Accounts receivable and other receivables in terms of IAS 32.11	[LaR]	189,662	189,662	-	-	-	-
Future receivables from construction contracts	[LaR]	50,373	50,373	-	-	-	-
Loans	[LaR]	118	118	-	-	-	-
Assets available for sale	[AfS]	145	53	-	92	-	-
Derivative financial assets							
Derivatives without hedge relationship	[FAHfT]	-	-	-	-	-	-
Financial liabilities (liabilities)							
Financial liabilities							
Credit institutions	[FLAC]	6,350	6,350	-	-	-	-
Other interest-bearing liabilities	[FLAC]	160,169	160,169	-	-	-	-
Liabilities from financing leases	[n.a.]	206	-	-	-	-	206
Derivative financial liabilities	[FLHfT]	136	-	-	-	136	-
Accounts payable and other liabilities in terms of IAS 32.11	[FLAC]	22,168	22,168	-	-	-	-
Financial assets and financial liabilities, aggregated as per valuation category, in accordance with IAS 39							
Loans and receivables	[LaR]	279,655	279,655	-	-	-	-
Financial assets held for trading	[FAHfT]	-	-	-	-	-	-
Available-for-sale financial assets	[AfS]	145	53	-	92	-	-
Financial liabilities measured at amortised cost	[FLAC]	188,687	188,687	-	-	-	-
Financial liabilities held for trading	[FLHfT]	136	-	-	-	136	-

The fair values of securities correspond to the nominal value multiplied by the exchange quotation on the reporting date.

The attributable fair values of liabilities due to credit institutions, loans and other financial liabilities are calculated as present values of the debt-related payments, based on the EDAG current yield curve valid at the time. By and large, the fair value of the financial liabilities corresponds to the book value. As at June 30, 2015 however, the fair value of the other interest-bearing liabilities [FLAC] amounted to € 188,606 thousand, with a book value of € 184,159 thousand. The valuation of the fair value took place according to the „Level 2" valuation category on the basis of the discounted cash-flow method. In this context, the current market rates of interest and the contractually agreed parameters were taken as the basis.

The following table contains the assets and liabilities assessed at fair value, in stages:

in € thousand	Assessed at fair value 06/30/2015			
	Level 1	Level 2	Level 3	Total
Financial assets (assets)				
Assets available for sale	92	-	-	92
Derivative financial assets	-	10	-	10
Financial liabilities (liabilities)				
Derivative financial liabilities	-	-	-	-

in € thousand	Assessed at fair value 12/31/2014			
	Level 1	Level 2	Level 3	Total
Financial assets (assets)				
Assets available for sale	92	-	-	92
Financial liabilities (liabilities)				
Derivative financial liabilities	-	136	-	136

The assets and liabilities assessed at fair value through profit or loss include derivative financial instruments. In the EDAG Group, these are employed to limit currency risks.

Classification of the attributable fair values in the three valuation categories of the fair value hierarchy is based on the availability of observable market prices.

Level 1: At level 1 of the fair value hierarchy, the attributable fair values are measured using listed market prices, as the best possible fair values for financial assets or liabilities can be observed in active markets.

Level 2: If there is no active market for a financial instrument, a company uses valuation models to determine the attributable fair value. Valuation models include the use of current business transactions between competent, independent business partners willing to enter into a contract; comparison with the current attributable fair value of another, essentially identical financial instrument; use of the discounted cash flow method; or of option pricing models. The attributable fair value is estimated on the basis of the results achieved using one of the valuation methods, making the greatest possible use of market data and relying as little as possible on company-specific data.

Level 3: The valuation models used at this level are not based on observable market data.

5.9 Related parties

In the course of its regular business activities, EDAG correlates either directly or indirectly not only with the subsidiaries included in the consolidated half-year financial statements, but also with subsidiaries which are affiliated but not consolidated, and with other related companies and persons.

For a more detailed account of the type and extent of the business relations, please see the Annual Report for 2014.

With the contract signed on December 12, 2014 as part of a sale & lease back transaction, long-term real estate leases were entered into with Zweite FOM GmbH & Co. KG. These have a term from December 29, 2014 until December 31, 2029. The annual lease payments amount to € 3,050 thousand.

The majority shareholder of Zweite FOM Objekt GmbH & Co. KG and its general partner Zweite FOM Beteiligungs GmbH resigned from his contractual obligations during the first half of 2015, and exercised his right to return the respective shares. However, Horus Vermögensverwaltungs GmbH & Co. KG, Munich, a company closely associated with EDAG, has taken over control of Zweite FOM Objekt GmbH & Co. KG within the framework of an undertaking made to EDAG. Further, as a result of the resignation, EDAG has a takeover obligation with regard to the remaining 51 percent of the shares of Zweite FOM Beteiligungs GmbH as the general partner, however an agreement concerning the joint management of this company does exist with Horus Vermögensverwaltungs GmbH & Co. KG, Munich. Both of these circumstances lead to the fact that EDAG is not able to exercise any independent control over Zweite FOM Objekt GmbH & Co. KG.

There are two long-term, unsecured fixed interest loans with the ATON Group Finance GmbH which are due on November 6, 2018. These loans carry an interest rate of 5 percent, and can be redeemed in part prior to maturity. Compared to December 31, 2014, liabilities due to ATON Group Finance GmbH from proportionate accrued interest increased by € 4.0 million.

Group liquidity was extended with a current, unsecured loan in the amount of € 19,965 thousand from VKE Versorgungskasse EDAG – Firmengruppe e.V. This loan will run until further notice, and carries an interest rate of 4.2 percent.

For the short-term treasury management, there is a cash pool agreement between EDAG GmbH and ATON GmbH. On the quarterly reporting date, the cash-pool balance totalled € 2.6 million (12/31/2014: € 5.5 million).

New management contracts were concluded for the three members of the executive board of EDAG Engineering GmbH in 2015. These contain an undertaking to effect share-based payment transactions in accordance with IFRS 2, and the company shall have the right to choose whether a share-based transaction is settled in cash or by issuing equity instruments. The payment system states that the members of the executive board shall receive a special bonus of € 500 thousand, either in cash or in shares or share options, should the EDAG Group go public by December 31, 2016. Should equity instruments be issued, the company may define a minimum holding period for these. These undertakings replace the previous agreements, which became obsolete when the legal form of the company changed. As neither the scope nor the modalities of the undertakings were changed in the process, no additional advantage was allocated to the members of the executive board. The increase in capital reserves for the first half of 2015 supplements the amounts already recognized in equity, expecting the event of vesting with the IPO in the second half 2015 expense will be recognized accordingly.

This means that, on the basis of the agreement set out above including an interest rate of 0.24 percent p.a., the equity instruments had an attributable fair value of € 1,493 thousand at the time of the original undertaking. Total expenses for share-based payment transactions recognised during the reporting period amounted to € 373 thousand. This was recognised in equity.

No further significant changes have occurred, compared with the notes in the Annual Report for 2014.

5.10 Subsequent Events

No important events took place after the reporting period.

LEGAL NOTICE

Issued by
EDAG Engineering GmbH
Kreuzberger Ring 40
65205 Wiesbaden
www.edag.com

Legal Note

The interim report includes statements about future developments. Like any form of entrepreneurial activity in a global environment, these statements are always associated with a degree of uncertainty. Our descriptions are based on the convictions and assumptions of the management, which in turn are based on currently available information. The following factors may, however, affect the success of our strategic and operative measures: geopolitical risks, changes in general economic conditions, in particular a prolonged economic recession, changes to exchange rates and interest rates, the launch of products by competitors, including increasing competitive pressure. Should any of these factors or other uncertainties materialise, or the assumptions on which the statements are based prove to be inaccurate, the actual results may differ from the forecast results. EDAG does not intend to continuously update predictive statements and information, as they relate to the circumstances that existed on the date of their publication.

Edag Engineering GmbH
Kreuzberger Ring 40
65205 Wiesbaden
www.edag.com

The report on the second quarter will be released November2015.