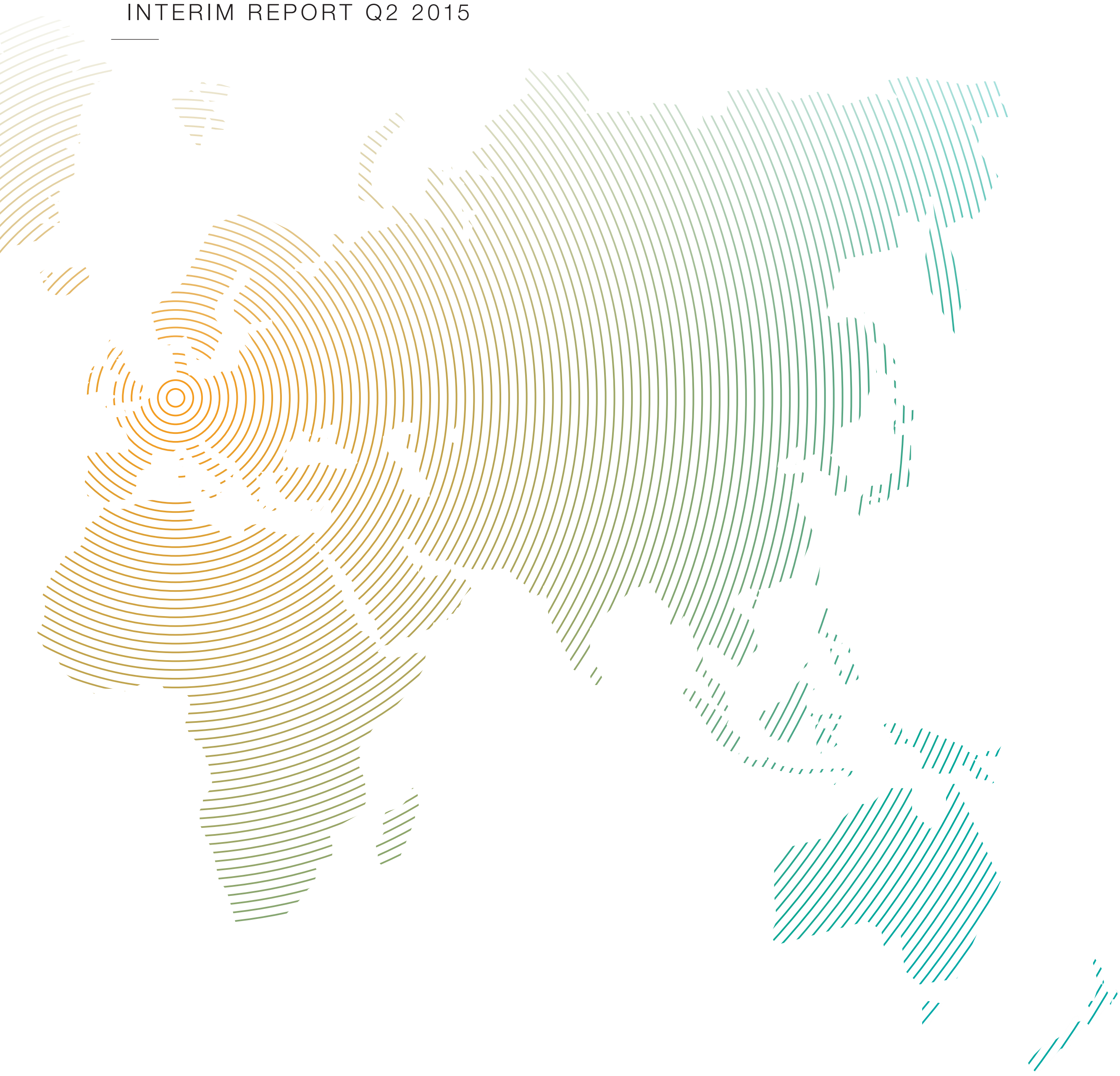
NORMA GROUP SE

INTERIM REPORT Q2 2015



Overview of Key Figures

		Q2 2015	Q2 2014	H1 2015	H1 2014
Order situation					
Order book (30 June)	EUR millions	**–**	–	**302.4**	252.1
Income statement					
Revenue	EUR millions	**232.9**	175.2	**454.3**	353.0
Adjusted gross profit [1]	EUR millions	**138.5**	100.5	**271.6**	202.9
Adjusted EBITA [1]	EUR millions	**42.1**	30.5	**81.4**	63.1
Adjusted EBITA margin [1]	%	**18.1**	17.4	**17.9**	17.9
EBITA	EUR millions	**41.3**	30.2	**77.4**	62.6
Adjusted profit for the period [1]	EUR millions	**23.6**	17.1	**46.4**	36.7
Adjusted earnings per share [1]	EUR	**0.74**	0.53	**1.45**	1.15
Profit for the period	EUR millions	**20.0**	15.4	**37.9**	28.9
Earnings per share (EPS)	EUR	**0.63**	0.49	**1.19**	0.91
Cash flow					
Operating cash flow	EUR millions	**41.5**	22.0	**51.8**	38.8
Operating net cash flow [2]	EUR millions	**37.7**	26.4	**49.3**	44.4
Cash flow from investing activities	EUR millions	**–7.9**	–10.2	**–18.4**	–16.9
Cash flow from financing activities	EUR millions	**–41.3**	–31.4	**–53.6**	–142.8

Balance sheet		30 June 2015	31 Dec 2014		
Total assets	EUR millions	**1,157.9**	1,078.4		
Total equity	EUR millions	**395.5**	368.0		
Equity ratio	%	**34.2**	34.1		
Net debt	EUR millions	**395.5**	373.1		
Employees					
Core workforce		**4,978**	4,316		

Share data		
IPO		April 2011
Stock exchange		Frankfurt Stock Exchange, Xetra
Market segment		Regulated Market (Prime Standard), MDAX
ISIN		DE000A1H8BV3
Security identification number		A1H8BV
Ticker symbol		NOEJ
Highest price H1 2015 [3]	EUR	51.910
Lowest price H1 2015 [3]	EUR	38.315
Share price as of 30 June 2015 [3]	EUR	45.345
Market capitalisation as of 30 June 2015 [3]	EUR millions	1,445
Number of shares		31,862,400

[1] Adjustments are described in the Notes to the Consolidated Financial Statement → Notes, p. 33
[2] Adjusted for currency effects
[3] Xetra price

Date of publication: 5 August 2015

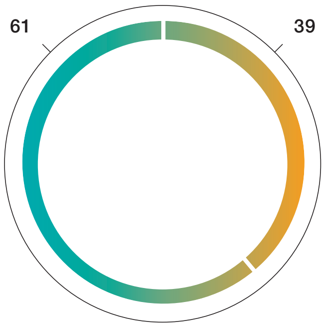
INNOVATIVE JOINING TECHNOLOGY AND THE HIGHEST QUALITY STANDARDS HAVE SECURED NORMA GROUP'S MARKET POSITION FOR OVER 60 YEARS NOW. THE COMPANY OFFERS SOLUTIONS FOR MANY DIFFERENT INDUSTRIES WITH ITS ADVANCED PRODUCTS. IN FACT, NORMA GROUP RANKS AS ONE OF THE WORLD'S MARKET AND TECHNOLOGY LEADERS IN THE AREA OF JOINING TECHNOLOGY THANKS TO THE PERSONAL DEDICATION OF ROUGHLY 6,000 EMPLOYEES AND AN INTELLECTUAL PROPERTY RIGHTS PORTFOLIO THAT CONSISTS OF MORE THAN 800 PATENTS.

Two Strong Distribution Channels

DISTRIBUTION OF SALES

in %

Engineered Joining Technology
Tailored, high-tech products developed to meet specific requirements of individual OEM customers



Distribution Services
High-quality, standardised brand products for a variety of applications

ENGINEERED JOINING TECHNOLOGY (EJT)

The business area of EJT focusses on customised, engineered solutions which meet the specific requirements of original equipment manufacturers (OEM). For these customers NORMA Group develops innovative, value-adding solutions for a wide range of application areas and various industries. No matter whether it is a single component, a multi-component unit or a complex system, all products are individually tailored to the exact requirements of the industrial customers while simultaneously guaranteeing the highest quality standards, efficiency and assembly safety. NORMA Group's EJT products are built on the extensive engineering expertise and proven leadership in this field.

DISTRIBUTION SERVICES (DS)

In the area of DS, NORMA Group sells a wide range of high-quality, standardised joining technology products for various applications through different distribution channels. Among customers are distributors, OEM aftermarket customers, technical wholesalers and hardware stores. In the DS business area, NORMA Group benefits not only from its extensive geographic presence and global manufacturing, distribution and sales capacities, but also from its well-known brands, the customised packaging and the high availability of its products at the point of sale. NORMA Group markets its joining technology products under its well-known brand names:

CONTENTS

EXPLANATION OF SYMBOLS

@ Internet → Cross Reference

NORMA Group on the Capital Market

- NORMA Group's share outperforms the DAX
- Initiation of new coverage increases the number of analysts to 20
- Dividend payment of EUR 0.75 resolved by the Annual General Meeting

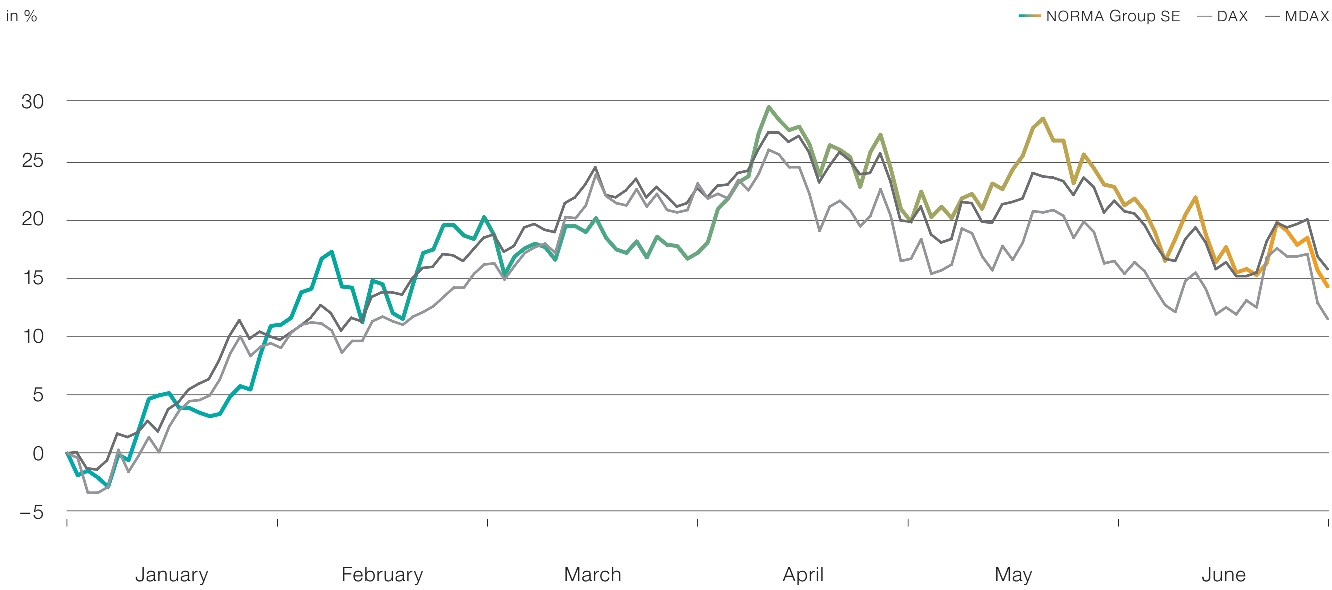
FINANCIAL CRISIS IN GREECE PUTS PRESSURE ON STOCK MARKETS WORLDWIDE

The situation on the world's stock markets during the 2nd quarter of 2015 was influenced by the financial crisis in Greece, in particular. The selloff on European bond markets and the euro that continues to grow stronger, but also continued discussions of interest rate hikes by the American Federal Reserve Bank (Fed) resulted in a volatile German stock market. Slightly improved economic data in the euro zone and the recovery of US economic data supported price developments, but only for a short time. For example, the DAX rose to a new all-time high of 12,375 points at the beginning of April 2015 before closing the 2nd quarter at the end of June 2015 with a loss of 8.5%. The DAX thus rose by 11.6% during the first half of the year. The MDAX also showed weakness in the 2nd quarter and closed the first half of the year by recording growth of 15.9% to 19,622 points. The Euro Stoxx 50 gained only 8.8% in the first six months of 2015. The American indexes painted a similar picture. The S&P 500 posted a slight drop of 0.2% compared to the previous quarter while the Dow Jones lost 0.9%.

NORMA GROUP'S SHARE OUTPERFORMS THE DAX

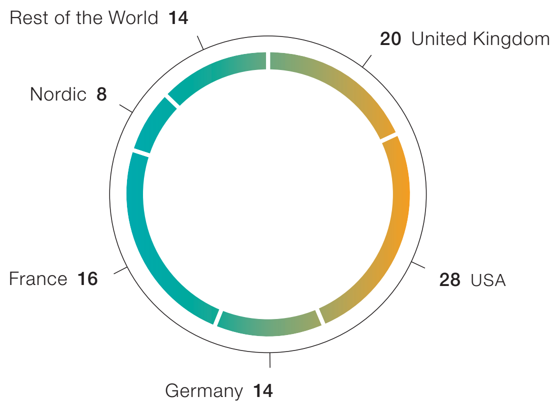
NORMA Group's share was unable to continue the strong performance it showed during the first quarter of 2015 in the second quarter of the year. Due to the difficult economic conditions, it was priced at EUR 45.345 on 30 June 2015, representing a

COMPARISON OF SHARE PRICE PERFORMANCE WITH THE MDAX AND THE DAX IN THE FIRST HALF OF 2015



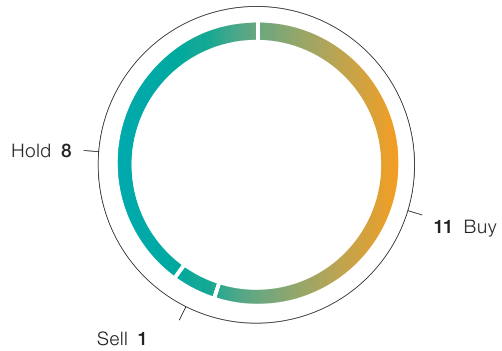
FREEFLOAT BY REGION

in % as of 30 June 2015



ANALYST RECOMMENDATIONS

as of 30 June 2015



slight decrease of 3% compared to the first quarter. Viewed over the first half of the year, the NORMA Group share still recorded an increase of 14.4%.

NORMA Group's market capitalisation amounted to EUR 1.44 billion on 30 June 2015. Thus the Company was ranked 33rd out of 50 in the MDAX in June, based on market capitalisation relevant to the determination of index membership.

ONCE AGAIN SIGNIFICANT RISE IN TRADING VOLUME

In the period of January to June 2015, the average Xetra trading volume of the NORMA Group share was 107,139 shares per day (H1 2014: 75,045 shares). In terms of value, this equates to approximately EUR 4.79 million (H1 2014: EUR 2.99 million). The NORMA Group share thus ranked 47th out of 50 in the MDAX based on trading volume.

The total trading activities of the NORMA Group shares are distributed unequally to the various trading platforms. In the first half of the year, around 35% of all trading activities took place on the official market and 42% through block trades. Around 23% of the shares were traded via alternative platforms.

REGIONALLY DIVERSIFIED SHAREHOLDER STRUCTURE

The NORMA Group share has gained greater international recognition in recent years due to active investor relations work. As a result, foreign investors have become increasingly important. In the meantime, NORMA Group has achieved a regionally highly diversified shareholder base with a significant share of international investors mainly from the USA, the UK, France and Scandinavia. → Graph: Free float by region. German investors hold around 14% of the shares.

According to the voting rights notifications received as of the end of July 2015, shares of NORMA Group designated as free floating are held by the following institutional investors:

Investor	Share in %
Ameriprise Financial Inc., Minneapolis, USA	9.96
Mondrian Investment Partners Ltd., London, United Kingdom	5.34
Allianz Global Investors Europe GmbH, Frankfurt, Germany	5.02
Select Equity Group, Wilmington, USA	3.27
BNP Paribas Investment Partners S.A., Paris, France	3.15
The Capital Group Companies Inc., Los Angeles, USA	3.05
BNP Paribas Asset Management SAS, Paris, France	3.01
AXA S.A., Paris, France	3.01
BlackRock Inc., Wilmington, USA	2.99
T.Rowe Price International Ltd., Baltimore, USA	2.89

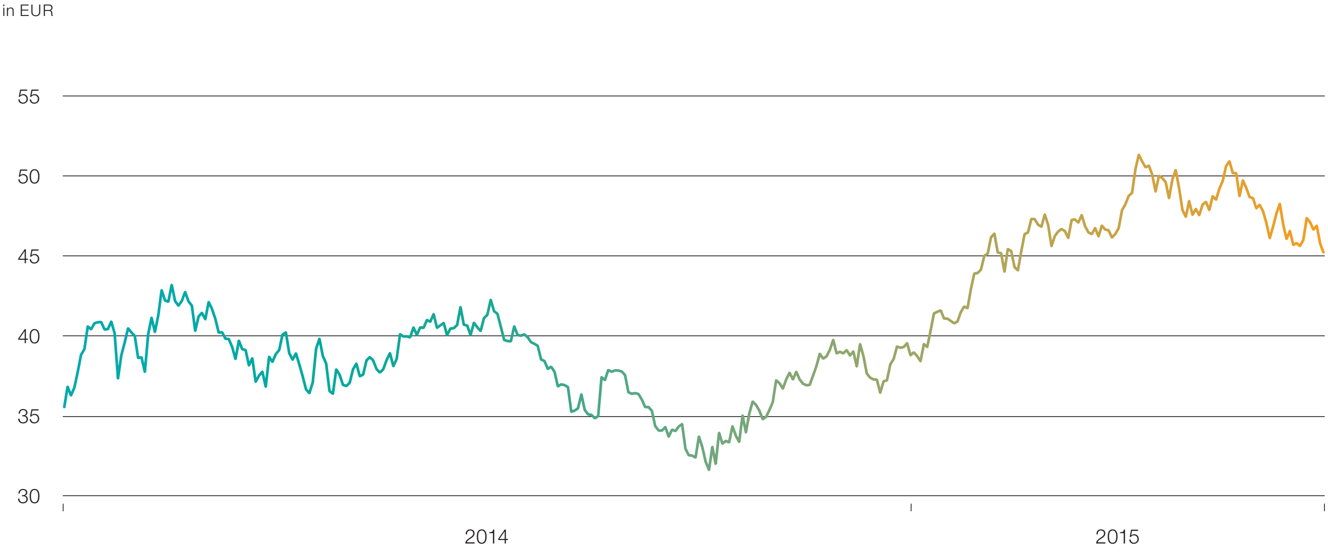
As of 31 July 2015. All voting rights notifications are published on the Company's website @ http://investors.normagroup.com.

The majority of the 31,862,400 NORMA Group shares is currently held by institutional investors. The Company had 2,692 private shareholders (excl. management) at the end of June 2015 (March 2015: 2,689). The percentage of private shareholders in the total share portfolio thus amounted to around 1.8%. The Management and Supervisory Board continue to hold around 2.3% of shares as of 30 June 2015.

SUSTAINABLE INVESTOR RELATIONS ACTIVITIES

NORMA Group's investor relations activities seek to further increase awareness of the Company on the capital market, strengthen confidence in its share, and achieve a realistic and fair valuation of the Company.

SHARE PRICE DEVELOPMENT SINCE 2014



Maintaining an ongoing and transparent dialogue with analysts represents one key element of investor relations work. The analyst Michael Bröker from Streubing AG started covering NORMA Group in June so that NORMA Group SE was followed by a total of 20 analysts as of 30 June 2015. Of these, there were eleven recommendations to 'buy,' one to 'sell' and eight to 'hold' the NORMA Group share. The average price target was EUR 50.67 (March 2015: EUR 48.74).

ANNUAL GENERAL MEETING 2015: DIVIDEND OF EUR 0.75 RESOLVED

The Annual General Meeting of NORMA Group was held in Frankfurt/Main on 20 May 2015. The proposal by the Management Board and Supervisory Board to pay a dividend of EUR 0.75 per share (2013: EUR 0.70) was approved by the general assembly with a majority of 99.96%. The other agenda items were also approved by a clear majority. All voting results can be found on the NORMA Group website in the Investor Relations section @http://investors.normagroup.com.

KEY FIGURES ON THE NORMA GROUP SHARE

	H1 2015
Closing price on 30 June 2015 (in EUR)	45.345
Highest price (in EUR)	51.910
Lowest price (in EUR)	38.315
Number of unweighted shares as of 30 June 2015	31,862,400
Market capitalisation (in EUR millions)	1,445
Average daily Xetra volume	
Shares	107,139
EUR millions	4.79
Earnings per share (in EUR)	1.19
Adjusted earnings per share (in EUR)	1.45

CONSOLIDATED INTERIM MANAGEMENT REPORT

Consolidated Interim Management Report

- Strong Group sales growth of 28.7% in the first half of 2015
- Adjusted EBITA margin of 17.9% once again at a sustainably high level
- Good equity ratio of 34.2% despite dividend payment

Principles of the Group

The 2014 Annual Report provides a detailed overview of business activities, objectives and the strategy of NORMA Group SE. The statements contained therein remain valid. There were no major changes in the first half of 2015.

The development of the most important financial and non-financial performance indicators in the first half of 2015 are discussed in the following tables.

FINANCIAL INDICATORS

	H1 2015	H1 2014
Sales (in EUR millions)	454.3	353.0
Adjusted EBITA margin (in %) [1]	17.9	17.9
Operating net cash flow (in EUR millions) [2]	49.3	44.4

[1] Adjustments are described in the Notes to the Consolidated Financial Statement → Notes, p. 33.

[2] Adjusted for currency effects.

NON-FINANCIAL INDICATORS

	H1 2015	H1 2014
Number of new patent registrations	52	35
Defective parts (Parts per million, PPM)	22	15
Customer complaints per month	10	8

RESEARCH AND DEVELOPMENT

The main activities of the Research and Development department at NORMA Group are described in detail in the 2014 Annual Report. → 2014 Annual Report, p. 63 to 64. There were no major changes in the current reporting period January to June 2015.

Research and development activities were once again devoted to further developing the SCR (Selective Catalytic Reduction) systems in the first half of 2015. Besides its Generation II systems, NORMA Group worked on other alternative tube concepts for meeting the market requirements of future vehicle generations most effectively, even aside from cars. The Company is working on optimising the temperature management of systems for use in future applications. Thanks to their modular design, NORMA Group systems can be custom designed to meet the needs of the customer without much extra effort, therefore adapting the tube systems to suit various types of vehicles is now much easier. Furthermore, NORMA Group is working on theoretical models for continuously increasing the accuracy of predictions as to how new products will function in early development phases by performing improved simulations. This pertains to both the FLUID products and the products from the FASTEN range.

R&D FIGURES

	H1 2015	H1 2014
Number of R&D employees	260	228
R&D employee ratio in relation to permanent staff (in %)	5.2	5.3
R&D expenses in the area of EJT (in EUR millions)	15.8	11.2
R&D ratio with respect to EJT sales (in %)	5.7	4.4

Economic Report

GENERAL ECONOMIC AND INDUSTRY-SPECIFIC CONDITIONS

The world economy still lacks momentum

The economy is currently on a muted expansion course with the development in the USA not showing any real dynamics thus far. US industrial production declined by 1.7% in the second quarter of 2015 (Q1 2015: – 0,2%). At 77.8%, capacity utilisation was also lower in June than in the previous year (78.5%). The US GDP rose by an annualised rate of 2.3% in the second quarter (Q1 2015: +0.6%). As expected, the dynamics in China continued to lose momentum. Industrial output rose by only 6.3% and GDP by 7.0% in the first half of the year. The slight recovery continued in the euro region and industrial output grew by 1.6% in May (April: +0.9%). Capacity utilisation increased to 81.3% in the second quarter (Q2 2014: 80.2%). Overall, the Ifo Institute projects that GDP increased by 1.3% in the euro region in the second quarter of 2015 (Q1 2015: +1.1%).

Germany's economy is growing on a broad basis, industry is gradually picking up

According to estimates from the German Central Bank, the economic upswing in Germany remains intact. Its drivers are mainly private consumption and construction. By contrast, the industrial sector has been developing rather modestly. According to Eurostat, at 84.7%, capacity utilisation in the second quarter was only slightly higher than at the end of last year (84.3%). Industrial output began to accelerate most recently compared to the beginning of the year (April: +1.4%, May: +2.3%). Overall, the economy is likely to have accelerated in the second quarter of 2015. According to the Ifo Institute's estimate, GDP grew by 1.4% (Q1 2015: 1.1%) in the first six months of 2015.

Mechanical engineering and construction still lack impulses

According to the VDMA, reluctance to invest and uncertainties dampened the German mechanical engineering and construction industry, which developed weaker than originally anticipated. By the end of May, production had fallen short of the previous year by 2.5%. Although the euro devaluation favours export-intensive industries, the demand stimulus was lacking from major export markets such as China, Russia and Latin America in the first half of the year. In addition, domestic demand has not increased yet. After recording a 2% increase in incoming orders in the first quarter of 2015, order activity in the first half of the year declined by 1% (domestic – 1%, foreign +0%).

Automobile industry continues to grow in the USA and Western Europe while China puts on the brakes

According to LMC Automotive, global sales of light vehicles (LV, up to 6 tons) rose by 1.2% to 44.3 million units in the first half of 2015. Dynamics flattened as a result of weak demand in China. Besides the downward trend in commercial vehicles, sales of passenger cars also declined in June. Including June, the LV market in China still managed to record a cumulative increase of 2.6% (VDA: +6.9% cars) after all. According to the VDA, the downward trends also continued in Russia (LV: – 36.4%), Brazil (LV: – 19.7%) and Japan (cars: – 12.3%) in the first half of the year. The high volume markets USA (LV: +4.4%) and Europe remained on an expansion track. According to ACEA, Western European car sales (+8.2%) and commercial vehicles (+12.7%) continued to grow. Domestic production stagnated in Germany in the first half of the year, although sales of cars (+5.2%) and commercial vehicles (+4.6%) continued to rise.

Construction in the EU is gaining momentum slowly with major regional discrepancies

According to Eurostat, EU construction output recovered slightly in April (+0.1%) and May (+0.5%) following a weak first quarter of 2015 (– 0.1%). Developments remained negative in France (May: – 2.8%), Italy (May: – 2.5%) and Portugal (May: – 1.4%). Spain's previous revival started to stagnate (May: – 1.2%). On the other hand, the Netherlands and several Eastern European and Scandinavian countries recorded growth. Germany got off to a weak start to the year due to the weather (Q1 2015: – 3.3%). Construction output rose by 0.7%, but not until May. According to statistics from Destatis, the accumulated total sales of the German construction industry declined by 2.9% by the end of May as a result. At the same time, incoming orders grew slightly by 0.1%. According to monthly surveys conducted by the trade association ZDB, the assessment has brightened up in all construction sectors most recently. On the other hand, the order backlog paints a positive picture, while willingness to invest is gradually improving.

SIGNIFICANT DEVELOPMENTS IN THE SECOND QUARTER OF 2015

Opening of the first clean room for the manufacture of connectivity solutions

NORMA Group has put its first clean room for the assembly and packaging of single-use systems from CONNECTORS Verbindungstechnik AG into operation at its Czech production site. These customer-specific disposable solutions are used to transport and store liquids and gases and for sampling. By investing in the future, customers in the pharmaceutical and biotech industries can be served better and faster. NORMA Group thus manages the entire manufacturing process, including product quality control, at its own plant.

GENERAL STATEMENT BY THE MANAGEMENT BOARD ON THE COURSE OF BUSINESS AND ECONOMIC SITUATION

With Group sales of EUR 454.3 million and 28.7% growth compared to the previous year, NORMA Group generally developed in line with the Management Board's expectations in the first half of 2015. After slightly negative organic growth in the first quarter of 2015, NORMA Group managed to compensate for this from a half year perspective (H1 2015: 0.0%). Strong acquisition-related growth of 19.7% and equally positive currency effects of 9.0% contributed to the growth in sales. The reason for the lack of organic growth in the first half of 2015 was, on the one hand, the extremely strong organic growth in the same period of the previous year (H1 2014: 10.3%) and the resulting extremely high basis for comparison. On the other hand, the general economic environment in the first half of the year remained somewhat restrained.

The Americas and Asia-Pacific regions, which both recorded dynamic growth, contributed quite significantly to higher sales. Furthermore, growth in the Americas region was strengthened by the sales of National Diversified Sales (NDS), the company acquired in October 2014.

The main cost positions also developed in line with the Management Board's expectations in the first six months of 2015. At 26.3%, the personnel cost ratio remained relatively constant at the level of the same period last year, while the Company managed to lower its adjusted cost of materials ratio from 42.7% to 40.8% compared to the first half of 2014 thanks to the positive developments on the international commodity markets. Furthermore, at 13.3%, the ratio of adjusted other operating income and expenses in relation to sales was higher than in the same period of the previous year (H1 2014: 11.1%).

Adjusted EBITA of EUR 81.4 million at mid-year was considerably higher than last year's level (EUR 63.1 million). This resulted in an adjusted EBITA margin at the expected sustainably high level of 17.9%.

All in all, the Management Board is pleased with how business developed in the first half of 2015. The integration of NDS, the company acquired in October 2014, is also proceeding as planned.

COMPARISON OF THE ACTUAL DEVELOPMENT OF BUSINESS WITH THE FORECAST

In general, business developed in line with expectations for NORMA Group in the first half of 2015. Therefore none of the relevant performance indicators deviated significantly from the forecast values.

EARNINGS, ASSETS AND FINANCIAL POSITION

Adjustments

In the first six months of 2015, expenses of EUR 2.8 million in total were adjusted within EBITDA. These adjustments in the amount of EUR 2.5 million relate to the costs of materials, which resulted from the remeasurement of acquired inventories within the purchase price allocation of the acquisition of NDS. Furthermore, expenses that pertained to the integration of the acquired company in the amount of EUR 0.3 million were adjusted in other operating expenses.

In addition to the adjustments described, depreciations on property, plant and equipment in the amount of EUR 1.1 million (H1 2014: EUR 0.5 million) and intangible assets in the amount of EUR 8.8 million (H1 2014: EUR 4.4 million) each from purchase price allocations are presented in adjusted form as in previous years. → Notes, p. 33.

	Adjusted	Adjustments	Reported
Sales revenue (in EUR millions)	454.3		454.3
EBITDA (in EUR millions)	92.0	2.8	89.2
EBITDA margin (in %)	20.2		19.6
EBITA (in EUR millions)	81.4	3.9	77.4
EBITA margin (in %)	17.9		17.0
EBIT (in EUR millions)	77.8	12.7	65.1
Financial income (in EUR millions)	−8.4		−8.4
Profit for the period (in EUR millions)	46.4	8.5	37.9
Earnings per share (in EUR)	1.45	0.26	1.19

Deviations may occur due to rounding.

Earnings Position

Order backlog

On 30 June 2015, the order backlog amounted to EUR 302.4 million and was thus 19.9% higher than in the comparative period last year (30 June 2014: EUR 252.1 million). Due to the fact that the order book is recalculated at closing rates, the increase compared to the previous year can also be attributed to currency effects.

Sales rise sharply in the first half of 2015

Group sales for the first half of 2015 amounted to EUR 454.3 million and were thus 28.7% higher than in the comparative period (H1 2014: EUR 353.0 million). The additional sales revenues from the companies acquired last year (Five Star and NDS) contributed significantly to this result. They amounted to EUR 69.6 million and thus contributed 19.7% to Group sales. Furthermore, positive currency effects as a result of the continued weak development of the euro against the US dollar and other currencies accounted for 9.0%.

Group sales in the second quarter of 2015 reached EUR 232.9 million. This is an increase of 32.9% over the same quarter of last year (Q2 2014: EUR 175.2 million).

Sales rose by 5.1% compared to the first quarter of 2015 (EUR 221.5 million).

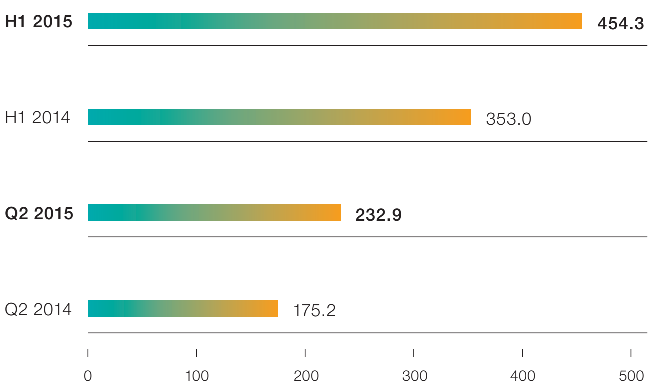
Solid growth in the area of EJT, growth in DS strengthened by the water business

In the area of EJT, NORMA Group managed to post sales of EUR 275.4 million in the first half of 2015 and thus growth of 9.9% compared to the first half of 2014 (H1 2014: EUR 250.6 million). In the second quarter, EJT generated sales of EUR 136.5 million, which were slightly below the level of the first quarter of this year (Q1 2015: EUR 138.9 million). This can be attributed mainly to the fact that there was a lower number of working days in the period April to June. Compared to the second quarter of 2014 (EUR 124.5 million), NORMA Group achieved EJT sales growth of 9.7%.

Sales in the area of DS, which were bolstered mainly by NDS's water business that was acquired in October 2014, amounted to EUR 177.2 million and were thus 74.5% higher than the level of the first six months of the previous year (H1 2014: EUR 101.6 million). Compared to the second quarter of 2014 (Q2 2014: EUR 50.4 million), the Group achieved sales growth of 89.4% in the area of DS (Q2 2015: EUR 95.4 million). Compared with the first quarter of this year (Q1 2015: EUR 81.8 million), sales were 16.6% higher in the second quarter. This can be attributed to the seasonal development of sales at NDS.

SALES GROWTH H1 2015

in EUR millions



EFFECTS ON GROUP SALES

	in EUR millions	share in %
Sales H1 2014	353.0	
Organic growth	0.0	0.0
Acquisitions	69.6	19.7
Currency effects	31.7	9.0
Sales H1 2015	**454.3**	**28.7**

DEVELOPMENT OF DISTRIBUTION CHANNELS

	EJT		DS	
	H1 2015	H1 2014	**H1 2015**	H1 2014
Sales (in EUR millions)	**275.4**	250.6	**177.2**	101.6
Growth (in %)	**9.9**		**74.5**	
Share of sales (in %)	**60.8**	71.2	**39.2**	28.8

Adjusted cost of materials ratio improved

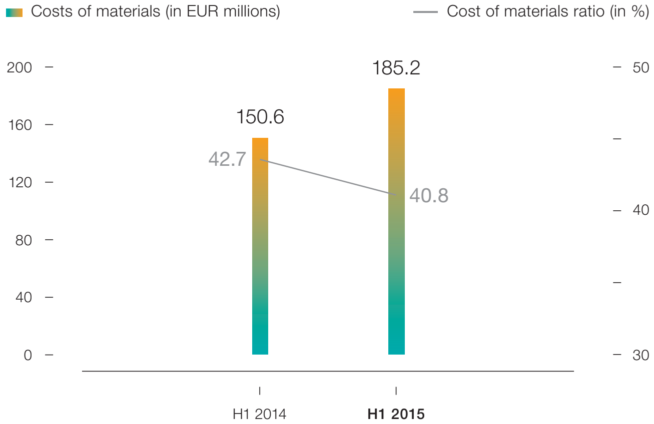
Adjusted costs of materials amounted to EUR 185.2 million in the first half of 2015 and were thus 23.0% higher than in the same period last year (H1 2014: EUR 150.6 million). In terms of the sales generated in the first half of 2015, this resulted in an improved adjusted cost of materials ratio of 40.8% compared to the previous year (H1 2014: 42.7%).

In the second quarter of 2015, adjusted costs of materials amounted to EUR 94.2 million and were thus 28.6% higher than the previous year's figure (Q2 2014: EUR 73.3 million) and 3.6% higher than in the first quarter of 2015 (EUR 91.0 million). The adjusted cost of materials ratio amounted to 40.5% in the second quarter. This significant improvement in the adjusted cost of materials ratio compared to the second quarter of 2014 (41.8%) and the first quarter of 2015 (41.1%) is also the result of the optimisation processes implemented as part of the Group-wide Global Excellence Programme.

In terms of the total output, the adjusted cost of materials ratio amounted to 40.5% in the first half of 2015 (H1 2014: 42.6%). → Notes, p. 35.

Adjustments made to the costs of materials are related in an amount of EUR 2.5 million to expenses for raw materials and consumables used, which are a result of the remeasurement of acquired inventories within the purchase price allocation for the acquisition of NDS. The unadjusted cost of materials ratio in the first half of 2015 was 41.3% (H1 2014: 42.7%).

ADJUSTED COSTS OF MATERIALS AND MATERIALS RATIO



Improved gross margin

Adjusted gross profit (sales less the cost of materials and changes in inventories plus other own work capitalised) amounted to EUR 271.6 million in the first half of 2015. This equates to an increase of 33.9% compared to the previous year's figure of EUR 202.9 million. This translated into a higher adjusted gross margin (gross profit in relation to sales) of 59.8% (H1 2014: 57.5%).

In the second quarter of 2015, NORMA Group reported adjusted gross profit of EUR 138.5 million, which was 37.9% higher than in the second quarter of 2014 (EUR 100.5 million). This equates to an improved gross margin of 59.5% compared to the second quarter of 2014 (Q2 2014: 57.3%).

Personnel cost ratio remains stable compared to the previous year

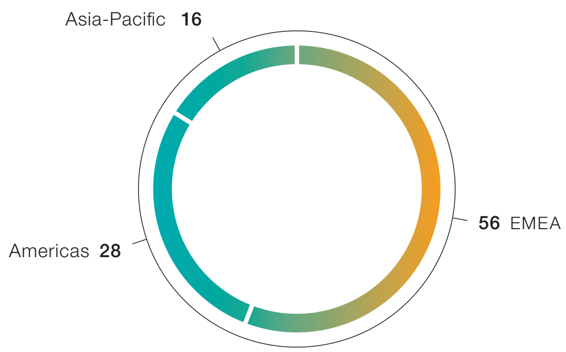
On 30 June 2015, NORMA Group had 6,386 employees in total, including temporary staff. 4,978 of these are considered permanent employees. The total number of permanent employees thus rose by 15.3% compared to 30 June 2014. The Americas region recorded the strongest increase of nearly 62%. This is primarily due to the acquisition of the American company National Diversified Sales (NDS) in October 2014. The number of employees in the Asia-Pacific region increased by around 24% during the same period. The number of permanent employees in the EMEA region declined slightly by 1%.

PERSONNEL DEVELOPMENT

	H1 2015	H1 2014
EMEA	2,802	2,822
Americas	1,385	855
Asia-Pacific	791	639
Core workforce	4,978	4,316
Temporary workers	1,408	987
Total number of employees including temporary workers	**6,386**	**5,303**

CORE WORKFORCE BY SEGMENT

in %



Personnel costs were higher due to the increase in the average number of employees in particular, but also to exchange rate effects. They amounted to EUR 119.4 million in the first half of 2015 and were thus 29.2% higher than in the same period in 2014 (H1 2014: EUR 92.5 million). In relation to sales, personnel costs rose proportionately, however. This resulted in a virtually unchanged personnel cost ratio of 26.3% compared to the previous year.

In the second quarter of 2015, personnel costs amounted to EUR 58.9 million, which means they rose by 26.4% compared to the second quarter of 2014 (EUR 46.6 million). In relation to sales, this resulted in an improved personnel cost ratio of 25.3% (Q2 2014: 26.6%). Personnel costs for the period April to June also declined by 2.8% compared to the first quarter of the year. → Notes, p. 35.

Adjusted other operating income and expenses

In the first half of 2015, the balance of adjusted other operating income and expenses amounted to EUR –60.2 million and was thus 53.7% higher than last year's level of EUR –39.2 million. This equates to a 13.3% share of sales (H1 2014: 11.1%). This increase is primarily due to the inclusion of NDS, the company that was acquired in the fourth quarter of 2014, as well as exchange rate effects.

In the second quarter of 2015, adjusted other operating income and expenses amounted to EUR –32.2 million and were thus 65.9% higher than the level of the same quarter last year (Q2 2014: EUR –19.4 million). The ratio in relation to sales was therefore 13.8% in the second quarter of 2015 (Q2 2014: 11.1%).

Compared to the first quarter of 2015, adjusted operating income and expenses rose slightly in relation to sales in the period April to June 2015 (Q1 2015: 12.7%). → Notes, p. 35.

Integration costs in the amount of EUR 0.3 million were adjusted within other operating income and expenses in the first six months of the year.

Significant improvement in adjusted EBITDA and EBITA

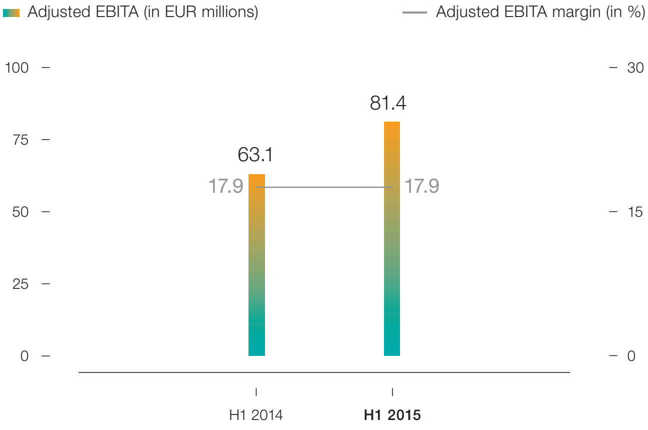
Adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to EUR 92.0 million in the first half of 2015 and were thus 29.2% higher than the previous year's figure (H1 2014: EUR 71.2 million). This resulted in a constant adjusted EBITDA margin of 20.2% compared to the first half of 2014.

Adjusted EBITA, which, in addition to the adjustments mentioned, is also adjusted to account for depreciation on intangible assets from purchase price allocations, amounted to EUR 81.4 million at the end of the half-year and was thus 28.9% higher than last year's figure of EUR 63.1 million. This good operating result led to a stable adjusted EBITA margin of 17.9% compared to the same period of the previous year.

Adjusted EBITA for the second quarter of 2015 amounted to EUR 42.1 million. This equates to a 38.3% increase compared to the second quarter of 2014 (EUR 30.5 million). At 18.1%, the adjusted EBITA margin again remained at an extremely high level (Q2 2014: 17.4%).

Compared to the first quarter of 2015 (Q1 2015: 17.7%), the EBITA margin also increased due to the proportionately lower development of personnel costs.

ADJUSTED EBITA AND ADJUSTED EBITA MARGIN



Improved financial result

The financial result for the first six months of the year was EUR –8.4 million. In the same period last year, this amounted to EUR –12.6 million due to negative one-time effects as a result of partial repayment of the syndicated loan in the first quarter of 2014 (EUR 5.4 million). → Interim Report Q2 2014, p. 15.

Compared to the adjusted value for the first half of 2014 (EUR –7.2 million), the financial result declined by 16.4% in the current reporting period. → Notes, p. 35.

Net interest expenses amounted to EUR 7.8 million in the first six months of 2015. Adjusted for the one-time effects at the beginning of 2014 mentioned earlier, they were EUR 2.6 million higher than in the first half of 2014. This was mainly due to the loans taken out in conjunction with the acquisition of NDS in November 2015.

The financial result for the second quarter of 2015 was EUR –5.3 million, which equates to a 43.1% increase in the negative figure compared to the same quarter last year (Q2 2014: EUR –3.7 million). This decline is mainly due to the additional interest expense as a result of increased debt and to currency effects.

Adjusted earnings after taxes significantly higher

Income taxes for the first six months of 2015 amounted to EUR 18.7 million (H1 2014: EUR 14.0 million). This equates to an only slightly higher tax ratio of 33.1% compared to the same period of the previous year (H1 2014: 32.6%).

Earnings after taxes adjusted for the one-off effects referred to earlier and depreciation from purchase price allocations amounted to EUR 46.4 million in the reporting period and were thus 26.6% higher than last year's level of EUR 36.7 million.

Adjusted income taxes for the second quarter of 2015 amounted to EUR 11.4 million (Q2 2014: EUR 8.3 million). This resulted in an adjusted profit of EUR 23.6 million for the period in the second quarter, which equates to a 38.1% increase compared to the previous year's quarter (Q2 2014: EUR 17.1 million).

Compared to the first quarter of this year, adjusted earnings for the period rose by 3.1% from EUR 22.9 million.

Adjusted earnings per share

Adjusted earnings per share in the first half of 2015 were EUR 1.45, a 26.6% increase compared to the same period of the previous year (H1 2014: EUR 1.15). At EUR 1.19, earnings per share were 31.1% higher than in the same period last year (EUR 0.91).

Adjusted earnings per share amounted to EUR 0.74 in the second quarter of 2015 and were thus 38.1% higher than last year's figure of EUR 0.53. → Notes, p. 35.

Net asset position

Total assets

Total assets as of 30 June 2015 amounted to EUR 1,157.9 million and were thus 7.4% higher than at the end of 2014 (EUR 1,078.4 million). Compared to 30 June 2014 (EUR 740.8 million), they increased by 56.3%.

Assets impacted by acquisitions

Non-current assets as of 30 June 2015 amounted to EUR 786.5 million. This means they rose slightly by 4.3% compared to 31 December 2014 (EUR 754.3 million). Compared to 30 June 2014 (EUR 454.5 million), they rose by 73.0%. This increase compared to the same period last year is mainly due to the acquisition of NDS and to currency effects. Non-current assets accounted for 67.9% of total assets as of 30 June 2015.

Current assets amounted to EUR 371.4 million as of 30 June 2015 and thus rose by 14.6% compared to the end of 2014 (EUR 324.1 million). Compared to the respective period of the previous year (30 June 2014: EUR 286.3 million), they rose by 29.7%.

This increase compared to the end of 2014 resulted primarily from the 42.1% increase in trade receivables to EUR 153.0 million (31 Dec 2014: 107.7 million) that is typical for the first half of the year, but also 15.3% higher inventories in the amount of EUR 132.5 million (31 Dec 2014: EUR 114.9 million) due to increased business activity in the second quarter of 2015 compared to the end of 2014. Cash and cash equivalents, on the other hand, declined by 20.0% compared to the end of 2014 (31 Dec 2014: EUR 84.3 million) to EUR 67.4 million. The decrease is mainly attributable to the payment of the dividend of EUR 23.9 million in May 2015 and the scheduled repayment of financial liabilities in the second quarter of 2015 amounting to EUR 9.6 million.

(Trade) working capital impacted by growth in sales

(Trade) working capital (inventories plus receivables minus liabilities, both primarily from trade payables and trade receivables) was EUR 179.7 million as of 30 June 2015 and thus 26.8% higher compared to 31 December 2014 (EUR 141.8 million) due to the strong growth in sales. Compared to 30 June 2014 (EUR 126.3 million), it rose by 42.3%.

Group equity ratio increases to 34.2% despite dividend payment

Group equity amounted to EUR 395.5 million on 30 June 2015 and was thus 7.5% higher than in December 2014 (EUR 368.0 million). The equity ratio amounted to 34.2% on 30 June 2015 despite payment of the dividend. This means it rose slightly compared to the end of the year (31 Dec 2014: 34.1%).

Slight increase in net debt

Net debt amounted to EUR 395.5 million as of 30 June 2015. This represents a slight increase of 6.0% or EUR 22.4 million compared to 31 December 2014 despite the dividend payment. Gearing (net debt in relation to equity) of 1.0 remained at the same level as at the end of 2014.

Lower non-current liabilities, higher current liabilities

Non-current liabilities amounted to EUR 507.1 million as of 30 June 2015 and were thus 8.6% lower than at the end of last year (31 Dec 2014: EUR 555.1 million). This development can be largely attributed to the reclassification of the syndicated loan to current liabilities in accordance with its term. At the same time, the related derivative hedging instruments were reclassified. This then equates to a 43.8% share of total assets as of the end of the first half of the year. Due to the inclusion of NDS and related borrowing, non-current liabilities increased by 96.7% compared to 30 June 2014 (EUR 257.9 million).

As a result of the reclassification, but also due to the 30.9% increase in trade payables (30 June 2015: EUR 105.8 million), current liabilities rose by 64.3% to EUR 255.3 million in the reporting period compared to the end of 2014 (31 Dec 2014: EUR 155.3 million). They thus accounted for 22% of total assets (31 Dec 2014: 14.4%).

Compared to 30 June 2014, current liabilities (30 June 2014: EUR 150.5 million) increased by 69.6% due to the reclassification of the maturities and an increase of EUR 31.9 million in trade payables.

Off-balance sheet financing instruments

NORMA Group relies on rental agreements (so-called operating leasing) for its financing, but only to a limited extent. These are not reflected in the Consolidated Financial Statements. In addition, a variety of supply chain financing programmes are used to improve working capital, including a supplier-side reverse factoring programme. An attempt is also made to optimize working capital on the customer side using the appropriate instruments. Furthermore, there were no other off-balance-sheet financing instruments in the reporting period January to June 2015.

Financial Position

Group-wide financial management

For a more detailed overview of NORMA Group's general financial management, please refer to the 2014 Annual Report. → 2014 Annual Report, p. 72.

Higher adjusted operating net cash flow before investments

Adjusted operating net cash flow for the first half of 2015 amounted to EUR 49.3 million (H1 2014: EUR 44.4 million). This was mainly influenced by the rise in EBITDA and therefore more than compensated for the higher demand for working capital and the increased spending for investments from the operating business. The main focus of investments in the amount of EUR 18.7 million was on the plants in Brazil, China, Germany, Serbia and the USA.

In relation to total sales, adjusted operating net cash flow for the first half of 2015 amounted to 10.9% (H1 2014: 12.6%).

ADJUSTED OPERATING NET CASH FLOW

in EUR millions	H1 2015	H1 2014
Adjusted EBITDA	92.0	71.2
Change in working capital [1]	– 24.0	– 14.7
Investments from operating business	– 18.7	– 12.1
Adjusted operating net cash flow	**49.3**	**44.4**

[1] Adjusted for currency effects in the amount of EUR 13.8 million (H1 2014: EUR 0.6 million)

Cash flow from operating activities

In the first six months of 2015, NORMA Group generated cash flow from operating activities in the amount of EUR 51.8 million. The higher cash flow from operating activities compared to the previous year (H1 2014: EUR 38.8 million) can be mainly attributed to the higher earnings for the period and to the positive development of working capital and reduced cash outflow from income taxes.

The inflow of funds from operating activities in the second quarter of 2015 amounted to EUR 41.5 million, which represents a significant increase compared to the inflow of funds in the first quarter of 2015 (EUR 10.3 million). Cash flow from operating activities rose by 89.1% compared to the second quarter of the previous year (Q2 2014: EUR 22.0 million).

Cash flow from investing activities

In the first half of 2015, NORMA Group's cash flow from investing activities amounted to EUR – 18.4 million (H1 2014: EUR – 16.9 million). The main focus of investments in the first half of the year was on projects aimed at expanding capacities in Brazil, China, Germany, Serbia and the USA.

The investment ratio in the first half of 2015 thus amounted to 4.1% of sales. Adjusted for acquisitions and proceeds from the sale of property, plant and equipment, this ratio was 3.1%.

The outflow of funds from investing activities in the second quarter amounted to EUR – 7.9 million. This decrease compared to the first quarter of 2015 (EUR – 10.5 million) can mainly be attributed to changes in liabilities from the acquisition of intangible assets and fixed assets from the previous year.

Cash flow from financing activities

In the first half of 2015, cash flow from financing activities at NORMA Group amounted to EUR – 53.6 million (H1 2014: EUR – 142.8 million). Cash flow from financing activities was mainly influenced by the repayment of loans in the amount of EUR 10.1 million and the repayment of around EUR 15.2 million in hedging derivatives. Furthermore, the dividend payment resulted in a cash outflow of EUR 23.9 million.

Compared to the first quarter of 2015 (EUR – 12.2 million), the cash outflow from financing activities increased to EUR – 41.3 million in the quarter that just ended as a result of payment of the dividend and the scheduled repayment of loans. This figure was EUR – 31.4 million in the second quarter of the previous year.

SEGMENT REPORTING

In the first six months of 2015, the share of sales realised internationally amounted to around 78%, which means it rose significantly compared to the previous year (H1 2014: 71%). The main reason for this was the increased share that the Americas region accounted for as a result of the acquisition of NDS.

EMEA region posts moderate growth

External sales in the EMEA region amounted to EUR 212.3 million in the first half of 2015 and thus increased by 1.1% compared to the same period last year (H1 2014: EUR 210.0 million). The EMEA region's share of total sales amounted to around 47% in the first half of 2015 (H1 2014: 60%).

Adjusted EBITDA in the EMEA region in the reporting period amounted to EUR 45.6 million, a 2% decline compared to the previous year (EUR 46.5 million). The adjusted EBITDA margin declined slightly from 20.8% in the first half of 2014 to 19.9% in the 2015 reporting period.

The EMEA region's assets amounted to EUR 507.7 million on 30 June 2015, a 2.3% increase compared to the end of 2014 (31 Dec 2014: EUR 496.4 million).

Stronger sales in the Americas region

The Americas region achieved external sales of EUR 204.9 million in the first half of 2015 (H1 2014: EUR 113.3 million) and growth of 80.9%. This means the share of sales of the Americas region increased sharply to 45% compared to the previous year (H1 2014: 32%). The main reasons for this were the additional sales generated by NDS, the American company that was acquired in October 2014, and positive currency effects due to the US dollar's significant gains against the euro.

Adjusted EBITDA in the Americas region was EUR 46.5 million for the first half of 2015, which means that it increased by 101.6% and thus more than doubled compared to the same period of the previous year. The adjusted EBITDA margin rose by 22.3% (H1 2014: 19.8%) during the reporting period and thus remained at a high level.

Assets increased to EUR 637.1 million as of 30 June 2015, which means that they rose by 10.8% compared to the end of 2014 (31 Dec 2014: EUR 574.9 million). This can be mainly attributed to currency effects.

Asia-Pacific posts dynamic growth

The Asia-Pacific region reported external sales of EUR 37.2 million in the first half of 2015 (H1 2014: EUR 29.8 million). This equates to growth of 24.9% compared to the same period last year. In other words, this segment continued to account for 8% of total sales as it did last year.

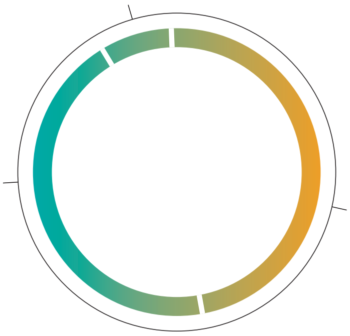
Adjusted EBITDA in the Asia-Pacific region was EUR 4.3 million as of 30 June 2015. This means it increased by 55.8% compared to the same period of the previous year. As a result of the strong growth in sales, the adjusted EBITDA margin for this region amounted to 11.1% (H1 2014: 8.9%).

Assets increased by 11.1% to EUR 79.9 million on 30 June 2015 compared to EUR 71.9 million at the end of 2014. The main reason for this is that a second production facility has now been opened in China.

SALES BY SEGMENT

in %

H1 2014 figures in brackets



DEVELOPMENT OF SEGMENTS

	EMEA		Americas		Asia-Pacific	
in EUR millions	**H1 2015**	H1 2014	**H1 2015**	H1 2014	**H1 2015**	H1 2014
Total segment sales	**228.5**	223.2	**209.0**	116.7	**38.5**	30.7
External sales	**212.3**	210.0	**204.9**	113.3	**37.2**	29.8
Contribution to consolidated sales (in %)	**47**	60	**45**	32	**8**	8
Adjusted EBITDA [1]	**45.6**	46.5	**46.5**	23.1	**4.3**	2.7
Adjusted EBITDA margin [2] (in %)	**19.9**	20.8	**22.3**	19.8	**11.1**	8.9

[1] The adjustments are described in the Notes. → Notes, p. 33.
[2] Based on segment sales.

NON-FINANCIAL PERFORMANCE INDICATORS

The most important non-financial control parameters for NORMA Group include the extent of market penetration, the Group's power of innovation, the employees' problem-solving behaviour and the sustainable overall development of NORMA Group. The development of these performance indicators in the first half of 2015 is described below.

Other non-financial performance indicators include employee and environmental indicators and indicators on occupational safety and healthcare within the Group. They are reported on once a year. The 2014 Annual Report contains a more detailed description of these performance indicators. → 2014 Annual Report, p. 82 ff.

Maintaining the Group's market and technology leadership

NORMA Group always seeks to sustainably expand its business and achieve sales growth and profitability that is higher than average by industry comparison. Particularly by offering innovative solutions, NORMA Group is able to create value creation potential in various areas of application and numerous industries. The Group's organic growth is thus a sign of NORMA Group's market penetration.

Maintaining the Group's power of innovation

Sustainably securing its technological leadership is a key driver of NORMA Group's future growth. The Group uses patents as a way of protecting its innovations. The number of patent applications per year is therefore part of the internal control system and an indicator of the Company's innovative capacity. In addition, it is used to steer the long-term development strategy. NORMA Group also submitted applications for patents on new developments in the first half of 2015. 52 new patents (H1 2014: 35) in total were registered in seven patent families.

Quality and delivery reliability

NORMA Group stands for the highest possible reliability and quality of service. The reputation of its brands and reliability of its products are key factors in the Company's success. The Group therefore relies on the highest quality standards in developing and manufacturing its products. In order to minimise production losses and maximise customer satisfaction, NORMA Group measures and manages the problem solving behaviour of its employees by using two performance indicators: the average number of quality-related customer complaints per month and defective parts per million of manufactured parts (parts per million / PPM). The two metrics are collected and aggregated at Group level on a monthly basis. In the first half of 2015, the number of defective parts (PPM) was 22 (H1 2014: 15). The average number of quality-related complaints per month was 10 (H1 2014: 8).

Acting responsibly in all areas of the Company

NORMA Group considers it to be its main responsibility to bring the effects of its business activity into balance with the expectations and needs of society. For this reason, operational decisions are based on the principles of responsible company management and sustainable actions. NORMA Group's strategy and goals are influenced by its Corporate Responsibility (CR) policies and described in detail in the 2013 Sustainability Report.

Risk and Opportunity Report

NORMA Group is exposed to a wide variety of risks and opportunities which can have a positive or negative short-term or long-term impact on its financial position and performance. For this reason, risk and opportunity management represents an integral component of corporate management for NORMA Group SE, at both the Group management level and at the level of the individual companies and individual functional areas. Due to the fact that all corporate activities are associated with risks and opportunities, NORMA Group considers identifying, assessing, and managing opportunities and risks to be a fundamental component of executing its strategy, securing the short and long-term success of the Company and sustainably increasing shareholder value. In order to achieve this over the long-term, NORMA Group encourages its employees in all areas of the Company to remain conscious of risks and opportunities.

The 2014 Annual Report contains a detailed description of the Risk and Opportunity Management System. → 2014 Annual Report, p. 90.

RISK AND OPPORTUNITY PROFILE OF NORMA GROUP

As part of the preparation and monitoring of its risk and opportunity profile, NORMA Group assesses risks and opportunities based on their financial impact and their probability of occurrence. The intervals used to perform this assessment are divided into the following five categories:

- Minor: up to 1% of current EBITA
- Low: more than 1% but less than 5% of current EBITA
- Moderate: more than 5% but less than 10% of current EBITA
- Significant: more than 10% but less than 25% of current EBITA
- Severe: more than 25% of current EBITA

The interval of the risk's or the opportunity's impact relates to the EBITA of the Group or segment provided that an individual assessment relates solely to a specific segment. The assessment of opportunities and risks whose financial impact has an effect on line items in the statement of comprehensive income below EBITA is also performed in relation to EBITA. The presented impact always reflects the effects of (counter)-measures implemented.

The probability of individual risks and opportunities occurring is quantified based on the following five categories:

- Highly unlikely: up to 3% probability of occurrence
- Unlikely: more than 3% but less than 10% probability of occurrence
- Possible: more than 10% but less than 40% probability of occurrence
- Likely: more than 40% but less than 80% probability of occurrence
- Very likely: more than 80% probability of occurrence

There were no significant changes in the assessment of risks and opportunities in the first half of 2015 compared to the 2014 Annual Report. The risk and opportunity portfolio for NORMA Group is shown in the table to the right:

RISK AND OPPORTUNITY PORTFOLIO OF NORMA GROUP [1)]

Financial risks and opportunities	
Default risk	
Liquidity	Risks
	Opportunities
Currency	Risks
	Opportunities
Change in interest rates	Risks
	Opportunities
Economic and cyclical risks and opportunities	
Risks	
Opportunities	
Industry-specific and technological risks and opportunities	
Risks	
Opportunities	
Risks and opportunities associated with corporate strategy	
Risks	
Opportunities	
Operative risks and opportunities	
Commodity pricing	Risks
	Opportunities
Suppliers	Risks
	Opportunities
Quality and processes	Risks
	Opportunities
Customers	Risks
	Opportunities
Risks and opportunities of personnel management	
Risks	
Opportunities	
IT-related risks and opportunities	
Risks	
Opportunities	
Legal risks and opportunities	
Disregard to standards	Risks
Social and environmental standards	Risks
	Opportunities
Property rights	Risks
	Opportunities

1) If not indicated differently, the risk assessment applies for all regional segments.

	Probability						Impact					
	very unlikely	unlikely	possible	likely	very likely	Change compared to Dec. 2014	minor	low	moderate	significant	high	Change compared to Dec. 2014
			•			→		•				→
	•					→					•	→
			•			→			•			→
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			•			→		•				→
			•			→		•				→

→ unchanged ↗ higher ↘ lower

Forecast Report

GENERAL ECONOMIC AND INDUSTRY-SPECIFIC CONDITIONS

Global economic growth expected to accelerate, but not until 2016

Global growth currently relies on a moderate recovery in the industrial nations. The IMF has reduced its forecast for global GDP growth in 2015 from 3.5% to 3.3%, however, due to the weak start to the year in North America. On the other hand, its estimate for 2016 is still 3.8%. The IMF sees risks mainly in the higher volatility of the financial market and asset prices. Low oil prices are stimulating the industrial nations while they place a burden on major emerging economies. According to the estimates of the IMF, the US economy should grow this year by 2.5% (2016: +3.0%). Growth rates of 6.8% (2015) and 6.3% (2016) are expected for China. Growth in the euro region should speed up moderately by 1.5% (2015) and 1.7% (2016).

German economy continues its upturn

The general conditions consisting of continued low interest rates and oil prices as well as a lower external value of the euro compared to the previous year remain favourable. Nevertheless, the Greek crisis and global growth that is still modest have slowed down development most recently. Given the uncertainties, major economic indicators have deteriorated at a high level just recently (Center of European Economic Research ZEW, Ifo). They still remain positive overall and suggest that the upturn will continue. According to the Munich-based Ifo Institute, investments in equipment, construction activity and exports are increasingly contributing to this. The Ifo Institute estimates GDP growth in Germany to reach 1.9% in 2015 and 1.8% in 2016.

Mechanical engineering: VDMA expects to see only stagnation in 2015

An increase in industrial output in the industrial nations is likely to have a positive effect on capacity utilisation. As long as the political risks do not escalate, there are indications that investment activity will gradually recover in conjunction with continued favourable financing conditions, according to the unanimous forecasts of economic researchers. The industrial association VDMA, for instance, expects manufacturing in Germany to grow in the area of mechanical and plant engineering for the remainder of the year. However, it is anticipated that the present gap cannot be made up for again. For this reason, the association currently predicts that annual production output will only stagnate in 2015 (previously: +2%).

The automobile industry is growing slower globally, Western Europe is gaining momentum

The upturn in the global automobile market continues, however the dynamics are lower than estimated due to the stagnation in China. Market forecasts were lowered slightly just recently. LMC Automotive currently expects to see a global production increase in light vehicles (LV, up to 6 tons) of 2.0% to 89.0 million units (2016: +4.5%) in 2015. For the more narrowly defined global passenger car market, the VDA currently predicts that sales will increase by nearly 1% to 76.6 million units in 2015. Growth of 6% is assumed for China (cars) and 2% for the USA (LV) while the markets in Russia, Latin America and Japan are expected to shrink. The VDA has increased its forecast for registrations in 2015 for Western Europe (+4%) and Germany (+2%). The organisation also estimates that both domestic production and exports in Germany will increase by 2% in 2015.

Construction industry: Europe with a more robust recovery, upturn continues in Germany

The construction experts at Euroconstruct see the European construction industry on a recovery path. Construction output should therefore grow by 1.9% in real terms in 2015 (2016: +2.4%, 2017: +2.6%). By 2017, civil engineering should increase by an average of 3.1%, residential construction by around 2% and other building construction by 2.2% per year. The Central and Eastern European countries are expected to achieve a stronger increase than the construction industry in Western Europe due to higher investments in infrastructure. The Ifo Institute expects to see a broad recovery in construction activity in Germany. This will boost construction spending in 2015 by 2.0% in real terms due to positive incoming orders driven by residential construction (+ 2.3%). The Central Association of German Construction Companies ZDB estimates the increase in construction sales for 2015 to be 2.0% (residential construction + 3.0%, public and commercial construction each +1.5%).

GDP GROWTH RATES (REAL)

in %	2014	Q1 2015	Q2 2015	2015e	2016e
World	+3.4	+2.2	---	+3.3	+3.8
USA	+2.4	+0.6[1]	**+2.3**[1]	+2.5	+3.0
China	+7.4	+7.0	**+7.0**	+6.8	+6.3
Euro region	+0.8	+1.1	**+1.3**[2]	+1.5	+1.7
Germany	+1.6	+1.1	**H1: +1.4**[2]	+1.9[2]	+1.8[2]

Sources: IMF, US Department of Commerce, NBS China, Eurostat, Destatis
[1] annualised rate, [2] Ifo estimate

2015 FORECAST (UNCHANGED)

Consolidated sales	solid organic growth of around 4% to 7%, in addition approximately EUR 110 million from acquisitions
	EMEA: moderate organic growth
	Americas: solid organic growth, driven by acquisitions and positive currency effects
	APAC: over 10%, driven by stricter emission regulations and other factors
	EJT: solid growth
	DS: solid growth, driven by the acquisition of NDS
Adjusted cost of materials ratio	roughly at the same level as in previous years
Personnel cost ratio	roughly at the same level as in previous years
Adjusted EBITA margin	sustainable at the same level as in previous years of more than 17.0%
Net financial income	up to EUR –18 million
Adjusted tax rate	around 33% to 35%
Adjusted earnings per share	solid increase
Investment rate (adjusted for acquisitions)	operationally at around the same level of around 4.5%
Operating net cash flow	slightly higher than the level of previous years (2013: EUR 103.9 million, 2014: EUR 103.2 million)
Dividend	approximately 30% to 35% of adjusted annual Group earnings

FUTURE DEVELOPMENT OF NORMA GROUP

NORMA Group currently has no plans to make significant changes to either its goals or its strategy. Please refer to the 2014 Annual Report for a detailed description of its strategic goals. → 2014 Annual Report, p. 60 ff.

NORMA Group continues to hold fast to the forecast published in the 2014 Annual Report and expects solid organic consolidated sales growth of between 4% and 7% in 2015 compared to 2014. Furthermore, the Group anticipates additional acquisition-related revenue of approximately EUR 110 million from the acquisitions of NDS and Five Star. In addition, the continued weakening of the euro will positively affect growth in foreign currencies.

The forecast with respect to the three regional segments EMEA, the Americas and Asia-Pacific, as well as the two distribution channels, Engineered Joining Technology and Distribution Services, is presented in great detail in the 2014 Annual Report. NORMA Group continues to hold fast to the statements made therein.

There were also no changes with respect to the main cost positions (material and personnel expenses). NORMA Group expects to see a continued constant development and therefore a stable material usage and personnel cost ratio compared to past years. As a result, and on the basis of continued Group-internal optimisation processes, NORMA Group sees itself in a position to be able to maintain the high level of its margin in 2015 as well and will strive to achieve a sustainable (adjusted) EBITA margin at the same level of previous years of over 17.0%.

Due to the issuance of yet another promissory note and the resulting higher net debt compared to last year, NORMA Group expects to achieve a financial result of up to EUR –18 million. This includes interest charges on the Group's gross debt with an average interest rate of around 3%, as well as other expenses for currency hedges and transaction costs.

On the basis of these projections, solid growth in financial year 2015 is assumed with respect to adjusted earnings per share. Sales growth and a sustained margin will contribute to this, as will earnings contributions from acquisitions. One-time effects are not considered.

NORMA Group thus confirms the forecast published in the 2014 Annual Report for financial year 2015. The probable development of all relevant performance indicators is presented once again in the table above.

GENERAL STATEMENT BY THE MANAGEMENT BOARD ON PROBABLE DEVELOPMENT

The Management Board holds fast to the forecast published in the 2014 Annual Report.

Report on Transactions with Related Parties

In the reporting period from January to June 2015, there were no significant transactions with related parties subject to reporting.

Supplementary Report

Dr. Michael Schneider took office as a member of the Management Board of NORMA Group SE on 1 July 2015. He succeeds the former CFO, Dr. Othmar Belker, who stepped down at the end of March 2015.

Maintal, 5 August 2015

NORMA Group SE
The Management Board

Werner Deggim

Dr. Michael Schneider

Bernd Kleinhens

John Stephenson

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

as of 30 June 2015

ASSETS

in EUR thousands	Note	30 June 2015	31 Dec 2014	30 June 2014
Non-current assets				
Goodwill	(10)	**339,349**	324,496	236,578
Other intangible assets	(10)	**273,536**	262,460	94,118
Property, plant and equipment	(10)	**160,188**	154,490	116,327
Other non-financial assets		**291**	782	543
Income tax assets		**933**	933	1,611
Deferred income tax assets		**12,197**	11,137	5,328
		786,494	**754,298**	**454,505**
Current assets				
Inventories	(11)	**132,491**	114,877	82,353
Other non-financial assets		**12,657**	10,545	11,273
Other financial assets		**2,288**	2,198	0
Derivative financial assets		**1,618**	3	35
Income tax assets		**1,888**	4,505	1,320
Trade and other receivables	(11)	**153,017**	107,717	117,796
Cash and cash equivalents	(17)	**67,417**	84,271	73,482
		371,376	**324,116**	**286,259**
Total assets		**1,157,870**	**1,078,414**	**740,764**

EQUITY AND LIABILITIES

in EUR thousands	Note	30 June 2015	31 Dec 2014	30 June 2014
Equity attributable to equity holders of the parent				
Subscribed capital		**31,862**	31,862	31,862
Capital reserves	(12)	**210,325**	216,468	216,181
Other reserves		**22,343**	2,496	−8,209
Retained earnings	(12)	**130,104**	116,218	91,527
Equity attributable to shareholders		**394,634**	**367,044**	**331,361**
Non-controlling interests		**865**	969	1,055
Total equity		**395,499**	**368,013**	**332,416**
Liabilities				
Non-current liabilities				
Retirement benefit obligations		**12,495**	12,271	10,938
Provisions	(13)	**11,512**	6,207	6,046
Borrowings	(14)	**362,512**	408,225	193,157
Other non-financial liabilities		**1,599**	1,790	1,418
Other financial liabilities		**4,011**	3,763	3,939
Derivative financial liabilities	(14), (16)	**2,540**	18,177	10,172
Deferred income tax liabilities		**112,440**	104,647	32,181
		507,109	**555,080**	**257,851**
Current liabilities				
Provisions	(13)	**6,048**	8,142	7,685
Borrowings	(14)	**71,163**	22,721	27,012
Other non-financial liabilities		**29,544**	26,015	22,071
Other financial liabilities		**2,273**	2,445	3,196
Derivative financial liabilities	(14), (16)	**20,417**	2,043	38
Income tax liabilities		**19,997**	13,126	16,608
Trade payables		**105,820**	80,829	73,887
		255,262	**155,321**	**150,497**
Total liabilities		**762,371**	**710,401**	**408,348**
Total equity and liabilities		**1,157,870**	**1,078,414**	**740,764**

Consolidated Statement of Comprehensive Income

for the period from 1 January to 30 June 2015

in EUR thousands	Note	Q2 2015	Q2 2014	H1 2015	H1 2014
Revenue	(5)	232,852	175,238	454,338	353,035
Changes in inventories of finished goods and work in progress		–391	–2,019	1,868	–531
Other own work capitalised		310	497	645	952
Raw materials and consumables used	(5)	–94,267	–73,263	–187,670	–150,598
Gross profit		138,504	100,453	269,181	202,858
Other operating income	(6)	2,665	1,502	6,401	3,011
Other operating expenses	(6)	–35,064	–20,887	–66,953	–42,197
Employee benefits expense	(7)	–58,858	–46,561	–119,415	–92,459
Depreciation and amortisation		–12,225	–7,941	–24,128	–15,618
Operating profit		35,022	26,566	65,086	55,595
Financial income		45	137	199	221
Financial costs		–5,329	–3,829	–8,624	–12,867
Financial costs – net	(8)	–5,284	–3,692	–8,425	–12,646
Profit before income tax		29,738	22,874	56,661	42,949
Income taxes		–9,718	–7,508	–18,735	–14,012
PROFIT FOR THE PERIOD		20,020	15,366	37,926	28,937
Other comprehensive income for the period, net of tax					
Other comprehensive income that can be reclassified to profit or loss, net of tax		–7,673	3,161	19,750	5,627
Exchange differences on translation of foreign operations		–8,774	3,315	19,196	3,484
Cash flow hedges, net of tax		1,101	–154	554	2,143
Other comprehensive income for the period, net of tax		–7,673	3,161	19,750	5,627
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		12,347	18,527	57,676	34,564
Profit attributable to					
Shareholders of the parent		19,945	15,328	37,783	28,865
Non-controlling interests		75	38	143	72
		20,020	15,366	37,926	28,937
Total comprehensive income attributable to					
Shareholders of the parent		12,258	18,514	57,630	34,513
Non-controlling interests		89	13	46	51
		12,347	18,527	57,676	34,564
Undiluted earnings per share (in EUR)	(9)	0.63	0.49	1.19	0.91
Diluted earnings per share (in EUR)	(9)	0.63	0.48	1.19	0.90

Consolidated Statement of Cash Flows

for the period from 1 January to 30 June 2015

in EUR thousands	Note	Q2 2015	Q2 2014	H1 2015	H1 2014
Operating activities					
Profit for the period		**20,020**	**15,366**	**37,926**	**28,937**
Depreciation and amortisation		**12,225**	7,941	**24,128**	15,618
Gain (–)/loss (+) on disposal of property, plant and equipment		**–52**	9	**–10**	15
Change in provisions		**112**	–1,404	**–1,014**	–54
Change in deferred taxes		**–1,157**	–89	**–1,211**	–288
Change in inventories, trade account receivables and other receivables, which are not attributable to investing or financing activities		**–12,995**	–1,555	**–48,398**	–32,127
Change in trade and other payables, which are not attributable to investing or financing activities		**19,201**	–1,125	**34,340**	14,168
Payments for share based payments		**–2,265**	0	**–2,265**	0
Interest expenses of the period		**3,445**	2,343	**7,118**	4,841
Expenses due to measurement of derivatives within a hedge		**–1,109**	0	**11,709**	4,683
Other non-cash expenses/ income		**4,120**	479	**–10,527**	2,974
Net cash provided by operating activities	(17)	**41,545**	**21,965**	**51,796**	**38,767**
thereof interest received		**16**	60	**36**	176
thereof income taxes		**–5,033**	–8,112	**–10,951**	–13,090
Investing activities					
Payments for acquisitions of subsidiaries, net		**0**	–4,584	**–52**	–4,938
Investments in property, plant and equipment and intangible assets		**–8,119**	–5,689	**–18,652**	–12,089
Proceeds from sale of property, plant and equipment		**216**	31	**296**	150
Net cash used in investing activities		**–7,903**	**–10,242**	**–18,408**	**–16,877**
Financing activities	(17)				
Payments for shares in a subsidiary		**0**	0	**0**	–907
Interest paid		**–1,923**	–1,438	**–4,488**	–3,688
Dividends paid to shareholders		**–23,897**	–22,304	**–23,897**	–22,304
Dividends paid to non-controlling interests		**–40**	0	**–150**	0
Proceeds from borrowings		**5**	0	**456**	317
Repayment of borrowings	(14)	**–10,068**	–7,618	**–10,068**	–109,192
Repayment of hedging derivatives	(16)	**–5,256**	0	**–15,238**	–6,890
Repayment of lease liabilities		**–137**	–43	**–173**	–125
Net cash used in financing activities	(17)	**–41,316**	**–31,403**	**–53,558**	**–142,789**
Net decrease in cash and cash equivalents		**–7,674**	**–19,680**	**–20,170**	**–120,899**
Cash and cash equivalents at beginning of the year		**76,389**	92,829	**84,271**	194,188
Effect of foreign exchange rates on cash and cash equivalents		**–1,298**	333	**3,316**	193
Cash and cash equivalents at end of the period	(17)	**67,417**	**73,482**	**67,417**	**73,482**

Consolidated Statement of Changes in Equity

for the period from 1 January to 30 June 2015

		Attributable to equity holders of the parent	
in EUR thousands	Note	Subscribed capital	Capital reserves
Balance as of 31 December 2013		**31,862**	**215,927**
Changes in equity for the period			
Result for the period			
Exchange differences on translation of foreign operations			
Cash flow hedges, net of tax			
Total comprehensive income for the period		**0**	**0**
Stock options			254
Dividends paid			
Total transactions with owners for the period		**0**	**254**
Balance as of 30 June 2014	(12)	**31,862**	**216,181**
Balance as of 31 December 2014		**31,862**	**216,468**
Changes in equity for the period			
Result for the period			
Exchange differences on translation of foreign operations			
Cash flow hedges, net of tax	(16)		
Total comprehensive income for the period		**0**	**0**
Stock options			−6,143
Dividends paid			
Dividends paid to non-controlling interests			
Total transactions with owners for the period		**0**	**−6,143**
Balance as of 30 June 2015	(12)	**31,862**	**210,325**

	Attributable to equity holders of the parent				
	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	–13,857	84,966	318,898	1,004	319,902
		28,865	28,865	72	28,937
	3,505		3,505	–21	3,484
	2,143		2,143		2,143
	5,648	28,865	34,513	51	34,564
			254		254
		–22,304	–22,304		–22,304
	0	–22,304	–22,050	0	–22,050
	–8,209	91,527	331,361	1,055	332,416
	2,496	116,218	367,044	969	368,013
		37,783	37,783	143	37,926
	19,293		19,293	–97	19,196
	554		554		554
	19,847	37,783	57,630	46	57,676
			–6,143		–6,143
		–23,897	–23,897		–23,897
			0	–150	–150
	0	–23,897	–30,040	–150	–30,190
	22,343	130,104	394,634	865	395,499

Segment Reporting

for the period from 1 January to 30 June 2015

	EMEA		Americas		Asia-Pacific	
in EUR thousands	**H1 2015**	H1 2014	**H1 2015**	H1 2014	**H1 2015**	H1 2014
Total revenue	**228,544**	223,230	**209,006**	116,710	**38,517**	30,745
thereof inter-segment revenue	**16,284**	13,252	**4,120**	3,443	**1,325**	955
Revenue from external customers	**212,260**	**209,978**	**204,886**	**113,267**	**37,192**	**29,790**
Contribution to consolidated Group sales	**47 %**	60 %	**45 %**	32 %	**8 %**	8 %
Gross profit [1]	**134,350**	131,262	**120,685**	58,772	**17,981**	13,886
Adjusted EBITDA [2]	**45,572**	**46,488**	**46,541**	**23,085**	**4,275**	**2,744**
Depreciation without PPA depreciation [3]	**−4,864**	−4,775	**−4,016**	−2,048	**−1,270**	−898
Adjusted EBITA [2]	**40,708**	**41,713**	**42,525**	**21,037**	**3,005**	**1,846**
Assets (prior year as of 31 Dec 2014) [4]	**507,736**	496,433	**637,136**	574,897	**79,856**	71,893
Liabilities (prior year as of 31 Dec 2014) [5]	**110,569**	145,082	**368,448**	346,317	**27,578**	23,116
CAPEX	**5,288**	4,818	**5,828**	4,589	**1,481**	1,414

[1] In H1 2015 adjusted (→ Note 4).
[2] For details regarding the adjustments, refer to → Note 4.
[3] Depreciation from purchase price allocations.
[4] Including allocated goodwills, taxes are shown within the column “consolidation.”
[5] Taxes are shown within the column “consolidation.”

Total segments		Central functions		Consolidation		Consolidated Group	
H1 2015	H1 2014	H1 2015	H1 2014	H1 2015	H1 2014	H1 2015	H1 2014
476,067	370,685	15,869	14,601	–37,598	–32,251	454,338	353,035
21,729	17,650	15,869	14,601	–37,598	–32,251	0	0
454,338	353,035	0	0	0	0	454,338	353,035
100 %	100 %						
273,016	203,920	n.a.	n.a.	–1,377	–1,062	271,639	202,858
96,388	72,317	–4,042	–958	–350	–146	91,996	71,213
–10,150	–7,721	–477	–388	0	0	–10,627	–8,109
86,238	64,596	–4,519	–1,346	–350	–146	81,369	63,104
1,224,728	1,143,223	274,183	316,412	–341,041	–381,221	1,157,870	1,078,414
506,595	514,515	479,336	476,205	–223,560	–280,319	762,371	710,401
12,597	10,821	1,553	1,268	0	0	14,150	12,089

Notes to the Consolidated Financial Statements (condensed)

1. GENERAL INFORMATION

The condensed Consolidated Financial Statements of NORMA Group as of 30 June 2015 have been prepared in accordance with IAS 34 “Interim financial reporting” as adopted by the EU.

The condensed Consolidated Financial Statements are to be read in connection with the Consolidated Annual Financial Statements for 2014, which are available on the website @ http://investors.normagroup.com. All IFRS to be applied for financial years beginning 1 January 2015, as adopted by the EU, have been taken into account.

The condensed financial statements were approved by NORMA Group management on 4 August 2015 and released for publication.

2. BASIS OF PREPARATION

The condensed financial statements are prepared using the same methods of accounting and consolidation principles as in the Notes to the Consolidated Annual Financial Statements for 2014. A detailed description of significant accounting principles can be found in the Consolidated Annual Financial Statements for 2014 (→ Note 3 “Summary of significant accounting principles”) except as described at recently adopted accounting pronouncements.

The following financial reporting standards were adopted for the first time with effect from 1 January 2015:

- IFRIC 21 “Levies“
- Changes in the context of the IASB project for annual improvements (Annual Improvements Project, AIP):
  - Cycle: 2011 – 2013

The first-time adoption of these standards has had no significant effects on the Group’s Consolidated Financial Statements or Notes to the Interim Financial Statements.

The most significant accounting policies are as follows:

Position	Valuation method
Assets	
Goodwill	Impairment-only approach
Other intangible assets (except goodwill) - finite useful lives	Amortised costs
Other intangible assets (except goodwill) - indefinite useful lives	Impairment-only approach
Property, plant and equipment	Amortised costs
Derivative financial assets:	
Classified as cash flow hedge	At fair value in other comprehensive income
Classified as fair value hedge	At fair value through profit or loss
Inventories	Lower of cost or net realisable value
Other non-financial assets	Amortised costs
Other financial assets	Amortised costs
Trade receivables	Amortised costs
Cash and cash equivalents	Nominal amount
Liabilities	
Pensions	Projected unit credit method
Other provisions	Settlement amount
Borrowings	Amortised costs
Other non-financial liabilities	Amortised costs
Other financial liabilities (categories IAS 39):	
Financial liabilities at cost (FLAC)	Amortised costs
Derivative financial liabilities:	
Classified as cash flow hedge	At fair value in other comprehensive income
Classified as fair value hedge	At fair value through profit or loss
Contingent consideration	At fair value through profit or loss
Trade payables	Amortised costs

The Consolidated Statement of Comprehensive Income has been prepared in accordance with the nature of expenses method.

The condensed financial statements are presented in 'euro' (EUR).

Income tax expenses are calculated with an expected tax rate for the full financial year which is based on the best estimate of the weighted average annual income tax rate.

3. BASIS OF CONSOLIDATION

The basis of consolidation for the Consolidated Financial Statements as of 30 June 2015 remains unchanged compared to 31 December 2014 and includes seven domestic and 39 foreign companies.

4. ADJUSTMENTS

In the first half of 2015, expenses amounting to EUR 2,782 thousand were normalised within EBITDA (Earnings before interest, taxes, depreciation and amortisation). These adjustments within the EBITDA are related in the amount of EUR 2,458 thousand to expenses for raw materials and consumables used, which are a result of the remeasurement of acquired inventories within the purchase price allocation for the acquisition of National Diversified Sales, Inc. ("NDS"). Furthermore, expenses associated with the integration of the acquired entity in the amount of EUR 324 thousand were adjusted within other operating expenses.

Besides the described adjustments, depreciation in the amount of EUR 1,149 thousand (H1 2014: EUR 491 thousand) and amortisation in the amount of EUR 8,765 thousand (H1 2014: EUR 4,442 thousand) from purchase price allocations were adjusted as in previous years.

Furthermore, in the first half of 2014, an adjustment related to the repayment of the syndicated bank facilities in January 2014 in the amount of EUR 5,406 thousand was made within the financial result. In the first half of 2015, no adjustments were made within the financial result.

The theoretical taxes resulting from the adjustments are calculated using the respective tax rate of each Group entity and are considered within the adjusted earnings after taxes.

The following table shows the adjusted profit for the period:

in EUR thousands	H1 2015 unadjusted		Integration costs	Step-up effects from purchase price allocations	Total adjustments	H1 2015 adjusted
Revenue	454,338				0	454,338
Changes in inventories of finished goods and work in progress	1,868				0	1,868
Other own work capitalised	645				0	645
Raw materials and consumables used	–187,670			2,458	2,458	–185,212
Gross profit	269,181		0	2,458	2,458	271,639
Other operating income and expenses	–60,552		324		324	–60,228
Employee benefits expense	–119,415				0	–119,415
EBITDA	89,214		324	2,458	2,782	91,996
Depreciation	–11,776			1,149	1,149	–10,627
EBITA	77,438		324	3,607	3,931	81,369
Amortisation	–12,352			8,765	8,765	–3,587
Operating profit (EBIT)	65,086		324	12,372	12,696	77,782
Financial costs – net	–8,425				0	–8,425
Profit before income tax	56,661		324	12,372	12,696	69,357
Income taxes	–18,735		–107	–4,091	–4,198	–22,933
Profit for the period	37,926		217	8,281	8,498	46,424
Non-controlling interests	143				0	143
Profit attributable to shareholders of the parent	37,783		217	8,281	8,498	46,281
Earnings per share (in EUR)	1.19					1.45

in EUR thousands	H1 2014 unadjusted	Finance renegotiation		Step-up effects from purchase price allocations	Total adjustments	H1 2014 adjusted
Revenue	353,035				0	353,035
Changes in inventories of finished goods and work in progress	–531				0	–531
Other own work capitalised	952				0	952
Raw materials and consumables used	–150,598				0	–150,598
Gross profit	202,858	0		0	0	202,858
Other operating income and expenses	–39,186				0	–39,186
Employee benefits expense	–92,459				0	–92,459
EBITDA	71,213	0		0	0	71,213
Depreciation	–8,600			491	491	–8,109
EBITA	62,613	0		491	491	63,104
Amortisation	–7,018			4,442	4,442	–2,576
Operating profit (EBIT)	55,595	0		4,933	4,933	60,528
Financial costs - net	–12,646	5,406			5,406	–7,240
Profit before income tax	42,949	5,406		4,933	10,339	53,288
Income taxes	–14,012	–1,368		–1,248	–2,616	–16,628
Profit for the period	28,937	4,038		3,685	7,723	36,660
Non-controlling interests	72				0	72
Profit attributable to shareholders of the parent	28,865	4,038		3,685	7,723	36,588
Earnings per share (in EUR)	0.91					1.15

Notes to the Consolidated Financial Statement of Comprehensive Income, Consolidated Statement of Financial Position and Other Notes

5. REVENUE AND RAW MATERIALS AND CONSUMABLES USED

Revenue for the first half of 2015 (EUR 454,338 thousand) was 28.7% higher than revenue for the first half of 2014 (EUR 353,035 thousand). The increase in revenue results from the inclusion of NDS and from positive currency effects. Revenues from NDS are fully allocated to Distribution Services.

Revenue recognised during the period related to the following:

in EUR thousands	H1 2015	H1 2014
Engineered Joining Technology (EJT)	275,390	250,562
Distribution Services (DS)	177,247	101,570
Other revenue	1,701	903
	454,338	353,035

The raw materials and consumables used increased disproportionately lower in relation to revenues, leading to a ratio of 41.3% (H1 2014: 42.7%). In relation to the total value, raw materials and consumables used are, with a ratio of 41.1%, below last year's level (H1 2014: 42.6%).

6. OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Other operating income in the first half of 2015 came to EUR 6,401 thousand which was EUR 3,390 thousand higher than in the first half of 2014 (EUR 3,011 thousand). Other operating income included in particular operational currency gains in the amount of EUR 3,981 thousand (H1 2014: EUR 1,151 thousand), government grants and reversals from accruals for variable compensation elements for employees.

Other operating expenses for the first half of 2015 (EUR 66,953 thousand) were 58.7% higher than other operating expenses for the first half of 2014 (EUR 42,197 thousand). The increase in comparison to the prior year period is due to the integration of NDS acquired in the fourth quarter of 2014 and currency effects. In relation to the total value, other operating expenses increased disproportionately higher with a ratio of 14.7% (H1 2014: 11.9%). The position other operating expenses includes currency losses in the amount of EUR 4,206 thousand (H1 2014: EUR 1,077 thousand). The composition of other operating expenses did not change significantly compared to financial year 2014.

7. EMPLOYEE BENEFITS EXPENSE

In the first half of 2015, employee benefits expense amounted to EUR 119,415 thousand compared to EUR 92,459 thousand in the first half of 2014. The increase of 29.2% is mainly due to an acquisition-related increase in the average headcount in the first half of 2015 in comparison to the first half of 2014. Furthermore, currency effects contributed to the increase in employee benefits expense. In relation to the total value, employee benefits expense increased disproportionately lower with a ratio of 26.1% (H1 2014: 26.2%).

Average headcount was 4,928 in the first half of 2015 (H1 2014: 4,243).

8. FINANCIAL RESULT

The financial result for the first half of 2015 (EUR –8,425 thousand) changed by EUR 4,221 thousand compared to the first half of 2014 (EUR –12,646 thousand). In the first half of 2015, net foreign exchange gains/losses (including income / expense from the valuation of foreign exchange derivatives) amounted to EUR –220 thousand (H1 2014: EUR –1,632 thousand). Net interest expenses (EUR 7,772 thousand) increased by EUR 1,334 thousand in the first half of 2015 compared to the first half of 2014 (EUR 6,438 thousand). Adjusted for the one-off expenditures from the early repayment of the syndicated bank facilities in the first quarter of 2014, net interest expenses in the first half of 2014 amounted to EUR 5,201 thousand. Hence, net interest expenses in the first half of 2015 increased by EUR 2,571 thousand compared to the adjusted previous year amount, mainly due to the loans used for the financing of the acquisition of NDS.

9. EARNINGS PER SHARE

Earnings per share are calculated by dividing net income for the period attributable to NORMA Group's shareholders by the weighted average number of shares issued during the period under review. NORMA Group has only issued common shares. In the first half of financial year 2015, the average weighted number of shares was 31,862,400 (H1 2014: 31,862,400).

Options issued out of the Matching Stock Programme ("MSP") for the Board of NORMA Group had dilutive effects on earnings per share in the first half of 2014. A detailed description of the MSP can be found in the Consolidated Annual Financial Statements for 2014; → Note 28 "Share based payments." The dilutive effect on earnings per share is calculated using the treasury stock method.

The MSP tranche from 2011 was settled in cash in June 2015. This payment established a history for the remaining tranches of this programme (triggering event), which resulted in a change of classification from equity settlement to cash settlement of the outstanding tranches. For this reason, no dilutive stock options resulted from the remaining MSP tranches as of 30 June 2015 and therefore also no dilutive effects on earnings per share.

Earnings per share for the first half of 2015 are as follows:

	Q2 2015	Q2 2014	H1 2015	H1 2014
Profit attributable to shareholders of the parent (in EUR thousands)	19,945	15,328	37,783	28,865
Number of weighted shares	31,862,400	31,862,400	31,862,400	31,862,400
Effect of dilutive share-based payment	0	230,822	0	230,822
Number of weighted shares (diluted)	31,862,400	32,093,222	31,862,400	32,093,222
Earnings per share undiluted (in EUR)	**0.63**	**0.49**	**1.19**	**0.91**
Earnings per share diluted (in EUR)	**0.63**	**0.48**	**1.19**	**0.90**

In the first half of 2015 and 2014, the negative one-time issues described in → Note 4 "Adjustments" influenced earnings per share.

10. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Intangible assets are as follows:

	Carrying amounts	
in EUR thousands	30 June 2015	31 Dec 2014
Goodwill	339,349	324,496
Customer lists	193,233	184,218
Licenses, rights	897	987
Software	10,892	11,637
Trademarks	45,010	42,028
Patents & technology	14,401	14,803
Internally generated intangible assets	6,119	6,190
Intangible assets, other	2,984	2,597
Total	**612,885**	**586,956**

The change in goodwill from EUR 324,496 thousand to EUR 339,349 thousand resulted from foreign exchange differences, mainly from the USD area and from the change of the initial purchase price allocation of NDS → Note 20 "Business Combinations."

The change in goodwill is summarised as follows:

in EUR thousands	
Balance as of 31 December 2014	**324,496**
Changes in consolidation	–256
Currency effect	15,109
Balance as of 30 June 2015	**339,349**

For details regarding the historical development of the cumulative amortisation and impairments, please refer to Annual Report 2014, p. 146.

Tangible assets are as follows:

	Carrying amounts	
in EUR thousands	30 June 2015	31 Dec 2014
Land and buildings	58,986	57,909
Machinery & tools	72,586	68,624
Other equipment	12,708	13,340
Assets under construction	15,908	14,617
Total	**160,188**	**154,490**

In the first half of 2015, EUR 14,150 thousand were invested in property, plant and equipment and intangible assets, including own work capitalised in the amount of EUR 645 thousand and finance leases in the amount of EUR 111 thousand. The main focus of investments was on expansion in Germany, Serbia, China, the USA and Brazil. There were no major disinvestments.

11. CURRENT ASSETS

The increase in current assets is due to an increase in trade receivables and inventories resulting from the increased sales volume in the second quarter of 2015 compared to the last quarter of 2014. There was an opposite effect from the decrease in cash and cash equivalents resulting from the repayment of liabilities from hedging derivatives in the amount of EUR 15,238 thousand, the repayment of bank borrowings in the amount of EUR 10,068 thousand, the dividend payment in the amount of EUR 23,897 thousand and payments for investments in the current year as well as repayments of liabilities from prior year investments in the amount of EUR 18,652 thousand.

ABS programme

In 2014, NORMA Group entered into a revolving asset purchase agreement (Receivables Purchase Agreement) with Weinberg Capital Ltd. (special purpose entity). Within the agreed structure, NORMA Group sells trade receivables in the context of an ABS transaction which was successfully initiated in December 2014. Receivables are sold by NORMA Group to the special purpose entity.

As of 30 June 2015, domestic NORMA Group entities had sold receivables in the amount of EUR 11.9 million (31 December 2014: EUR 11.9 million) under this asset-backed securities (ABS) programme with a maximum volume of EUR 25 million. Of the receivables sold, EUR 2.0 million (31 December 2014: EUR 1.9 million) were retained as loss reserves and were not paid out. A continuing involvement in the amount of EUR 213 thousand (31 December 2014: EUR 320 thousand) includes the maximum amount that NORMA Group could conceivably have to pay back under the default guarantee and the expected interest payments until the payment is received for the carrying amount of the receivables transferred. The fair value of the guarantee / interest payments to be assumed has been estimated at EUR 1 thousand (31 December 2014: EUR 4 thousand), taken through profit or loss and recognised under other liabilities.

A detailed description of the ABS programme can be found in the Consolidated Annual Financial Statements for 2014; → Note 23 “Trade receivables and other receivables.”

12. EQUITY

Changes in equity resulted from the profit for the period (EUR 37,926 thousand), cash flow hedges (EUR 554 thousand) and exchange differences on translation of foreign operations (EUR 19,196 thousand). Furthermore, NORMA Group paid out dividends to non-controlling interests in the amount of EUR 150 thousand in the first half of 2015.

A dividend of EUR 23,897 thousand (EUR 0.75 per share) was paid to the shareholders of NORMA Group SE after the Annual Meeting in May 2015, which reduced the retained earnings.

Management incentive schemes

In the second quarter of 2015, the Matching Stock Programme (“MSP”) for the Management Board of NORMA Group was switched over to cash settlement by resolution of the Supervisory Board. Due to the change in classification of the stock options from being a settlement in equity instruments to a cash settlement, the proportional fair value of the options were recalculated at the time of the change in estimates. The proportional expenses for the year 2015 up to the date of change in the amount of EUR 135 thousand were recognised within the capital reserve through profit or loss. The differences between the pro rata fair value on the grant date and the date of the change in the assessment in the amount of EUR 6,278 thousand were recognised directly in equity as a reduction of the capital reserve against a corresponding provision.

Authorised and conditional capital

The Management Board is entitled to increase the share capital by up to EUR 12,744,960.00 until 19 May 2020 by issuing up to 12,744,960 new no-par value registered shares in exchange for cash and / or contributions in kind either once or several times by resolution of the Annual General Meeting held on 20 May 2015, with the approval of the Supervisory Board, whereby the subscription rights of shareholders may be restricted (authorised capital 2015).

The share capital is being increased by up to EUR 3,186,240.00 by resolution of the Annual General Meeting on 20 May 2015 by issuing up to 3,186,240 new no-par value registered shares to grant convertible bonds and / or bonds with warrants (conditional capital 2015).

The resolutions of the Annual General Meeting of 6 April 2011, authorised capital 2011 and conditional capital 2011, were repealed.

13. PROVISIONS

Provisions increased from EUR 14,349 thousand as of 31 December 2014 to EUR 17,560 thousand as of 30 June 2015.

In the second quarter of 2015, the Matching Stock Programme (MSP) for NORMA Group’s Management Board was changed to cash settlement by decision of the Supervisory Board. The accounting treatment has been modified accordingly (→ Note 12 “Equity”). This leads to an increase in provisions by EUR 6,278 thousand at the date of change, thereof EUR 2,265 thousand were paid out in the second quarter of 2015.

14. FINANCIAL DEBT

NORMA Group's net debt is as follows:

in EUR thousands	30 June 2015	31 Dec 2014
Bank borrowings, net	432,427	429,703
Derivative financial liabilities – hedge accounting	22,957	20,220
Other borrowings (e.g. factoring and reverse factoring)	1,248	1,243
Finance lease liabilities	391	449
Other financial liabilities	5,893	5,759
Financial debt	**462,916**	**457,374**
Cash and cash equivalents	67,417	84,271
Net debt	**395,499**	**373,103**

NORMA Group's financial debt increased by 1.2% from EUR 457,374 thousand as of 31 December 2014 to EUR 462,916 thousand as of 30 June 2015. The increase within the bank borrowings is due to effects from changes in the exchange rates on the USD portion of the promissory note issued in financial year 2014. An opposite effect results from the scheduled repayment of parts of the syndicated bank facilities in the amount of EUR 9,600 thousand in June 2015. Furthermore, the negative market value of the hedging derivatives increased.

Compared to 31 December 2014 (EUR 373,103 thousand), net debt increased by EUR 22,396 thousand or 6.0% to EUR 395,499 thousand due to the described effects from the development of the exchange and market interest rates and due to the decrease in cash and cash equivalents.

The decrease in cash and cash equivalents is also caused by the dividend payment in the amount of EUR 23,897 thousand in May 2015.

The maturity of the syndicated bank facilities and the promissory note on 30 June 2015 is as follows:

in EUR thousands	up to 1 year	> 1 year up to 2 years	> 2 years up to 5 years	> 5 years
Bank borrowings, net	64,972	722	17,506	0
Promissory note, net	0	0	193,205	152,640
Total	**64,972**	**722**	**210,711**	**152,640**

The maturity of the syndicated bank facilities and the promissory note on 31 December 2014 is as follows:

in EUR thousands	up to 1 year	> 1 year up to 2 years	> 2 years up to 5 years	> 5 years
Bank borrowings, net	19,200	73,600	0	0
Promissory note, net	0	0	185,926	150,914
Total	**19,200**	**73,600**	**185,926**	**150,914**

The syndicated bank facilities are hedged against foreign exchange rate and interest rate changes. Furthermore, tranches of the promissory note with variable interest rates are hedged against interest rate changes. The derivative liability increased from EUR 18,177 thousand as of 31 December 2014 to EUR 22,230 thousand as of 30 June 2015.

15. FINANCIAL INSTRUMENTS

Financial instruments according to classes and categories are as follows:

			Measurement basis IAS 39				
in EUR thousands	Category IAS 39	**Carrying amount 30 June 2015**	Amortised Cost	Fair value through profit or loss	Derivatives used for hedging	Measurement basis IAS 17	**Fair value 30 June 2015**
Financial assets							
Derivative financial instruments – hedge accounting							
Foreign exchange derivatives – cash flow hedges	n/a	**57**			57		**57**
Foreign exchange derivatives – fair value hedges	FVtPL	**1,561**			1,561		**1,561**
Trade and other receivables	LaR	**153,017**	153,017				**153,017**
Other financial assets	LaR	**2,288**	2,288				**2,288**
Cash and cash equivalents	LaR	**67,417**	67,417				**67,417**
Financial liabilities							
Borrowings	FLAC	**433,675**	433,675				**444,988**
Derivative financial instruments – hedge accounting							
Interest derivatives	n/a	**2,540**			2,540		**2,540**
Cross-currency swaps	n/a	**19,690**			19,690		**19,690**
Foreign exchange derivatives – cash flow hedges	n/a	**68**			68		**68**
Foreign exchange derivatives – fair value hedges	FVtPL	**659**			659		**659**
Trade payables	FLAC	**105,820**	105,820				**105,820**
Other financial liabilities							
Contingent considerations	n/a	**3,253**		3,253			**3,253**
Other liabilities	FLAC	**2,640**	2,640				**2,640**
Finance lease liabilities	n/a	**391**				391	**404**
Totals per category							
Financial assets at fair value through profit or loss (FVtPL)		**1,561**			1,561		**1,561**
Loans and receivables (LaR)		**222,722**	222,722				**222,722**
Financial liabilities at fair value through profit or loss (FVtPL)		**659**			659		**659**
Financial liabilities at amortised cost (FLAC)		**542,135**	542,135				**553,448**

in EUR thousands	Category IAS 39	Carrying amount 31 Dec 2014	Measurement basis IAS 39: Amortised Cost	Measurement basis IAS 39: Fair value through profit or loss	Measurement basis IAS 39: Derivatives used for hedging	Measurement basis IAS 17	Fair value 31 Dec 2014
Financial assets							
Derivative financial instruments – hedge accounting							
Foreign exchange derivatives	n/a	**3**			3		**3**
Trade and other receivables	LaR	**107,717**	107,717				**107,717**
Other financial assets	LaR	**2,198**	2,198				**2,198**
Cash and cash equivalents	LaR	**84,271**	84,271				**84,271**
Financial liabilities							
Borrowings	FLAC	**430,946**	430,946				**442,614**
Derivative financial instruments – hedge accounting							
Interest derivatives	n/a	**2,554**			2,554		**2,554**
Cross-currency swaps	n/a	**15,623**			15,623		**15,623**
Foreign exchange derivatives	n/a	**2,043**			2,043		**2,043**
Trade payables	FLAC	**80,829**	80,829				**80,829**
Other financial liabilities							
Contingent considerations	n/a	**3,314**		3,314			**3,314**
Other liabilities	FLAC	**2,445**	2,445				**2,445**
Finance lease liabilities	n/a	**449**				449	**459**
Totals per category							
Loans and receivables (LaR)		**194,186**	194,186				**194,186**
Financial liabilities at amortised cost (FLAC)		**514,220**	514,220				**525,888**

Financial instruments that are recognised in the balance sheet at amortised cost and for which the fair value is stated in the notes are also allocated within a three step fair value hierarchy.

The fair value calculation of the fixed-interest promissory note that is recognised at amortised cost and for which the fair value is stated in the notes was based on the market yield curve according to the zero coupon method considering credit spreads (level 2). Interests accrued on the reporting date are included.

Trade and other receivables and cash and cash equivalents have short-term maturities. Their carrying amounts on the reporting date equal their fair values, as the impact of discounting is not significant.

Trade payables and other financial liabilities have short maturities; therefore, the carrying amounts reported approximate the fair values. On 30 June 2015, a contingent consideration measured at fair value amounting to EUR 3,253 thousand from the acquisition of the business activities of Five Star Clamps, Inc. in the second quarter of 2014 is included in the position other financial liabilities.

The fair values of finance lease liabilities are calculated as the present values of the payments associated with the debts based on the applicable yield curve and NORMA Group's credit spread curve.

Derivative financial instruments used for hedging are carried at their respective fair values. They have been categorised entirely within level 2 in the fair value hierarchy.

None of the financial assets that are fully performing have been renegotiated.

The tables below provide an overview of the classification of financial assets and liabilities measured at fair value in the fair value hierarchy under IFRS 13 as of 30 June 2015 as well as of 31 December 2014:

in EUR thousands	Level 1[1)]	Level 2[2)]	Level 3[3)]	Total as of 30 June 2015
Recurring fair value measurements				
Assets				
Foreign exchange derivatives – cash flow hedges		57		**57**
Foreign exchange derivatives – fair value hedges		1,561		**1,561**
Total	**0**	**1,618**	**0**	**1,618**
Liabilities				
Cross-currency swaps – cash flow hedges		19,690		**19,690**
Interest swaps – cash flow hedges		2,540		**2,540**
Foreign exchange derivatives – cash flow hedges		68		**68**
Foreign exchange derivatives – fair value hedges		659		**659**
Other financial liabilities			3,253	**3,253**
Total	**0**	**22,957**	**3,253**	**26,210**

1) Fair value measurement based on quoted prices (unadjusted) in active markets for these or identical assets or liabilities.
2) Fair value measurement for the asset or liability based on inputs that are observable on active markets either directly (i.e. as priced) or indirectly (i.e. derived from prices).
3) Fair value measurement for the asset or liability based on inputs that are not observable market data.

in EUR thousands	Level 1[1)]	Level 2[2)]	Level 3[3)]	Total as of 31 Dec 2014
Recurring fair value measurements				
Assets				
Foreign exchange derivatives – cash flow hedges		3		**3**
Total	**0**	**3**	**0**	**3**
Liabilities				
Cross-currency swaps – cash flow hedges		15,623		**15,623**
Interest swaps – cash flow hedges		2,554		**2,554**
Foreign exchange derivatives – cash flow hedges		172		**172**
Foreign exchange derivatives – fair value hedges		1,871		**1,871**
Other financial liabilities			3,314	**3,314**
Total	**0**	**20,220**	**3,314**	**23,534**

1) Fair value measurement based on quoted prices (unadjusted) in active markets for these or identical assets or liabilities.
2) Fair value measurement for the asset or liability based on inputs that are observable on active markets either directly (i.e. as priced) or indirectly (i.e. derived from prices).
3) Fair value measurement for the asset or liability based on inputs that are not observable market data.

In the first half of 2015 and in the year 2014, no transfers between the different levels occurred.

The fair value of interest swaps and cross-currency swaps is calculated as the present value of estimated future cash flows. The fair value of forward foreign exchange contracts is determined using a present value model based on forward exchange rates.

Level 3 includes the fair value of a financial liability from a contingent consideration resulting from the acquisition of the business activities of Five Star Clamps, Inc. The agreement on the contingent consideration related to the acquisition of the business activities of Five Star Clamps, Inc. commits NORMA Group to pay an amount depending on certain revenues made by Five Star in financial year 2015 in comparison with certain revenues made in financial year 2012. If the ratio of the revenues is below 100%, the contingent consideration will be reduced linearly by the calculated difference. Furthermore, the agreement includes an appropriate market interest on the contingent consideration. The fair value of the contingent consideration was determined on the acquisition date while taking into account the budget of the Company and setting the maximum value at EUR 2,630 thousand (the contingent consideration is due in USD, therefore the amount in euro will vary without P&L effects). The parameter for which no observable market data is available is shown below:

Assumed revenue ratio: > 100%

A decrease in the estimated revenue ratio to a value below 100% would lead to a lower value of the contingent consideration.

The contingent consideration related to the acquisition of Guyco Pty Limited existing on 31 December 2014 in the amount of EUR 317 thousand, was settled with a payment of EUR 317 thousand in the first quarter of 2015. The payment was equal to the outstanding fair value of the liability calculated at 30 June 2014.

The development of the financial liabilities that are recognised at fair value and assigned in level 3 of the fair value hierarchy is stated below:

in EUR thousands	Contingent consideration in business combinations	**Total**
Balance as of 1 January 2015	**3,314**	**3,314**
Transfers to Level 3	0	**0**
Gains and losses recognised in profit (+) or loss (–)	0	**0**
Payments	−317	**−317**
Currency effects	256	**256**
Balance as of 30 June 2015	**3,253**	**3,253**
Total gains or losses for the period included in profit or loss, under 'Financial result'	0	**0**

In the first half of 2015, no amounts were recognised in profit or loss for financial liabilities categorised in level 3, which are held on 30 June 2015. Currency effects on this liability amounting to EUR 256 thousand were recognised in other comprehensive income.

16. DERIVATIVE FINANCIAL INSTRUMENTS

The derivative financial instruments were as follows:

	30 June 2015		31 Dec 2014	
in EUR thousands	Assets	Liabilities	Assets	Liabilities
Cross-currency swaps – cash flow hedges		19,690		15,623
Interest rate swaps – cash flow hedges		2,540		2,554
Foreign exchange derivatives – cash flow hedges	57	68	3	172
Foreign exchange derivatives – fair value hedges	1,561	659		1,871
Total	1,618	22,957	3	20,220
Less non-current portion				
Cross-currency swaps – cash flow hedges				15,623
Interest rate swaps – cash flow hedges		2,540		2,554
Non-current portion	0	2,540	0	18,177
Current portion	1,618	20,417	3	2,043

Foreign exchange derivatives

On 30 June 2015, foreign exchange derivatives with a positive market value of EUR 57 thousand and a negative market value of EUR 68 thousand were classified as cash flow hedges. Furthermore, foreign exchange derivatives with a positive market value of EUR 1,561 thousand and a negative market value of EUR 659 thousand were classified as fair value hedges.

As part of its financial risk management, NORMA Group not only employs traditional approaches, such as using so-called natural hedges to reduce USD exposure and rolling hedging with foreign currency derivatives, but has also delegated certain parts of its exposure to banking partners. The purpose of this instrument is to protect NORMA Group against unfavourable exchange rate developments and, at the same time, allow the Company to participate in positive developments in foreign exchange markets. A dynamic protection concept with variable rate hedging is used here that analyses market trends on the basis of quantitative models and implements these findings in a technical security model. All activities must always follow the strict requirements of internal risk management.

Interest rate swaps and cross-currency swaps

In order to avoid interest rate fluctuations, NORMA Group has hedged parts of the loans against changes in interest rates and exchange rates. The remaining part of NORMA Group's financing was hedged against interest rate changes.

The effective part recognised in other comprehensive income increased equity on 30 June 2015 by EUR 869 thousand before taxes. Of this amount, EUR – 15,864 thousand are due to the measurement of the derivatives held as cash flow hedges and EUR 14,977 thousand are the change in value of the underlying. In the period, an additional EUR 1,756 thousand before tax were reclassified from the hedging reserve to profit or loss and thus increased other comprehensive income.

Amounts recognised in the hedging reserve in equity will be released in profit or loss during the maturity of the loans.

17. INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

In the statement of cash flows, a distinction is made between cash flows from operating activities, investing activities and financing activities.

Net cash provided by operating activities is derived indirectly from profit for the period. The profit for the period is adjusted to eliminate non-cash expenses from depreciation and amortisation as well as expenses and payments for which the cash effects are investing or financing cash flows and to eliminate other non-cash expenses and income. Net cash provided by operating activities of EUR 51,796 thousand (H1 2014: EUR 38,767 thousand) represents changes in current assets, provisions and liabilities (excluding liabilities in connection with financing activities).

The Group participates in a reverse factoring programme as well as in an ABS programme. The payments to the factor and from the ABS programme are included in cash flows from operating activities, as this represents the economic substance of the transactions.

Net cash provided by operating activities include in the first half of 2015 cash outflows from the payments of the cash settled share based payments of the MSP tranche 2011 for the Management Board of NORMA Group in the amount of EUR 2,265 thousand (H1 2014: EUR 0 thousand).

Net cash provided by operating activities is adjusted for other non-cash expenses and income, which results in the first half of 2015 from the non-cash personnel expenses from the Matching Stock Programme amounting to EUR 135 thousand (H1 2014: EUR 254 thousand) as well as non-cash interest expenses from the amortisation of accrued costs, directly attributable to the refinancing, amounting to EUR 703 thousand (H1 2014: EUR 1,783 thousand).

Furthermore, non-cash income (–) / expenses (+) from foreign exchange rate gains and losses on intragroup monetary items as well as external loans in the amount of EUR – 11,366 thousand (H1 2014: EUR 944 thousand) are included in other non-cash expenses and revenues.

Cash flows resulting from interest paid are disclosed as cash flows from financing activities.

Cash flows from investing activities include net cash outflows from the acquisition and disposal of property, plant and equipment and intangible assets amounting to EUR 18,356 thousand (H1 2014: EUR 11,939 thousand) including the repayment of liabilities from prior year investments in property, plant and equipment and intangible assets amounting to EUR – 4,613 thousand (H1 2014: EUR 0 thousand). Furthermore, net payments for acquisitions of subsidiaries in the amount of EUR 52 thousand (H1 2014: EUR 4,938 thousand) are included in the cash flows from investing activities.

Cash flows from financing activities mainly comprise outflows resulting from repayment of hedging derivatives in the amount of EUR 15,238 thousand (H1 2014: EUR 6,890 thousand), the repayment of financial debt in the amount of EUR 10,068 thousand (H1 2014: EUR 109,192 thousand), the payment of the dividend amounting to EUR 23,897 thousand (H1 2014: EUR 22,304 thousand) as well as cash flows resulting from interest paid (H1 2015: EUR – 4,488 thousand, H1 2014: EUR – 3,688 thousand).

Furthermore, dividend payments to non-controlling interests in the amount of EUR 150 thousand (H1 2014: EUR 0 thousand), proceeds from other loans amounting to EUR 456 thousand (H1 2014: 317 thousand) and repayments from finance lease liabilities in the amount of EUR 173 thousand (H1 2014: EUR 125 thousand) are disclosed as cash flows from financing activities.

The changes in balance sheet items that are presented in the Consolidated Statement of Cash Flows cannot be derived directly from the balance sheet, as the effects of currency translation are non-cash transactions and changes in the consolidated Group are shown directly in the net cash used in investing activities.

On 30 June 2015, cash and cash equivalents consisted of cash on hand and demand deposits of EUR 67,284 thousand (30 June 2014: EUR 73,102 thousand) as well as cash equivalents valued at EUR 133 thousand (30 June 2014: EUR 380 thousand).

18. SEGMENT REPORTING

NORMA Group segments the Company at a regional level. The reportable segments of NORMA Group are EMEA, the Americas, and Asia-Pacific. NORMA Group's vision includes regional growth targets. Distribution Services are focussed regionally and locally. EMEA, the Americas and Asia-Pacific have linked regional intercompany organisations of different functions. As a result, the Group's management reporting and controlling system has a strong regional focus. The product portfolio does not vary significantly between these segments.

NORMA Group measures the performance of its segments through profit or loss indicators which are referred to as "adjusted EBITDA" and "adjusted EBITA."

"Adjusted EBITDA" comprises revenue, changes in inventories of finished goods and work in progress, other own work capitalised, raw materials and consumables used, other operating income and expenses, and employee benefits expense, adjusted for material one-time effects. EBITDA is measured in a manner consistent with that used in the statement of comprehensive income.

"Adjusted EBITA" includes, in addition to EBITDA, the depreciation adjusted for depreciation from purchase price allocations.

In the first half of 2015, acquisition-related expenses that amounted to EUR 2,782 thousand, particularly associated with the acquisition of National Diversified Sales, Inc. ("NDS"), were normalised within the EBITDA and EBITA. Adjustments in the amount of EUR 2,458 thousand are related to expenses for raw materials and consumables used, resulting from the valuation of the inventories as part of the purchase price allocation in connection with the acquisition of NDS. Furthermore, expenses due to the integration of the acquired entity in the amount of EUR 324 thousand were adjusted within other operating expenses. Besides, EBITA was adjusted for depreciation from purchase price allocations as in prior years → Note 4 "Adjustments."

Inter-segment revenue is recorded at values that approximate third-party selling prices.

Segment assets comprise all assets less (current and deferred) income tax assets. Taxes are shown within the consolidation. Assets of the "Central Functions" include mainly cash and intercompany receivables.

Segment liabilities comprise all liabilities less (current and deferred) income tax liabilities. Taxes are shown within the consolidation. Liabilities of the "Central Functions" include mainly borrowings.

Segment assets and liabilities are measured in a manner consistent with that used in the statement of financial position.

19. CONTINGENCIES AND COMMITMENTS

Capital expenditure contracted for as of the balance sheet date but not yet incurred is as follows:

in EUR thousands	30 June 2015	31 Dec 2014
Property, plant and equipment	2,024	3,358
	2,024	**3,358**

The Group has contingent liabilities with respect to legal claims arising as part of the ordinary course of business.

NORMA Group does not believe that any of these contingent liabilities will have a material adverse effect on its business or that any material liabilities will arise from contingent liabilities.

20. BUSINESS COMBINATIONS

Change of the initial purchase price allocation of National Diversified Sales, Inc. in the fourth quarter of 2014

The purchase price allocation was adjusted in the second quarter of 2015 based on the final determination of the Trade Working Capital Adjustment.

The following table summarises the consideration paid and the amounts of the assets acquired and liabilities assumed recognised on the acquisition date and on 30 June 2015:

in EUR thousands	Initial purchase price allocation	Corrections within the evaluation period	Adjusted purchase price allocation
Consideration on 31 October 2014	**140,991**	**−256**	**140,735**
Acquisition-related costs (included in other operating expenses in the consolidated financial statement of comprehensive income)	4,162		4,162
Recognised amounts of identifiable assets acquired and liabilities assumed			
Cash and cash equivalents	11,139	0	11,139
Property, plant and equipment	21,338	0	21,338
Trademarks	25,321	0	25,321
Customer lists	132,005	0	132,005
Patented technology	1,270	0	1,270
Software	242	0	242
Inventory	27,472	0	27,472
Trade and other receivables	17,737	0	17,737
Trade payables and other liabilties	−9,867	0	−9,867
Loans	−87,065	0	−87,065
Finance lease liabilities	−793	0	−793
Personnel related liabilities	−10,285	0	−10,285
Tax assets	777		777
Deferred tax assets	4,852	0	4,852
Deferred tax liabilties	−68,536	0	−68,536
Total identifiable net assets	**65,605**	**0**	**65,605**
Goodwill	75,386	−256	75,130
	140,991	**−256**	**140,735**

21. RELATED PARTY TRANSACTIONS

In the first half of 2015, NORMA Group had no reportable transactions with related parties.

22. EVENTS AFTER THE BALANCE SHEET DATE

As of 5 August 2015, no events were known that would have led to a material change in the disclosures or valuation of the assets and liabilities as of 30 June 2015.

Review

The interim report was neither audited according to Section 317 HGB nor reviewed by auditors.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the Interim Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Maintal, 5 August 2015

NORMA Group SE
Management Board

Werner Deggim

Dr. Michael Schneider

Bernd Kleinhens

John Stephenson

Financial Calendar 2015

04.11.2015	Publication of Q3 Interim Results 2015
02.06.2016	Annual General Meeting in Frankfurt/Main

The financial calendar is constantly updated. Please visit the Investor Relations section on the Company website @ http://investors.normagroup.com for up-to-date information.

Contact and Imprint

If you have any questions regarding NORMA Group or would like to be included in the distribution list, please contact the Investor Relations team:

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CONCEPT AND LAYOUT
3st kommunikation, Mainz

Note on the interim report
This interim report is also available in German. If there are differences between the two, the German version takes priority.

Note on rounding
Please note that slight differences may arise as a result of the use of rounded amounts and percentages.

Forward–looking statements
This interim report contains certain future–oriented statements. Future–oriented statements include all statements which do not relate to historical facts and events and contain future–oriented expressions such as "believe", "estimate", "assume", "expect", "forecast", "intend", "could" or "should" or expressions of a similar kind. Such future–oriented statements are subject to risks and uncertainties since they relate to future events and are based on the company's current assumptions, which may not in the future take place or be fulfilled as expected. The company points out that such future–oriented statements provide no guarantee for the future and that the actual events including the financial position and profitability of the NORMA Group SE and developments in the economic and regulatory fundamentals may vary substantially (particularly on the down side) from those explicitly or implicitly assumed in these statements. Even if the actual assets for the NORMA Group SE, including its financial position and profitability and the economic and regulatory fundamentals, are in accordance with such future–oriented statements in this interim report, no guarantee can be given that this will continue to be the case in the future.

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