Q3 2014 INTERIM REPORT

GROWTH CONNECTS

Overview of Key Figures 2014

		Q3 2014	Q3 2013	Q1–Q3 2014	Q1–Q3 2013
Order situation					
Order book (30 Sep)	EUR millions	**–**	–	**263.4**	230.3
Income statement					
Revenue	EUR millions	**165.5**	159.9	**518.5**	482.7
Gross profit [1]	EUR millions	**98.7**	93.0	**301.6**	278.6
Adjusted EBITA [2]	EUR millions	**29.2**	28.8	**92.3**	85.0
Adjusted EBITA margin	%	**17.6**	18.0	**17.8**	17.6
EBITA	EUR millions	**27.4**	28.7	**90.0**	84.8
Adjusted profit for the period [2]	EUR millions	**17.1**	13.8	**53.8**	47.1
Adjusted EPS	EUR	**0.54**	0.43	**1.68**	1.48
Profit for the period	EUR millions	**14.4**	12.5	**43.3**	43.0
EPS (undiluted)	EUR	**0.45**	0.39	**1.36**	1.35
Cash flow					
Operating cash flow	EUR millions	**18.3**	29.8	**57.1**	74.7
Operating net cash flow	EUR millions	**17.6**	26.9	**61.3**	72.8
Cash flow from investing activities	EUR millions	**-12.5**	-13.9	**-29.4**	-29.8
Cash flow from financing activities	EUR millions	**-17.9**	108.2	**-160.6**	70.2

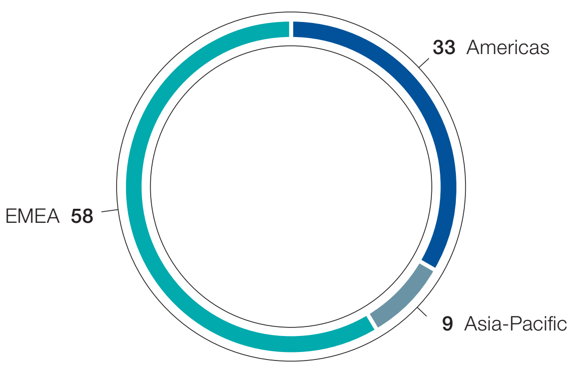
		30 Sep 2014	31 Dec 2013
Balance sheet			
Totals assets	EUR millions	**752.1**	823.7
Total equity	EUR millions	**354.8**	319.9
Equity ratio	%	**47.2**	38.8
Net debt	EUR millions	**166.8**	153.5
Employees			
Core workforce		**4,386**	4,134

[1] Revenues including changes in inventories of finished goods and work in progress less raw materials and consumables used.
[2] The adjustments are explained in the notes to the consolidated statement.

Date of publication 5 November 2014

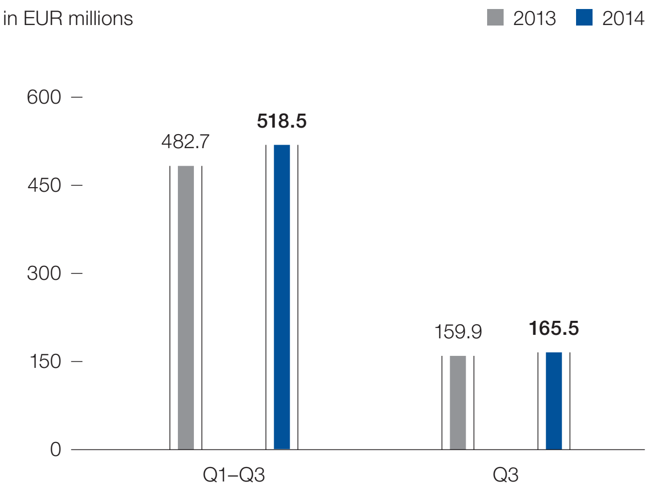
BREAKDOWN OF SALES BY REGION

in % as of 30 September 2014



SALES GROWTH

in EUR millions

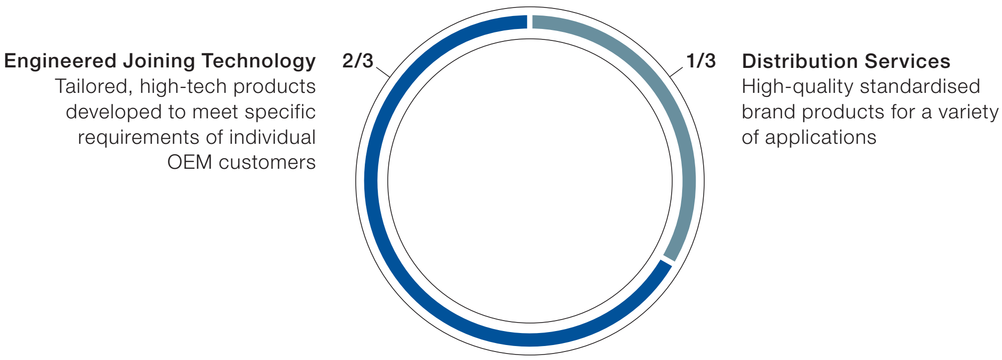


NORMA Group SE is an international market and technology leader in advanced engineered joining technology. We offer about 30,000 high-quality products and solutions to approximately 10,000 customers. We manufacture a wide range of innovative engineered joining technology solutions in three product categories: Clamp, Connect and Fluid for customers in more than 100 countries. Headquartered in Maintal near Frankfurt, we operate a worldwide network with 21 manufacturing centres and numerous sales and distribution sites across Europe, the Americas and Asia-Pacific.

Innovative joining technology and the highest quality standards have secured our market position for over 60 years now. We offer solutions for many different industries with our advanced products. In fact, we rank as the world's market and technology leader in the area of joining technology thanks to the personal dedication of roughly 5,000 employees and our intellectual property rights portfolio that consists of more than 850 patents.

Two Strong Distribution Channels

DISTRIBUTION OF SALES BY SALES CHANNELS



ENGINEERED JOINING TECHNOLOGY (EJT)

The EJT marketing strategy focusses on customised, engineered solutions which meet the specific application requirements of original equipment manufacturers (OEM). Our EJT products are built on our extensive engineering expertise and proven leadership in the field. We develop innovative, value-adding solutions for a wide range of application areas and markets. No matter whether it's a single component, a multi-component unit or a complex system, all of our products are individually tailored to the exact requirements of our industrial customers. In our experience, once a customer includes one of our engineered joining solutions in their end product, it becomes an integral component of the system.

DISTRIBUTION SERVICES (DS)

In DS, we sell a wide range of high-quality, standardised joining technology products for a broad range of applications through various distribution channels to customers such as distributors, OEM aftermarket customers, technical wholesalers and hardware stores. The DS way-to-market benefits not only from our extensive geographic presence and global manufacturing, distribution and sales capacities, but also from its well-known brands, the customised packaging as well as our marketing expertise and the high availability of the products at the point of sale. We distribute DS products through our own global distribution network and representatives in 100 countries. We market our joining technology products under our well-known brand names:

NORMA Group brands

ABA, BREEZE, Clamp-All, CONNECTORS, Gemi, NORMA, R.G.RAY, SERFLEX, serratub, TERRY, Torca

Contents

NORMA Group on the Capital Market

- Difficult economic environment puts pressure on stock price
- Internationally diversified shareholder structure
- NORMA Group 2013 Annual Report received multiple awards

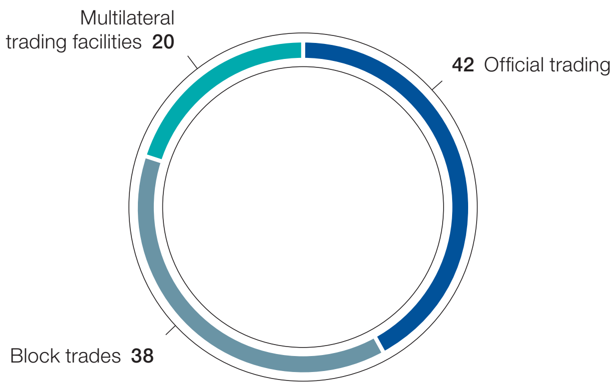
GEOPOLITICAL RISK FACTORS PUT A STRAIN ON THE GERMAN STOCK MARKET IN THE THIRD QUARTER

The ongoing conflict between Russia and the Ukraine, but also the military strikes in Iraq and Syria caused a great deal of concern on the German stock market in the third quarter of 2014. Disappointing economic data from the euro region and weaker growth in China also put pressure on the markets. The robust growth of the US economy, the lowering of the European key interest rate to a record low of 0.05% and the weak euro compared to the US dollar were all unable to resist the negative trend on the German stock market. In September, the leading German index DAX dropped below the 200-day moving average for the first time in two years and ended the third quarter down 3.6% at 9,474 points. The MDAX dipped by 4.9% during the same period and closed at 15,994 points.

Whereas the MSCI World index painted a similar picture and dropped by 2.6% during the 3-month period, the mood on the US stock market brightened considerably during the third quarter. This resulted in new record levels. In September, the Dow Jones Index rose above 17,000 points for the first time ever while the more broadly composed S&P 500 traded above 2,000 points for the first time.

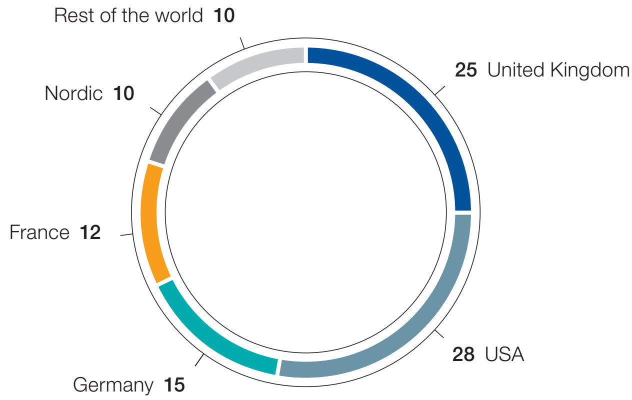
DISTRIBUTION OF TRADING ACTIVITY

in % January to September 2014



FREE FLOAT BY REGIONS

in % as of 30 September 2014



DIFFICULT ECONOMIC ENVIRONMENT PUTS PRESSURE ON STOCK PRICE

Our share was unable to continue the excellent performance it showed during the first two quarters of 2014 in the third quarter. The difficult economic and geopolitical conditions weighed heavy on the markets as a whole and also put pressure on the NORMA Group share. It was priced at EUR 33.12 at the end of the third quarter of 2014 and thus recorded a loss of 18% during the 3-month period July to September. The share lost 8.2% over the course of the year.

The average Xetra daily trading volume of the NORMA Group share was 70,671 shares per day during the 9-month period January to September 2014 (full year 2013: 86,570 shares). In terms of value, this equates to around EUR 2.61 million (full year 2013: EUR 2.53 million). Based on the trading volume, the NORMA Group share ranked 48th out of 50 in the MDAX.

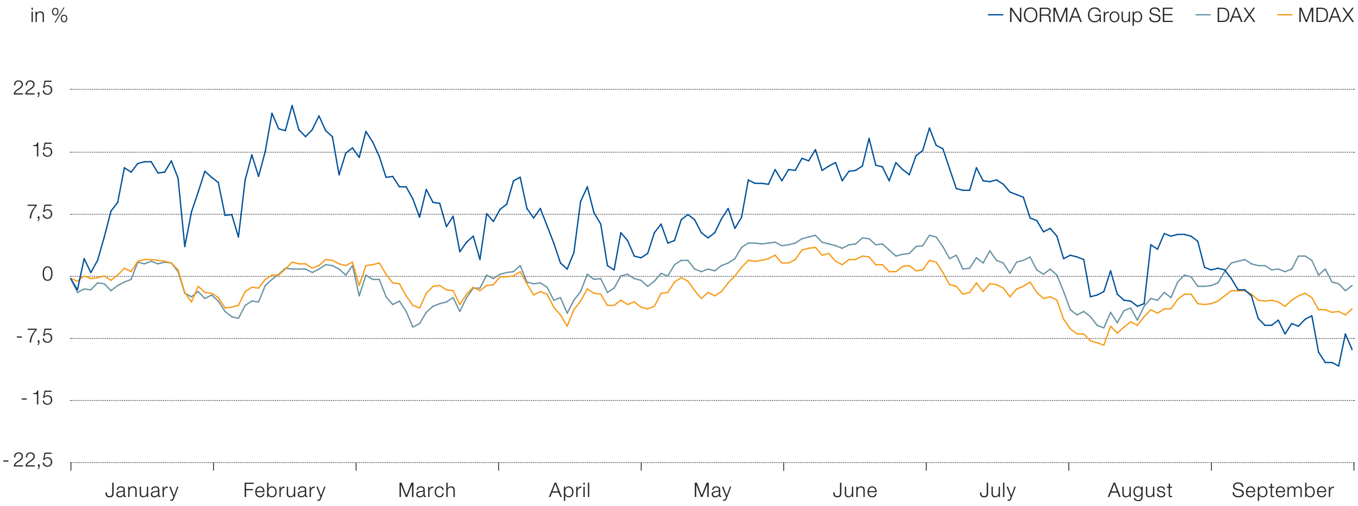
As a consequence of the high share of institutional investors, a large part of the trading activities takes place through block trades (38%) and alternative trading platforms (20%). In the period January to September 2014 about 42% of all trading activities took place on the official market.

REGIONALLY DIVERSIFIED SHAREHOLDER STRUCTURE

The free float of the NORMA Group share has been 100 percent since January 2013. The growing interest of international investors in NORMA Group and targeted investor relations activities are reflected in a regionally diversified shareholder structure, which can currently be broken down by region as follows:

- United Kingdom: 25%
- USA: 28%
- Germany: 15%
- France: 12%
- Nordic: 10%
- Rest of the world: 10%

COMPARISON OF SHARE PRICE PERFORMANCE WITH THE MDAX AND THE DAX IN 2014



According to the voting right notifications that we received by the end of September 2014, the following institutional investors held shares in NORMA Group SE, which can be attributed to free float:

Investors	Shares in %
Ameriprise, USA incl. Threadneedle	9.96
Blackrock, USA	5.7
Mondrian, London	5.3
Allianz Global Investors Europe GmbH	5.0
BNP Paribas Investment Partners S.A.	3.2
Capital Research and Management Company	3.1
T. Rowe Price, London	3.0

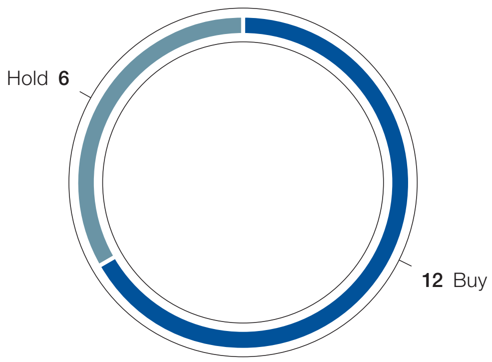
As of 30 September 2014
A complete list of all voting right notifications is published on our website: http://investors.normagroup.com.

At the end of September we had 2,462 private investors excluding management (June 2014: 2,472). These individuals hold around 1.8% of our total capital stock. The shareholdings of the Management and Supervisory Boards remained unchanged at around 2.5%.

In September 2014, the NORMA Group share ranked 44th out of 50 in the MDAX based on market capitalisation of the free float.

ANALYST RECOMMENDATIONS

as of October 2014



TRANSPARENT CAPITAL MARKET COMMUNICATIONS

The ongoing transparent and reliable communication with our stakeholders is the main goal of our investor relations activities. By engaging in ongoing communication with institutional investors, analysts and private shareholders, we seek to strengthen their confidence in our Company and our share with the goal of ensuring fair valuation of NORMA Group SE on the stock market.

Our ongoing and transparent dialogue with our analysts represents one key element of our work. Currently, NORMA Group SE is followed by a total of 18 analysts. Of these, 12 analysts recommend buying NORMA Group shares and six recommend holding the share (30 October 2014). The average price target is EUR 41.24 (June 2014: EUR 42.78). Our goal is to further increase the number of analysts who follow our company.

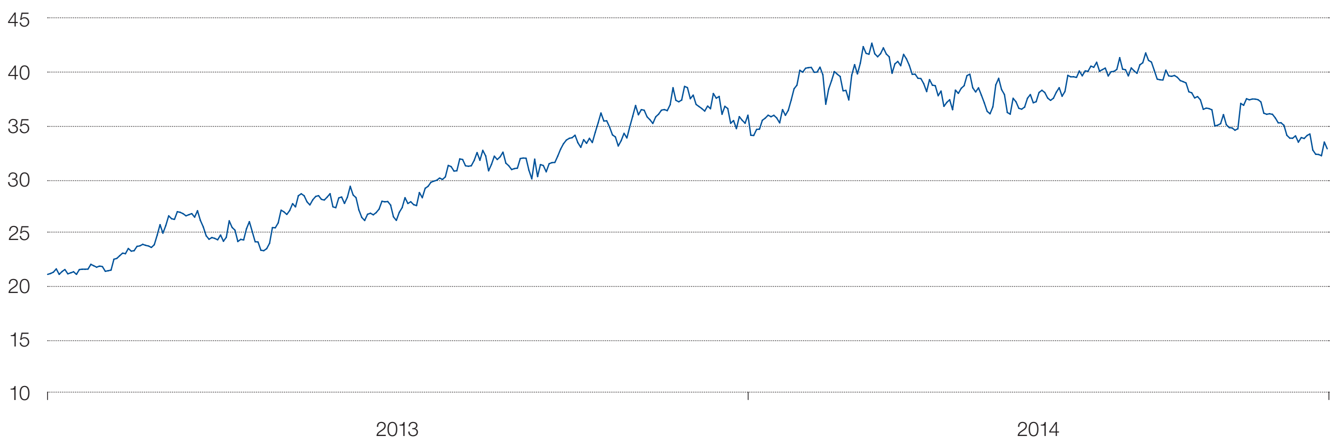
NORMA GROUP'S 2013 ANNUAL REPORT RECEIVED MULTIPLE AWARDS

NORMA Group's 2013 Annual Report was awarded silver at this year's FOX AWARDS. The jury – editors and corporate publishing experts, agencies and company representatives – saw an improved interaction between content and context and was delighted with the quality of the publication. The FOX AWARDS credit high efficiency in the area of corporate publishing and were organized for the fifth time already by CP Wissen. 422 institutions handed in their corporate publications to undergo the highly complex, two-step evaluation process. The publications were ranked taking into account the following attributes: quality, dialogue competence, sales quality and brand conformity.

The NORMA Group 2013 Annual Report was awarded Bronze by the 'League of American Communications Professionals' in the category 'Other Industries.' Almost 1,000 applicants from 25 countries handed in their reports this year. NORMA Group's Annual Report thus prevailed in a strong international competition. The prize is awarded annually by the League of American Communication Professionals (LACP).

DEVELOPMENT OF THE NORMA GROUP SHARE SINCE THE IPO

in EUR



FIRST SUSTAINABILITY REPORT TO BE PUBLISHED IN THE FOURTH QUARTER OF 2014

We are currently working on our first sustainability report to meet the growing interest of our stakeholders in environmental, societal and social issues. This is intended to provide transparent and clear information on our sustainability strategy. Therefore, key figures on staff development, environmental aspects and social and community activities of NORMA Group, for example, will be an important part of this report. The report complements our Corporate Responsibility website → www.normagroup.com/cr that was released in February 2014 and will be published in the fourth quarter of 2014.

KEY FIGURES FOR THE NORMA GROUP SHARE

	Q1 – Q3 2014
Closing price on 30 September 2014 (in EUR)	33.12
Highest price (in EUR)	43.31
Lowest price (in EUR)	32.45
Number of unweighted shares on 30 September 2014	31,862,400
Market capitalisation (in EUR millions)	1,055
Free Float (in %)	100
Average intraday XETRA turnover	
Shares	70,671
EUR millions	2.61
ISIN	DE000A1H8BV3
Security identification number	A1H8BV
Ticker symbol	NOEJ

As of 30 September 2014

Consolidated Interim Management Report

Consolidated Interim Management Report

- Third quarter with slight growth results in a good 9-month performance
- Adjusted EBITA margin of 17.8% at a sustained high level
- Confirmation of forecast, update by M&A effects

Principles of the Group

For a more detailed overview of the business activities and strategy of NORMA Group SE, we refer you to our 2013 Annual Report. The statements made therein are still valid and there were no major changes in the period January to September 2014.

R&D KEY FIGURES

	Q1–Q3 2014	Q1–Q3 2013
Number of R&D employees	**231**	221
R&D expenses in the area of EJT in EUR millions	**18.5**	11.7
R&D ratio (with respect to EJT sales) in %	**5.0**	3.5

RESEARCH AND DEVELOPMENT

The main activities of our Research and Development department are covered in greater detail in our 2013 Annual Report. → 2013 Annual Report, pp. 61 – 64.

This year we reorganised the areas of Engineering and Product Development in the EMEA region. The focus was on strengthening our expertise in the area of fundamental research and bundling customer-specific development topics. This has been achieved with the help of our newly formed area, Product Engineering. By reorganising our R&D department, we expect to increase our efficiency in the areas of both new product developments and customer developments.

The main focus of our R&D activities in the first nine months was on driving implementation of our SCR (Selective Catalytic Reaction) systems with major automotive customers. To this end, optimised detailed solutions were developed, which could then be expanded using the building block system that is part of our SCR system. We were thus able to further increase the market potential for this product. In addition, we succeeded in improving the general performance of the system as a whole. To account for the growing global market potential, we also expanded our test capacity by adding improved testing capabilities and an additional endurance test bench for SCR systems.

In the area of fundamental research, we continued to structure the development and validation of plastic materials. This improves the informative value of using plastics in certain applications, in the area of cold water, for example. Here, the main focus will be on component- and research-related properties of materials and material combinations.

Economic Report

GENERAL ECONOMIC CONDITIONS AND INDUSTRY-SPECIFIC CONDITIONS

Global economy continues to show only weak momentum
The global economy weakened in the third quarter of 2014 as a result of the geopolitical risks. In addition, the euro zone still lacks momentum. The USA is the driving force behind the global economy. The US GDP reached annualised growth of 3.5% in the third quarter and industrial manufacturing was consistently 4 to 5%

higher than last year (Sep.: +4.3%). Industrial manufacturing in China rose by 8.5% through September (Aug.: +6.9%), while the GDP expanded by 7.3% in real terms in the third quarter (9 months: +7.4%). Industrial manufacturing and investment activity in the euro zone failed to send new impulses (Aug.: - 1.9%, July: +1.6%). The ECB lowered the key interest rate to 0.05% in reaction to the weak economic momentum and low inflation. The Ifo Institute estimates GDP growth in the euro zone to be 0.8% in the third quarter.

German economy comes to an abrupt halt

Important early indicators have worsened as a result of the weak international economic momentum, particularly in the euro zone, but also due to major concerns over the Ukraine-Russia crisis and the conflict in Syria and Iraq. While private consumption has remained the main pillar of the economy, consumer sentiment has taken a significant turn for the worse just recently. Furthermore, both exports and incoming orders fell sharply in August. Industrial manufacturing also dropped by 4.8% in August – by 8.8% with capital goods alone (in each case compared to the previous month). Compared to August of the previous year, industrial manufacturing declined by 2.8%. In their fall forecasts, the institutes predict that overall economic production will stagnate in the third quarter compared to the previous quarter.

Mechanical and plant engineering stagnated, nevertheless orders picked up

German mechanical and plant engineering can be characterised by zero growth in manufacturing and orders thus far in 2014. According to the German Engineering Federation (VDMA), following a weak start, incoming orders have gradually picked up over the course of the year. Incoming orders rose by 5% (domestic +1%, foreign +6% each) during the period July to September. Large orders also had a positive effect. Weak demand in certain areas of the euro zone and declines in Russia stood opposed to positive developments in the major export markets USA and China in recent months. According to the VDMA, shipments are picking up again here.

Automobile industry continues on its growth course

The global market is growing; however there are significant regional differences. The car market in China grew in the third quarter, but at a slower pace, while the commercial vehicle market was under pressure. According to the VDA, car sales in China rose by 12.8% through September. On the other hand, according to the Chinese professional association CAAM, sales of commercial vehicles collapsed by 16% in September (8 months: - 5.0%). The VDA estimates the growth of the US market to be 5.4% in the first three quarters (light vehicles). While car sales in Japan rose by 5.8%, sales in Russia (- 13.0%) and Brazil (- 8.9%) dropped significantly. Europe has continued to recover. According to the ACEA, sales of cars rose by +5.8% while sales of commercial vehicles rose by +9.2% including September. 2.9% more cars and 7.5% commercial vehicles were registered in Germany (domestic car production and exports: +4% each).

Recovery of construction in Europe comes to a halt in the summer

The recovery of Western Europe’s construction industry has come to a halt most recently. According to figures from Eurostat, construction in the EU rose by only 0.2% in July and dropped by 0.8% in August (Q1: +6.6%, Q2: +4.0%). Building construction developed much better than civil engineering, which has been declining since May. Portugal’s construction industry has remained weak, while Spain has achieved high growth rates. The extremely positive development in Germany to start with has now dropped quite significantly. Construction has been showing weakness since May (July: -0.7%, Aug.: -2.6%). According to Destatis, the total sales of the German construction industry increased by 7.5% through the end of August, while incoming orders fell by 0.4% (building construction -0.1%, civil engineering -0.8%).

SIGNIFICANT EVENTS FOR BUSINESS DEVELOPMENT

Acquisition of remaining shares in Chien Jin Plastic, Malaysia

In February 2014, we exercised our right to acquire the remaining 15% shares in Chien Jin Plastic Sdn. Bhd. in Malaysia. We therefore now hold 100% of the shares in this company. The complete acquisition of Chien Jin Plastic is in line with our strategic goal of further expanding our presence in Asia.

Production commences in Brazil and China

In April 2014, we commenced with production at our new plant in Atibaia, Brazil. The new production site located near São Paulo will manufacture quick connectors and fluid systems for the automobile and commercial vehicle industry. Since June 2014, exhaust pipe couplings and V-band profile clamps are also being manufactured here for the South American market.

Manufacturing of worm-drive hose clamps and profile clamps commenced at our second plant in Changhzou, China, in May 2014.

Acquisition of the business activities of the joining technology manufacturer Five Star Clamps, Inc. in the USA

At the end of April 2014, we acquired the business activities of Five Star Clamps, Inc. (Five Star) in the USA. Five Star is a family-run business that manufactures and markets joining products for applications in over 50 different industries in both the areas of EJT and DS. In financial year 2013, Five Star had sales of around USD 5.5 million. It was included in NORMA Group's group of consolidated companies effective 25 April 2014.

Consolidation of production footprint

In order to consolidate our production footprint we will cease manufacturing at our subsidiary Nordic Metalblok in Riese Pio X, Italy, in November 2014. Plant closure is scheduled for March 2015.

Optimisation of Group financing structure

In mid-January and at the end of September 2014 we repaid a share of the syndicated loan that the Company has had available since April 2011. The repayment amounted to around EUR 115.8 million in total. Furthermore, liabilities resulting from a revolving credit line in the amount of EUR 5.5 million were repaid in the third quarter of 2014. We optimised our Group financing even further in September 2014 and took out a new syndicated credit line with significantly lower credit costs and a term of up to seven years. As of 30 September 2014, just under EUR 80 million had been drawn down from the new financing arrangement that has a total volume of up to EUR 400 million to pay off the old syndicated credit line.

GENERAL STATEMENT BY THE MANAGEMENT BOARD ON BUSINESS PERFORMANCE AND THE ECONOMIC SITUATION

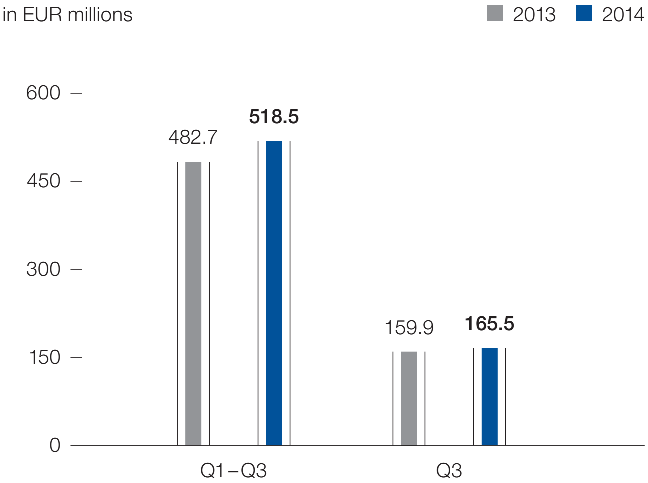
With Group sales of EUR 518.5 million and 7.4% growth compared to the same period last year, we ended the first nine months of financial year 2012 as expected. Our solid organic growth of 7.7% was further supported by acquisition-related growth in sales of 1.5%. The negative currency effects during the period January to September 2014 declined to -1.7% (H1 2014: -2.7%) mainly as a result of the devaluation of the euro to the US dollar in the third quarter.

With sales of EUR 165.5 million and 3.5% growth, the third quarter proved to be weaker than the first two quarters overall as we had expected. Seasonal effects were the main reasons for this. The general weakness of the commercial vehicle market and the anaemic European economy had a greater impact than we had expected. Nevertheless this was positively compensated for by the region Americas – also propelled by improved economic conditions in the USA – during the period July to September with double-digit growth.

Our two distribution channels EJT and DS have been developing in line with our expectations in the third quarter considering the weak market environment and actually grew by 4.2% (EJT) and 2.6% (DS) compared to the previous year.

The main cost positions also developed as the Management Board expected in the first nine months of 2014. Operating expenses were considerably higher in the third quarter as a result of our acquisition of the American company NDS that specialises in water solutions and the one-time transaction costs associated with the acquisition. Due to the special nature of this topic and the transaction volume, the costs associated with this transaction in the amount of approximately EUR 1.5 million were disclosed in adjusted form in the current quarterly financial statements.

SALES GROWTH



EFFECTS ON CONSOLIDATED SALES

	in EUR millions	share in %
Sales Q1 – Q3 2013	**482.7**	
Organic growth	**37.0**	7.7
Acquisitions	**7.1**	1.5
Currency effects	**- 8.3**	- 1.7
Sales Q1 – Q3 2014	**518.5**	**7.4%**

Adjusted for these costs and depreciations on tangible assets from purchase price allocations, our EBITA was EUR 92.3 million at the end of September, 8.5% higher than last year's level (EUR 85.0 million). As a result, our adjusted EBITA margin of 17.8% still remained at a sustained high level despite the additional unadjusted expenses incurred to open two new plants (China and Brazil) and the consolidation-related closure of our production site in Italy in the first half of the year.

We started optimising our financing structure already during the first quarter by beginning to repay our syndicated loan, which we have had since 2011. In a second step, we took out a new syndicated credit line with considerably more attractive financing conditions, yet a long term, in September 2014 in order to optimise our financing conditions. We will use a share of these funds to repay the old loan.

In the first half of 2014, we were successful in making an acquisition by acquiring Five Star Clamps in the USA through which we have been able to expand our activities as well as our customer base in the USA.

At the end of October, we acquired all shares in NDS, an American company that specialises in water. NDS represents the largest acquisition since NORMA Group's IPO in 2011 and this will have a significant impact on our business. For this reason, we have updated our forecast for 2014 to include the effects of consolidating NDS. → Forecast Report, p. 23.

As a whole, the Management Board is satisfied with how the first nine months of 2014 developed.

COMPARISON OF THE ACTUAL WITH THE PROJECTED COURSE OF BUSINESS

As a whole, our business during the 9-month period January to September 2014 developed as we had expected, therefore none of the Company's relevant key figures deviated significantly from the values that we had projected.

As a result of our acquisition of National Diversified Sales, Inc. (NDS) in the USA at the end of October 2014, we updated our forecast with respect to acquisition-related sales for the financial year 2014 from EUR 8.0 million to EUR 20 million.
→ Forecast Report, p. 23.

EARNINGS, ASSETS AND FINANCIAL POSITION [1)]

Earnings position

Order backlog remains at a high level

On 30 September 2014, the order backlog amounted to EUR 263.4 million, which was thus 14.3% higher than in the comparative period last year (EUR 230.3 million). Compared to the second quarter of 2014 (EUR 252.1 million), our order backlog increased by 4.5%.

Solid organic growth in sales in the 9-month period

We generated Group sales of EUR 518.5 million in the 9-month period. This equates to 7.4% growth compared to the corresponding period of the previous year (EUR 482.7 million). Acquisitions contributed 1.5% to this while organic growth accounted for 7.7%. Furthermore, currency effects, particularly those that involved the US dollar, resulted in 1.7% lower sales. The American company Five Star, Inc. which we acquired in April 2014 contributed roughly EUR 2.2 million to Group sales.

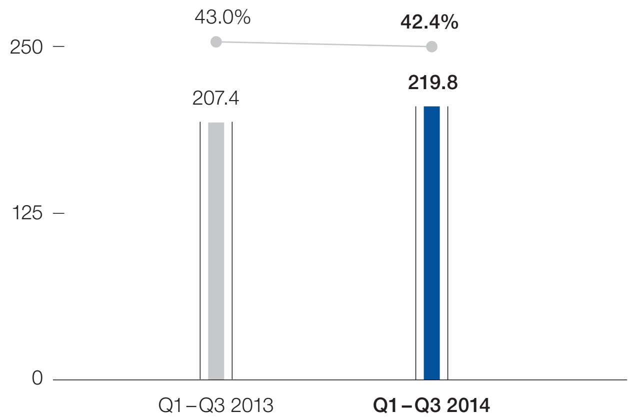
[1)] Starting with financial year 2013, the accounting rules changed due to the first time application of IAS 19R. To be able to better compare the earnings, assets and financial position, the figures in this interim report that pertain to 2013 have been changed to suit the new accounting rules and may therefore deviate from the figures published in earlier imterim reports. See 2013 Annual Report, Clause 2 'Basis of preparation' and Clause 7 'Changes in accounting principles.'

DEVELOPMENT OF DISTRIBUTION CHANNELS

	EJT		DS	
	Q1–Q3 2014	Q1–Q3 2013	**Q1–Q3 2014**	Q1–Q3 2013
Sales in EUR millions	**369.1**	338.8	**153.5**	145.9
Growth in %	**8.9**		**5.3**	
Share of sales in %	**71.0**	70.0	**29.0**	30.0

MATERIAL COSTS WITH COST OF MATERIALS RATIO IN RELATION TO SALES

in EUR millions



We recorded Group sales of EUR 165.5 million in the third quarter, which means we achieved a 3.5% increase compared to the same quarter of the previous year (EUR 159.9 million). Compared to the second quarter of 2014 (EUR 175.2 million), Group sales for the period July to September were 5.6% lower. The main reason for this, besides typical business developments and the summer holidays, was the overall stagnation in industry production in the EMEA region in the third quarter.

Organic growth in the area of EJT, growth in the area of DS also strengthened by acquisitions

In the area of EJT, we achieved sales of EUR 369.1 million in the 9-month period and thus grew by 8.9% compared to the same period last year (EUR 338.8 million). At 10.0%, organic growth remained at a high level while acquisition-related EJT sales contributed only 0.4%. The negative currency effects in the amount of - 1.4% slowed down our growth slightly.

In the third quarter of 2014, we generated EJT sales of EUR 116.3 million, which equates to a 4.2% increase compared to the same period last year (EUR 111.6 million) Compared to the second quarter (EUR 126.1 million), sales revenue declined by 7.8% in the third quarter for seasonal reasons and due to the state of the economy.

In the area of DS, we increased our sales by 5.3% to EUR 153.5 million during the 9-month period compared to the same period last year (EUR 145.9 million). This increase in sales was achieved through both acquisitions (3.9%) and organic growth (3.7%). The negative currency effects in the amount of - 2.4% had a negative impact on our growth.

DS sales amounted to EUR 50.4 million in the third quarter of 2014 and were thus 2.6% higher than in the same quarter in the previous year (EUR 49.1 million). Sales declined by a slight 1.6% in the third quarter compared to the second quarter of the current year.

Improvement in the cost of materials ratio

Material costs added up to EUR 219.8 million in the 9-month period and were thus 6.0% higher than in the same period last year (EUR 207.4 million). On the basis of the sales generated during the period January to September 2014, the cost of materials ratio has improved to 42.4% compared to the previous year (43.0%).

Material costs in the third quarter amounted to EUR 69.2 million and are thus 2.2% higher than in the same period of the previous year (EUR 67.7 million). This is reflected in a material cost ratio to sales of 41.8% in the third quarter. This means the cost of materials ratio has improved again compared to the same period last year (42.3%) and is at the same level as in the previous quarter. This can be partly attributed to our Group-wide Global Excellence Programme and to the optimisation measures associated with it that have already been implemented.

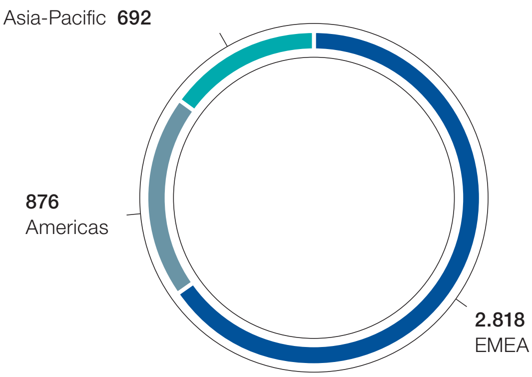
In relation to total operating performance, the cost of materials ratio amounted to 42.2% in the 9-month period January to September (previous year: 42.7%). → Notes, p. 40.

Gross margin improved

Gross profit (sales less the cost of materials, changes in inventories plus other own work capitalised) amounted to EUR 301.6 million at the end of the reporting period. This equates to an in-

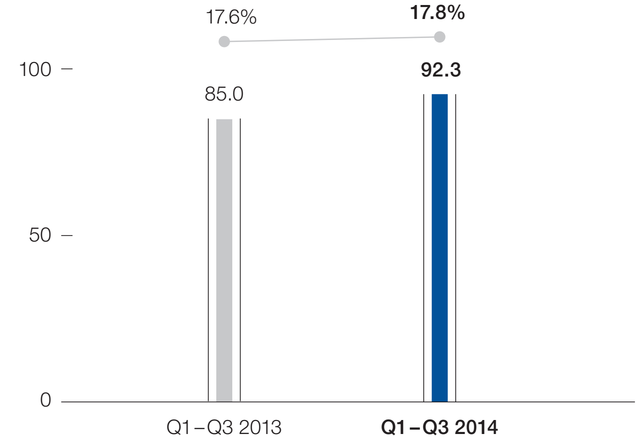
EMPLOYEES BY REGION (CORE WORKFORCE)

as of 30 September 2014



ADJUSTED EBITA AND EBITA MARGIN

in EUR millions



crease of 8.2% compared to last year's figure (EUR 278.6 million). This resulted in a stable gross margin (gross profit in relation to sales) of 58.2% (previous year: 57.7%).

We achieved gross profit of EUR 98.7 million in the third quarter of 2014, which was 6.1% higher than the level of the same quarter last year (EUR 93.0 million). At 59.7%, the gross margin in the third quarter was the highest it has been this financial year.

Personnel cost ratio

On 30 September 2014, NORMA Group employed 5,392 people worldwide, including temporary workers. 4,386 of these were permanent employees. The core workforce thus grew by 10.5% compared to the previous year. The Americas region experienced the highest increase, 31%. This can be attributed to the acquisition of the American company Five Star in April 2014 as well as the opening of a plant in Brazil and the increase in the number of employees associated with it. The increase in the number of employees in the Asia-Pacific growth region amounted to 20% while the number of employees in the EMEA region rose by 3%.

As a result of the increased number of employees, the costs of employee benefits also rose by 9.5% from EUR 126.4 million to EUR 138.5 million on 30 September 2014 compared to the year before. In relation to sales, this results in a slightly higher personnel cost ratio of 26.7% compared to the previous year (26.2%).

Compared to the second quarter of 2014 (EUR 46.6 million), personnel costs in the third quarter declined slightly by 1.2% to EUR 46.0 million. On the other hand, the personnel cost ratio rose slightly from 26.6% to 27.8% due to the weaker development of sales in the third quarter.

Other operating income and expenses adjusted for one-time effects from M&A activities

During the first nine months of 2014, the balance of other operating income and expenses amounted to EUR -58.5 million (adjusted) and was thus 7.0% higher than the previous year's level of EUR -54.7 million. This equates to 11.3% of sales (2013: 11.3%).

Costs of around EUR 1.5 million that primarily resulted from the acquisition of NDS in the third quarter were adjusted in other operating income. Taking this one-time effect into consideration, the balance of other operating income and expenses amounted to EUR -19.3 million (adjusted) in the third quarter, a 6.0% increase compared to the previous year's quarter (EUR -18.2 million). This equates to 11.7% of sales (Q3 2013: 11.4%).

Compared to the second quarter of 2014, (adjusted) operating income and expenses rose from 11.1% to 11.7% in relation to sales during the period July to September. → Notes, p. 40.

Adjusted operating earnings improve considerably

At EUR 104.6 million for the 9-month period, earnings before interest, taxes, depreciation and amortisation (EBITDA) were 7.3% higher than the previous year's figure (EUR 97.5 million). At 20.2%, the EBITDA margin remained at the same high level as last year.

Adjusted EBITA, which is only marginally adjusted to include depreciations on material assets from purchase price allocations, amounted to EUR 92.3 million on 30 September 2014. This equates to an 8.5% increase compared to the previous year's figure (EUR 85.0 million). The resulting adjusted EBITA margin for the first nine months amounted to 17.8% and has thus remained at a high level.

Adjusted EBITA in the third quarter of 2014 amounted to EUR 29.2 million, in other words it increased by 1.3% compared to the third quarter of 2013 (EUR 28.8 million). The adjusted EBITA margin was 17.6% (Q3 2013: 18.0%).

Compared to the second quarter (EUR 30.5 million), the adjusted EBITA dropped by 4.2% in the third quarter while the margin rose by 0.2 percentage points (Q2 2014: 17.4%).

One-time effects influence financial result

The financial result in the 9-month period amounted to EUR - 15.0 million, which was 34% higher compared to the same period of the previous year (EUR - 11.2 million). The reason for this was the partial repayment of the syndicated loan that we already started to repay at the beginning of 2014. Due to the release of the derivative hedging transactions (interest/currency swaps) when tranches were repaid, one-time expenses, which had already had a negative impact on the financial result, were incurred in the amount of EUR 5.4 million that had an impact on earnings. The financial result for the 9-month period adjusted for this effect amounted to EUR - 9.6 million. In the long-term, the repayment of the syndicated credit line will result in a significant reduction in interest expenses. → Notes, p. 41.

In the third quarter of 2014, the financial result amounted to EUR - 2.4 million. (Q3 2013: EUR - 5.5 million).

Adjusted earnings after taxes

Income taxes for the first nine months of 2014 amounted to EUR 20.9 million. (2013: EUR 21.3 million). This resulted in an improved tax ratio of 32.6% compared to the same period last year (2013: 33.1%).

Adjusted earnings after taxes (attributable to NORMA Group's shareholders) taking the one-time effects and depreciations on purchase price allocations into consideration amounted to EUR 53.7 million in the reporting period, which was 14.0% higher than last year's level of EUR 47.1 million.

Adjusted earnings for the period after taxes amounted to EUR 17.1 million in the third quarter, a 24.4% increase compared to the same quarter of last year (EUR 13.7 million).

Compared to the second quarter of the current year (EUR 17.0 million), adjusted earnings for the period rose by 0.4% in the third quarter.

Adjusted earnings per share

Adjusted earnings per share are calculated based on the weighted average number of shares, 31,862,400 in the reporting period. At EUR 1.68, earnings per share rose by 14.0% on 30 September 2014 compared to the same period last year (EUR 1.48). The unadjusted earnings per share amounted to EUR 1.36, slightly higher than last year (EUR 1.35).

In the third quarter of 2014, adjusted earnings per share were EUR 0.54 and thus 24.4% higher than the previous year's figure of EUR 0.43. → Notes, p. 41.

Financial situation

Balance sheet

The balance sheet amounted to EUR 752.1 million on 30 September 2014, which was 8.7% lower than at the end of 2013 (EUR 823.7 million). Compared to 30 September 2013 (EUR 825.8 million) it was 8.9% lower.

This reduction in the balance sheet compared to December 2013 can mainly be attributed to the reduction in cash and cash equivalents from EUR 194.2 million to EUR 62.5 million. The liquid funds that were acquired by issuing a promissory note in June 2013 were used to partially repay the existing syndicated credit line in financial year 2014. This in turn resulted in a reduction in loan liabilities from EUR 326.1 million to EUR 205.0 million.

Non-current assets impacted by an acquisition and currency effects

Non-current assets amounted to EUR 471.7 million on 30 September 2014. This means they increased by 4.7% compared to 31 December 2013 (EUR 450.6 million). Compared to 30 September 2013, they rose by 5.5%. The share of non-current assets in the balance sheet amounted to 62.7% on 30 September 2014.

The change in non-current assets resulted in part from the increase in goodwill from EUR 233.2 million on 31 December 2013 to EUR 243.0 million on 30 September 2014 and can be attributed to exchange rate effects and the acquisition of the business activities of Five Star (EUR 2.4 million).

Property, plant and equipment and other intangible assets increased from EUR 208.3 million to EUR 221.5 million during the 9-month period. This also includes capitalised own work valued at EUR 1.5 million. Investment targets included the plants in Germany, China, the USA and Brazil.

Reduction in current assets

Current assets amounted to EUR 280.5 million on 30 September 2014 and were thus 24.8% lower than at the end of 2013 (EUR 373.1 million). Compared to the same point of time of the previous year (EUR 378.9 million), they were 26.0% lower.

The reduction compared to the end of 2013 mainly resulted from the reduction in cash and cash equivalents in the amount of EUR 194.2 million to EUR 62.5 million, which was mainly used to pay back outstanding loans in the amount of EUR 122.0 million and to pay out the dividend (EUR 22.3 million).

In return, trade and other receivables increased by 29.4% to EUR 116.6 million compared to the end of 2013 (EUR 90.1 million). Furthermore, inventories rose slightly by 10.9% to EUR 88.5 million (Dec. 2013: EUR 79.8 million).

Equity ratio at a record level of 47.2%

Group equity amounted to EUR 354.8 million on 30 September 2014 and was thus 10.9% higher compared to December 2013 (EUR 319.9 million). The equity ratio was 47.2% at the end of the reporting period and thus at a record level. The changes in equity resulted mainly from the result for the period, currency calculation differences and the payment of the dividend. → Notes, p. 42.

Net debt moderately higher

Net debt amounted to EUR 166.8 million on 30 September 2014. This equates to an increase of 8.7% or EUR 13.3 million compared to 31 December 2013 (EUR 153.5 million). Net debt included derivative non-cash liabilities in the amount of EUR 18.2 million (31 December 2013: EUR 15.3 million).

Gearing (net debt in relation to equity) remained at the same level of 0.5 at the end of 2013.

Higher (trade) working capital

(Trade) working capital (inventories plus accounts receivable and liabilities from mainly sales and services) amounted to EUR 130.4 million on 30 September 2014 and thus increased by 17.6% compared to 31 December 2013 (EUR 110.9 million). Compared to 30 September 2013 (EUR 124.7 million), this figure rose by 4.6%.

Long-term liabilities nearly unchanged

Long-term liabilities amounted to EUR 258.3 million on 30 September 2014, which means they were 1.2% lower than at the end of 2013 (EUR 261.4 million). Long-term liabilities accounted for a share of 34.8% of the balance sheet on the reporting date (Dec. 2013: 31.7%). Long-term liabilities decreased by 30.3% compared to 30 September 2013 (EUR 370.4 million).

Current liabilities

Current liabilities declined by 42.6% to EUR 139.0 million during the reporting period. This means they amounted to 18.5% of the balance sheet (December 2013: 29.4%). This development was largely attributable to the loan repayments in the amount of EUR 115.8 million. Furthermore, derivative financial liabilities declined by EUR 7.0 million to EUR 1.9 million. Trade payables on the other hand increased by EUR 15.7 million or 26.5% to EUR 74.7 million. → Notes, p. 43.

Compared to 30 September 2013, current liabilities were 4.6% lower.

Off-balance sheet financial instruments

NORMA Group relies on rental agreements (so-called operating leasing) for its financing, but only to a very limited extent. These are not reflected in the consolidated statement of financial position. There were no major off-balance sheet financial instruments during the reporting period January to September 2014.

Financial position

Group financial management

For a detailed overview of our general financial management, we refer you to our 2013 Annual Report → 2013 Annual Report, pp. 60 and 74.

Operating net cash flow

Operating net cash flow amounted to EUR 61.3 million (2013: EUR 72.8 million) in the first nine months of 2014. It was mainly affected by an increase in EBITDA, which was more than compensated for by a growth-related outflow of trade working capital. Investments in the amount of EUR 23.8 million (previous year: EUR 16.0 million) were made primarily at our plants in Brazil, Germany, China, and the USA.

With respect to sales revenues, net cash flow amounted to 11.8% in the period January to September 2014 (2013: 15.1%).

Cash flow from operating activities

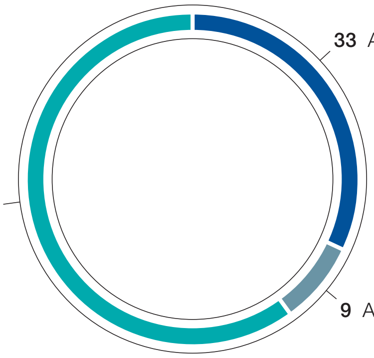
In the first nine months of 2014, we generated a cash inflow of EUR 57.1 million from operating activities. The lower cash flow from operating activities compared to the previous year (EUR 74.7 million) can be attributed for the most part to the increase in trade working capital compared to the prior year, but also to the increase in the outflow of funds to pay income taxes that pertained to liabilities in prior years.

OPERATING NET CASH FLOW

in EUR millions	Q1 – Q3 2014	Q1 – Q3 2013
EBITDA	104.6	97.5
Change in working capital	- 19.5	- 8.7
Investments from operating activities	- 23.8	- 16.0
Operating net cash flow	61.3	72.8

DISTRIBUTION OF SALES BY SEGMENTS

in %



In the third quarter of 2014, we generated cash flow from operating activities in the amount of EUR 18.3 million, which was thus 16.6% higher than the cash flow in the second quarter of 2014 (EUR 22.0 million). Compared to the third quarter of the previous year (EUR 29.8 million), cash flow from operating activities declined by 38.5%.

Cash flow from operating activities

During the period January to September, we showed a cash outflow from investing activities of EUR 29.4 million (2013: EUR - 29.8 million). The main reasons for this were the net payments for acquisitions in the amount of EUR 5.8 million and the purchase of fixed assets in the amount of EUR 18.9 million and intangible assets at a cost of EUR 4.9 million. Investments in the first nine months of the year pertained mainly to expansion of our capacities and additional purchases in Brazil, Germany, China, and the USA.

The investment rate in the first nine months of 2014 thus amounted to 5.7% of sales. Adjusted for acquisitions and proceeds from the sale of property, plant and equipment, the rate was 4.6%.

In the third quarter, cash flow from investing activities was EUR - 12.5 million. The increase compared to the second quarter of 2014 (EUR - 10.2 million) can be attributed primarily to investments in property, plant and equipment (EUR - 10.3 million). These mainly pertained to the production sites in Germany, China, Brazil, and the USA.

Cash flow from financing activities also influenced by partial repayment of loans

For the period January to September, we reported cash outflow from financing activities in the amount of EUR 160.6 million (2013: cash inflow in the amount of EUR 70.2 million). Cash outflow from financing activities was particularly influenced by the repayment of outstanding loans (EUR 122.0 million), and the one-time repayment of hedging derivatives in the amount of EUR 6.9 million. Furthermore, the dividend payment in the second quarter also resulted in a cash outflow of EUR 22.3 million.

Cash outflow from financing activities in the third quarter amounted to EUR - 17.9 million. This mainly resulted from repayment of the loans (EUR 12.8 million) and interest payments (EUR 4.9 million).

SEGMENT REPORTING

In the first nine months of 2014, we generated around 70% of our total sales abroad. This high share of foreign sales is the result of our consistent internationalisation strategy, which we intend to continue to pursue in the future.

EMEA region affected by the weak overall economic environment

In the third quarter, the EMEA region failed to perform as well as it has in recent quarters. The reasons for this were seasonal factors that are quite typical for our business, but also the weaker overall economic environment in Europe that can be characterised by declines in industrial production and weaker economic development. This also resulted in declines in sales in the area of commercial vehicles, therefore sales in the EMEA region declined to EUR 94.2 in the third quarter. This equates to a 7.3% decline compared to the second quarter and a 2.3% decline compared to the same quarter of last year.

By annual comparison, the EMEA region grew thanks to (foreign) sales in the amount of EUR 304.1 million, by 2.7% (2013:

DEVELOPMENT OF THE SEGMENTS

	EMEA		Americas		Asia-Pacific	
in EUR millions	**Q1–Q3 2014**	Q1–Q3 2013	**Q1–Q3 2014**	Q1–Q3 2013	**Q1–Q3 2014**	Q1–Q3 2013
Total segment revenue	**324.1**	314.8	**174.7**	151.6	**46.8**	41.2
External sales	**304.1**	296.2	**169.1**	146.3	**45.3**	40.2
Contribution to consolidated sales in %	**58**	61	**33**	30	**9**	9
Adjusted EBITDA [1]	**65.8**	63.3	**34.8**	34.4	**5.0**	4.2
Adjusted EBITDA margin [2] in %	**20.3**	20.1	**19.9**	22.7	**10.6**	10.3

[1] The adjustments are explained in Note 4.
[2] In relation to total segment revenue.

EUR 296.2 million). The EMEA region accounted for 58% of our total sales (2013: 61%).

Adjusted EBITDA in the EMEA region amounted to EUR 65.8 million on 30 September 2104 and thus rose by 4.0% compared to last year (EUR 63.3 million). The adjusted EBITDA margin with respect to segment sales revenue increased from 20.1% in 2013 to 20.3% in the first nine months of 2014.

Investments in the 9-month period amounted to EUR 7.0 million and were thus 4.2% higher than last year's level (EUR 6.7 million). The EMEA region showed assets worth 492.7 million on 30 September 2014 (Dec. 2013: EUR 490.3 million)

Robust development of sales in the Americas region

The Americas region developed positively in the third quarter as we had expected, thanks in part to an improved economic environment. We generated external sales of EUR 55.8 million, which equates to 14.6% growth compared to the same quarter last year. Sales in the Americas region declined by 4.9% compared to the second quarter. Compared to the first quarter of 2014, sales were 2.2% higher, however.

During the 9-month period, we generated external sales of EUR 169.1 million, which equates to 15.6% growth compared to 2013 (EUR 146.3 million). The region thus accounted for a 33% share of our total sales (2013: 30%).

Adjusted EBITDA for the first nine months of 2014 was EUR 34.8 million, which means that it rose by 1.1% compared to the same period of the previous year (EUR 34.4 million). The adjusted EBITDA margin in terms of segment sales declined to 19.9% during the reporting period (22.7%). The ramp-up costs for opening a plant in Brazil and the costs of integrating Five Star in the US were two reasons for this.

Investments in the 9-month period amounted to EUR 11.6 million. Assets amounted to EUR 250.3 million on 30 September 2014, which means they increased by 19.2% compared to the end of 2013 (EUR 210.0 million). This can also be attributed to the acquisition of Five Star in the USA.

Dynamic growth of sales in the Asia-Pacific region

In the third quarter, we generated sales of EUR 15.6 million in the Asia-Pacific growth region, which equates to 4.3% growth compared to the same quarter last year. The region grew by 3.7% compared to the second quarter (EUR 15.0 million).

In the Asia-Pacific region, we generated external sales of EUR 45.3 million during the period January to September. This equates to growth of 12.7% compared to the same period of the previous year. This segment thus accounted for 9% of our total sales (2013: 9%).

Adjusted EBITDA amounted to EUR 5.0 million on 30 September 2014 and is thus still 17.8% higher than last year's level (EUR 4.2 million) despite the fact that we opened a plant. The adjusted EBITDA margin in terms of segment sales for this region amounted to 10.6%. (2013: 10.3%).

Investments in the 9-month period amounted to EUR 2.7 million (2013: EUR 2.0 million). Assets amounted to EUR 71.9 million on 30 September 2014, which means they increased by 16.2% compared to the end of 2013 (EUR 61.9 million).

GDP GROWTH RATES

Annual rate in %	2013	Q1 2014	Q2 2014	**Q3 2014**	2014e	2015e
World	+3.3	1. HJ: +2.7	1. HJ: +2.7	**–**	+3.3	+3.8
USA	+2.2	-2.1 a)	-4.6 a)	**+3.5** a)	+2.2	+3.1
China	+7.7	+7.4	+7.5	**+7.3**	+7.4	+7.1
Euro zone	-0.4	+1.0	+0.7	**+0.8** b)	+0.8	+1.3
Germany	+0.4	+2.2	+1.3	**+1.0** c)	+1.3	+1.2

Sources: IMF, US Department of Commerce, NBS China, Eurostat, Joint diagnosis on Germany
Note: a) annualised rate, b) Ifo/CESIfo estimate, c) Joint diagnosis estimate

NON-FINANCIAL PERFORMANCE INDICATORS

Our most important non-financial performance indicators include our market penetration, our power of innovation, our employees' abilities to solve problems, and the sustainable development of the NORMA Group.

We measure market penetration and power of innovation quantitatively by producing medium-term, multiple year planning that is both application-oriented and segment-specific. We then review this plan twice a year. This planning helps us to steer our development strategy in particular. The degree to which we penetrate the market is now also reflected in our organic growth. We also measure our power of innovation by counting the number of new annual patent registrations. On 30 September 2014, we had registered 46 new patents in four patent families.

Our employees' abilities to solve problems are also reflected in the number of customer complaints we receive, which we measure with the help of key performance indicators. These KPIs include, amongst others, defective products measured in parts per million (PPM) and the number of customer returns for each product unit. We track these figures on a monthly basis. The average number of monthly defective parts (per 1,000) was 13 on 30 September 2014. The number of customer complaints averaged 8 per month.

We consider it to be our main responsibility to bring the effects of our business activity into balance with the expectations and needs of society. For this reason, we follow the principles of responsible corporate management and sustainable action when it comes to our operational decisions. Our sustainable overall development is influenced by our Corporate Responsibility (CR) policies. Our goal is to continue to extend these in the years to come and anchor

2014 FORECAST

Financial performance indicators	
Consolidated sales	solid organic growth of around 4% to 7%, in addition around EUR 20 million from acquisitions
Sales growth EMEA	slightly positive organic growth
Sales growth Americas	solid organic growth in local currency, driven, among other factors, by the positive economic development in the region
Sales growth Asia-Pacific	over 10%, driven by the expansion of our activities and acquisition of market shares and acquisitions, among other factors
Sales growth EJT	solid growth driven, among other factors, by the introduction of new emissions standards
Sales growth DS	solid growth, among other factors, due to the recovery of the market and the effects of acquisitions
Adjusted EBITA margin	Sustainable at the same level as in previous years of more than 17%
Financial result	approx. EUR - 20 million including the one-time effect of partial repayment of the syndicated credit line and the financing costs in conjunction with the acquisition of NDS
Adjusted tax ratio	around 32%
Adjusted earnings per share	solid increase
Investments in R&D	around 4% of EJT sales
Material usage ratio	around the same as in the previous two years
Personnel cost ratio	gradual and continuous improvement
Investment ratio (adjusted for acquisitions)	operationally at around the same level as in previous years of approx. 4.5%
Operating net cash flow	between the levels of the previous two years (2012: EUR 81 million, 2013: EUR 103.9 million)
Dividend	approx. 30% to 35% of adjusted annual Group earnings
Non-financial performance indicators	
Power of innovation	unchanged high level of new patent registrations
Parts per Million	PPM < 40
Number of customer complaints	reduction by 3%
Sustainable overall development of NORMA Group SE	further implementation of the Corporate Responsibility Strategy

them in all areas of the Company. The publication of our CR strategy on its own dedicated website in February 2014 was one initial step towards achieving this. Further measures were taken in June 2014 when Help Day was held in Germany for the first time and when the Group-wide Diversity Day was held. The sustainability report will be published in the fourth quarter of 2014.

Besides the performance indicators listed, there are yet other non-financial indicators that we track regularly. You'll find more detailed information on this in our 2013 Annual Report.
→ 2013 Annual Report, p. 79

Forecast Report

GENERAL ECONOMIC AND INDUSTRY-SPECIFIC CONDITIONS

Mixed global growth, euro zone continues to lack real momentum

The IMF has lowered its forecasts and points to higher risks. This suggests that global growth will only reach 3.3% rather than 3.4% in 2014. Here, the IMF is even more optimistic for the USA than it was a few months ago. They predict that the GDP will increase by 2.2% instead of 1.7%. The forecast for China remains unchanged at +7.4%. The prospects for Brazil and Western Europe are viewed more sceptically. The United Kingdom is experiencing a strong upswing; however the euro zone is expected to grow by only 0.8% instead of 1.1%. The forecast on global growth in 2015 has been corrected from 4.0% to 3.8%.

Economic slowdown in Germany and weaker prospects

The more optimistic forecasts on the German economy have unanimously been taken back most recently. The IMF now estimates GDP growth to reach only 1.4% for the current year and expects growth of 1.5% in 2015. The German research institutes are even more sceptical, however. In their latest joint diagnosis, they lowered their estimates quite significantly to 1.3% (2014) and 1.2% (2015). The reason for this is only moderate growth in private consumption and the decline in exports, which are suffering mainly due to the poor condition the euro zone is in. In addition, no perceptible improvement in the propensity to invest can be seen. Declining incoming orders also suggest that industrial production will remain weak until the end of 2014.

Mechanical engineering expects to see slight growth again in the future

In their joint diagnosis, the institutes project that gross fixed asset investments will increase moderately again in the euro region by 1.0% in 2014 and 1.6% in 2015 (2013: -2.9%). For Germany, despite the recent collapse, they still expect investments in equipment to rise by 3.8% in 2014 due to the strong start to the year. They forecast growth of 4.1% for 2015. The VDMA is still cautiously optimistic. Opportunities will arise due to the current low exchange rate level. The prospects of doing business with the USA, China and other emerging countries are assessed quite positively. The expectation of a 1% increase in production in real terms over the course of the year was confirmed in October. Moreover, the association expects to see further growth of 2% in real terms for 2015.

The automobile industry continues on its growth course

The three large car markets (China, the USA, and Western Europe) are driving the global market. A new record for sales will be set in 2014. The research institute IHS Automotive expects global growth of 2.9% to 85.7 million units in total (of which cars: +3.8% to 78.3 million). The US car market (light vehicles) is expected to grow by around 5% and thus stronger than previously expected due to increased consumer confidence and attractive financing terms. Growth is tapering off in China due to the slide in commercial vehicle figures. The industry association CAAM expects to see the market as a whole grow by 8.3% in 2014 (cars and commercial vehicles) (2013: +13.9%). The VDA expects to see car sales in Western Europe rise by 4% in 2014. According to the VDA, German car manufacturers will increase both domestic production by 4% and foreign manufacturing by 5%.

Construction industry to see continued growth

The construction organisation Euroconstruct projects that construction output in Europe will increase by 1.3% in 2015 (West: +1.2%, East: +2.2%). They also expect to see an increase of 2.0% in 2015 (+1.9%/+4.7%). The construction boom has lost much of its momentum in Germany most recently; nevertheless the joint diagnosis by the economic research institutes from this October suggests that the trend will remain positive, especially in the area of residential construction. The high disposable incomes and low mortgage rates support this assumption. Nevertheless, rising prices for land and low yields on apartment buildings dampen expectations. The economic researchers expect real construction investments to increase by 3.3% in 2014 (residential construction +3.4%, commercial construction +2.7%, public construction +4.3%) and to continue to grow by 2.1% in 2015. According to the industry association HDB, construction sales will increase by 4.5% in 2014, even stronger than they did the year before (2013: +3.1%).

FUTURE DEVELOPMENT OF NORMA GROUP SE

We do not intend to make any major changes to our Company's objectives and corporate strategy. For a detailed description of our strategic goals, please refer to our 2013 Annual Report. → 2013 Annual Report, p. 58.

Sales forecast updated to include the acquisition of NDS

The Management Board of NORMA Group confirms its forecast for financial year 2014. Due to the divergent developments in regional markets and foreign currencies over the course of the year, but also the acquisition of the American company NDS, we are seeing shifts in the regional segments and have therefore decided to update the forecast that is based on these factors:

For the EMEA region, we expect to see slightly positive growth in sales for the year 2014 as a whole that is somewhat lower than the solid growth we had projected in our 2013 Annual Report due to the expiring EURO-6 effect and the weak economic environment in the third quarter.

For the Americas region on the other hand, in light of the positive economic development in the last few quarters and the positive currency effects in the second half of the year, we expect to see even stronger growth than the solid growth we had originally forecast.

For the Asia-Pacific region, we expect to see sales rise by more than 10%, thanks to how we have expanded our activities in the region, the market shares we have gained and the effects of acquisitions, among other factors.

The scope of consolidation was extended on 31 October 2014 as a result of the acquisition of NDS and our forecast for 2014 is now being updated as follows:

In addition to the solid organic growth in sales of around 4% to 7% that we projected, acquisitions will account for additional sales of around EUR 20 million (of which approximately EUR 12 million will come from NDS starting in November).

In conjunction with the acquisition of NDS, we expect to see one-time acquisition costs in the amount of up to EUR 5 million, of which approximately EUR 1.5 million were already accounted for in the third quarter.

Moreover, we expect to see integration costs of up to EUR 5 million, most of which will be incurred in financial year 2015.

We estimate the financing costs of the acquisition in the current financial year to be around EUR 2 million. These costs will affect the financial result for 2014, which will most likely amount to around EUR -20 million.

EBITA margin at a sustainably high level
We will continue to hold fast to our annual forecast of an adjusted operating EBITA margin at the same level as in previous years of above 17% even after the acquisition of NDS.

Market penetration and power of innovation
The degree to which we penetrate the market will be reflected in our organic growth in the medium term. We strive to continue to achieve the same high level of new patent registrations each year.

Problem-solving behaviour
We measure and control problem-solving behaviour with the help of key performance indicators such as parts per million (PPM) of products returned by our customers and the number of customer complaints per month. With respect to the indicator PPM, we strive to achieve a value of under 40. In 2014, we hope to lower the number of customer complaints by at least 3%.

Sustainable company development (Corporate Responsibility)
We started developing and gradually implementing our CR strategy in 2012. Our goal is to continue to extend it in the years to come and to anchor it in all areas of the Company. The goal for 2014 is to introduce additional quantitative measurement values on sustainable company policy and influence these positively. One initial step here was the publication of our CR strategy on its own website in February 2014. A dedicated sustainability report in which we report on the progress we are making with respect to specific indicators will be published before the end of the year.

GENERAL STATEMENT BY THE MANAGEMENT BOARD ON ANTICIPATED DEVELOPMENT

NORMA Group looks back on a solid development in the first nine months of 2014. The Management Board still holds fast to the basic forecast it issued for 2014.

Due to the current weakness in the economy that we are seeing in Europe, in particular, and the declining momentum, especially in the commercial vehicles market, we expect to see weaker growth in the EMEA region that will be slightly lower than the growth we have projected thus far.

On the other hand, we expect to see stronger growth in the Americas region than we had originally anticipated. This can be attributed to the gradual brightening of the economic environment, but also to the acquisition of the American company NDS.

These events are associated with one-time costs that will have a negative impact on our financial result, in particular, therefore we have updated our forecast accordingly to EUR -20 million.

The Management Board stands by its forecast with respect to the other figures.

Risk and Opportunity Report

NORMA Group is exposed to various opportunities and risks, which can have either a positive or negative long or short term effect on the Company's assets and its financial or earnings situation. For this reason, NORMA Group SE's opportunity and risk management system is an integral part of its corporate management at both the Group management level and at the level of the individual companies and functional areas. Due to the fact that every action that a company takes is associated with risks and opportunities, we consider tracking, assessing and controlling risks and opportunities to be a fundamental component of executing our strategy, securing our short and long-term corporate success and sustainably increasing shareholder value. In order to achieve this over the long-term, we encourage our employees in all areas of the Company to be conscious of risks and opportunities.

Compared to the Risk and Opportunity Report that we published in our 2013 Annual Report, we would like to make the following revision to our assessment of the risk and opportunity situation that NORMA Group finds itself facing in the third quarter of 2014:

In taking the current developments on the currency market and the effects of the European Central Banks's monetary policy into consideration, we feel that the risks and opportunities in the area of financial foreign currency risks and opportunities must be weighted equally. We are therefore revising our assessment of the currency-related opportunities and classifying these as 'very likely.'

Due to the fact that the current economic indicators suggest that both the German and the global economy will weaken slightly, we are revising our assessment of the economic risks and opportunities. Thanks to NORMA Group's good international positioning, we see an equal balance between opportunities and risks for our Company even under increasingly difficult conditions. For this reason, we consider economic risks to be possible.

For a more detailed description of the current assessment of opportunities and risks that NORMA Group faces, we kindly refer you to our risk and opportunity report in our 2013 Annual Report. → 2013 Annual Report, p. 97.

In the third quarter of 2014, we did not change our views on potential risks and opportunities since our 2013 Annual Report was published, with the exception of the items cited above.

OPPORTUNITY AND RISK PORTFOLIO OF NORMA GROUP [1]

	Probability				Financial impact			
	unlikely	possible	possible	Change compared to June 2014	minor	moderate	high	Change compared to June 2014
Financial risks and opportunities								
Default		•		→	•			→
Liquidity – Risks	•			→			•	→
– Opportunities		•		→		•		→
Currency – Risks			•	→		•		→
– Opportunities			•	↗		•		→
Change in interest rates – Risks			•	→	•			→
– Opportunities	•			→	•			→
Economic risks and opportunities								
Risks		•		↗		•		→
Opportunities [2]		•		→		•		→
Industry-specific and technological opportunities and risks								
Risks	•			→	•			→
Opportunities [2]		•		→		•		→
Company strategy opportunities and risks								
Risks	•			→		•		→
Opportunities		•		→		•		→
Operational opportunities and risks								
Raw material prices – Risks		•		→	•			→
– Opportunities		•		→	•			→
Suppliers – Risks		•		→	•			→
– Opportunities		•		→	•			→
Quality and processes – Risks		•		→	•			→
– Opportunities		•		→	•			→
Customers – Risks		•		→	•			→
– Opportunities [3]		•		→	•			→
Opportunities and risks in personnel management								
Risks		•		→	•			→
Opportunities			•	→	•			→
IT-related opportunities and risks								
Risks		•		→	•			→
Opportunities			•	→	•			→
Legal opportunities and risks								
Risks related to violations of standards	•			→		•		→
Social and environmental standard risks – Risks	•			→		•		→
– Opportunities		•		→	•			→
Intellectual property – Risks		•		→	•			→
– Opportunities		•		→	•			→

[1] Unless specified otherwise, the risk assessment applies for all three regional segments.
[2] We consider a positive deviation to be quite likely for the Asia-Pacific region; we consider the financial effects to be moderate.
[3] We consider a positive deviation to be possible for the Asia-Pacific region; we consider the financial effects to be moderate.

→ unchanged
↗ higher
↘ lower
○ new

Report on Transactions with Related Parties

In the reporting period January to September 2014, there were no significant transactions with related parties.

Supplementary Report

In October 2014, we acquired all shares in National Diversified Sales, Inc. (NDS) in the USA. NDS is a leading American supplier of water management solutions. NDS's product portfolio, which comprises more than 5,000 products, offers solutions for storm water management and landscape irrigation and includes a wide range of connecting flow management components for water infrastructure. NDS had sales of USD 127.6 million (approximately EUR 96 million) in financial year 2013, has more than 500 employees and sells its products to more than 7,700 retail and wholesale customer locations in the USA. The purchase price amounts to USD 285 million on a cash and debt-free basis and will be financed by bridge loans provided by the Helaba Landesbank Hessen-Thüringen and Landesbank Baden-Württemberg. By signing an agreement to acquire NDS, we are continuing on our growth path in the area of water management and contributing towards diversifying our business even further.

Maintal, 5. November 2014

NORMA Group SE
Management Board

Werner Deggim

Dr. Othmar Belker

Bernd Kleinhens

John Stephenson

Consolidated Interim Financial Statements

Consolidated Statement of Financial Position

as of 30 September 2014

ASSETS

in EUR thousands	Note	30 Sep 2014	31 Dec 2013	30 Sep 2013 [1]
Non-current assets				
Goodwill	(10)	**243,024**	233,239	234,838
Other intangible assets	(10)	**96,708**	92,910	92,689
Property, plant and equipment	(10)	**124,752**	115,367	112,831
Other non-financial assets		**582**	0	259
Income tax assets		**841**	1,533	1,637
Deferred income tax assets		**5,749**	7,515	4,677
		471,656	**450,564**	**446,931**
Current assets				
Inventories	(11)	**88,459**	79,770	77,837
Other non-financial assets		**10,709**	8,114	9,294
Derivative financial assets		**26**	92	17
Income tax assets		**2,152**	827	4,005
Trade and other receivables	(11)	**116,639**	90,138	101,523
Cash and cash equivalents	(17)	**62,482**	194,188	186,209
		280,467	**373,129**	**378,885**
Total assets		**752,123**	**823,693**	**825,816**

[1] Restated due to effects from the application of IAS 19R. See: Annual Report 2013 Section 2 Basis of preparation and Section 7 Change in accounting principles.

EQUITY AND LIABILITIES

in EUR thousands	Note	30 Sep 2014	31 Dec 2013	30 Sep 2013 [1]
Equity attributable to equity holders of the parent				
Subscribed capital		**31,862**	31,862	31,862
Capital reserves	(12)	**216,381**	215,927	215,733 [2]
Other reserves		**-220**	-13,857	-11,854
Retained earnings	(12)	**105,831**	84,966	72,916 [2]
Equity attributable to shareholders		**353,854**	**318,898**	**308,657**
Non-controlling interests		**985**	1,004	1,101
Total equity		**354,839**	**319,902**	**309,758**
Liabilities				
Non-current liabilities				
Retirement benefit obligations		**10,937**	10,869	10,123
Provisions	(13)	**6,438**	5,284	5,532
Borrowings	(14)	**185,707**	200,981	301,367
Other non-financial liabilities		**1,671**	1,398	1,582
Other financial liabilities		**3,679**	1,619	2,764
Derivative financial liabilities	(14), (16)	**16,203**	8,293	18,442
Deferred income tax liabilities		**33,639**	32,970	30,545
		258,274	**261,414**	**370,355**
Current liabilities				
Provisions	(13)	**7,240**	8,334	6,084
Borrowings	(14)	**19,304**	125,127	40,161
Other non-financial liabilities		**23,616**	22,407	22,209
Other financial liabilities		**2,431**	4,676	4,401
Derivative financial liabilities	(14), (16)	**1,947**	6,977	59
Income tax liabilities		**9,778**	15,831	18,098
Trade payables		**74,694**	59,025	54,691
		139,010	**242,377**	**145,703**
Total liabilities		**397,284**	**503,791**	**516,058**
Total equity and liabilities		**752,123**	**823,693**	**825,816**

[1] Restated due to effects from the application of IAS 19R. See: Annual Report 2013 Section 2 Basis of preparation and Section 7 Change in accounting principles.

[2] At the end of the year 2013 the expenses from the stock option programme recognised in equity were reclassified from the retained earnings into the capital reserve in order to achieve the same disclosure in the Statutory Financial Statements of NORMA Group SE and the Consolidated Financial Statements of NORMA Group. In Q3 2013 analogous application.

Consolidated Statement of Comprehensive Income

for the period from 1 January to 30 September 2014

in EUR thousands	Note	Q3 2014	Q3 2013	Q1 – Q3 2014	Q1 – Q3 2013
Revenue	(5)	165,505	159,944	518,540	482,741
Changes in inventories of finished goods and work in progress		1,957	135	1,426	2,212
Other own work capitalised		500	669	1,452	1,102
Raw materials and consumables used	(5)	-69,216	-67,701	-219,814	-207,425
Gross profit		98,746	93,047	301,604	278,630
Other operating income	(6)	2,238	1,184	5,249	4,293
Other operating expenses	(6)	-22,998	-19,387	-65,195	-58,946
Employee benefits expense	(7)	-46,016	-41,832	-138,475	-126,437
Depreciation and amortisation		-8,280	-7,684	-23,898	-22,019
Operating profit		23,690	25,328	79,285	75,521
Financial income	(8)	91	71	312	523
Financial costs	(8)	-2,483	-5,559	-15,350	-11,744
Financial costs – net		-2,392	-5,488	-15,038	-11,221
Profit before income tax		21,298	19,840	64,247	64,300
Income taxes		-6,932	-7,319	-20,944	-21,311
Profit for the period		14,366	12,521	43,303	42,989
Other comprehensive income for the period, net of tax					
Other comprehensive income that can be reclassified into profit or loss, net of tax		7,885	-1,849	13,512	-3,273
Exchange differences on translation of foreign operations		7,946	-2,409	11,430	-5,720
Cash flow hedges, net of tax		-61	560	2,082	2,447
Other comprehensive income for the period, net of tax		7,885	-1,849	13,512	-3,273
Total comprehensive income for the period		22,251	10,672	56,815	39,716
Profit attributable to					
Shareholders of the parent		14,304	12,495	43,169	42,940
Non-controlling interests		62	26	134	49
		14,366	12,521	43,303	42,989
Total comprehensive income attributable to					
Shareholders of the parent		22,293	10,607	56,806	39,636
Non-controlling interests		-42	65	9	80
		22,251	10,672	56,815	39,716
Undiluted earnings per share (in EUR)	(9)	0.45	0.39	1.36	1.35
Diluted earnings per share (in EUR)	(9)	0.45	0.39	1.35	1.34

Consolidated Statement of Cash Flows

for the period from 1 January to 30 September 2014

in EUR thousands	Note	Q3 2014	Q3 2013	Q1–Q3 2014	Q1–Q3 2013
Operating activities					
Profit for the period		14,366	**12,521**	43,303	**42,989**
Depreciation and amortisation		8,280	7,684	23,898	22,019
Gain (-)/loss (+) on disposal of property, plant and equipment		17	-123	32	-109
Change in provisions		-117	-97	-171	-319
Change in deferred taxes		-700	-1,324	-988	-962
Change in inventories, trade account receivables and other receivables, which are not attributable to investing or financing activities		1,810	1,535	-30,317	-17,172
Change in trade and other payables, which are not attributable to investing or financing activities		-6,622	1,583	7,546	13,206
Interest expenses of the period		2,215	3,408	7,056	8,726
Expenses due to repayment of derivatives (CF-Hedges)		0	0	4,683	0
Other non-cash expenses/income		-922	4,621	2,052	6,281
Net cash provided by operating activities	(17)	18,327	**29,808**	57,094	**74,659**
thereof interest received		43	85	219	256
thereof income taxes		-13,824	-2,855	-26,914	-11,810
Investing activities					
Payments for acquisitions of subsidiaries, net		-848	-7,881	-5,786	-14,053
Investments in property, plant and equipment		-10,276	-5,334	-18,912	-12,708
Proceeds from sale of property, plant and equipment		114	132	264	237
Investments in intangible assets		-1,464	-821	-4,917	-3,271
Net cash used in investing activities		-12,474	**-13,904**	-29,351	**-29,795**
Financing activities	(17)				
Reimbursement OPICP from shareholder		0	0	0	1,067
Payments for shares in a subsidiary		0	0	-907	0
Interest paid		-4,939	-2,750	-8,627	-8,023
Dividends paid to shareholders		0	0	-22,304	-20,711
Dividends paid to non-controlling interests		-28	0	-28	0
Proceeds from borrowings		0	124,500	317	128,118
Repayment of borrowings	(14)	-12,807	-13,500	-121,999	-29,893
Repayment of hedging derivatives	(16)	0	0	-6,890	0
Repayment of lease liabilities		-85	-80	-210	-376
Net cash used in (-)/provided by (+) financing activities	(17)	-17,859	**108,170**	-160,648	**70,182**
Net decrease (-)/increase (+) in cash and cash equivalents		-12,006	**124,074**	-132,905	**115,046**
Cash and cash equivalents at beginning of the year		73,482	62,351	194,188	72,389
Effect of foreign exchange rates on cash and cash equivalents		1,006	-216	1,199	-1,226
Cash and cash equivalents at end of the period	(17)	62,482	**186,209**	62,482	**186,209**

Consolidated Statement of Changes in Equity

for the period from 1 January to 30 September 2014

		Attributable to equity holders of the parent	
in EUR thousands	Note	Subscribed capital	Capital reserves
Balance on 31 December 2012 (as reported)		**31,862**	**213,559**
Effects from the application of IAS 19R			
Balance on 31 December 2012 [1]		**31,862**	**213,559**
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 [2]			1,107
Reimbursement OPICP by shareholders			1,067
Dividends paid			
Total transactions with owners for the period		**0**	**2,174**
Balance on 30 September 2013		**31,862**	**215,733**
Balance on 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	(12)		
Total comprehensive income for the period		**0**	**0**
Stock options [2]			454
Dividends paid			
Dividends paid to non-controlling intrests			
Total transactions with owners for the period	(12)	**0**	**454**
Balance on 30 September 2014		**31,862**	**216,381**

[1] Restated due to effects from the application of IAS 19R. See: Annual Report 2013 Section 2 Basis of preparation and Section 7 Change in accounting principles.

[2] In 2013 the expenses from the stock option programme recognised in equity were reclassified from the retained earnings into the capital reserve in order to achieve the same disclosure in the Statutory Financial Statements of NORMA Group SE and the Consolidated Financial Statements of NORMA Group.

	Attributable to equity holders of the parent				
	Other reserves	Retained earnings	**Total**	Non-controlling interests	**Total equity**
	-8,550	**50,450**	**287,321**	**1,021**	**288,342**
		839	**839**		**839**
	-8,550	**51,289**	**288,160**	**1,021**	**289,181**
		42,940	**42,940**	49	**42,989**
	-5,751		**-5,751**	31	**-5,720**
	2,447		**2,447**		**2,447**
	-3,304	**42,940**	**39,636**	**80**	**39,716**
		-602	**505**		**505**
			1,067		**1,067**
		-20,711	**-20,711**		**-20,711**
	0	**-21,313**	**-19,139**	**0**	**-19,139**
	-11,854	**72,916**	**308,657**	**1,101**	**309,758**
	-13,857	**84,966**	**318,898**	**1,004**	**319,902**
		43,169	**43,169**	134	**43,303**
	11,555		**11,555**	-125	**11,430**
	2,082		**2,082**		**2,082**
	13,637	**43,169**	**56,806**	**9**	**56,815**
			454		**454**
		-22,304	**-22,304**		**-22,304**
			0	-28	**-28**
	0	**-22,304**	**-21,850**	**-28**	**-21,878**
	-220	**105,831**	**353,854**	**985**	**354,839**

Segment Reporting

for the period from 1 January to 30 September 2014

	EMEA		Americas		Asia-Pacific	
in TEUR	**Q1–Q3 2014**	Q1–Q3 2013	**Q1–Q3 2014**	Q1–Q3 2013	**Q1–Q3 2014**	Q1–Q3 2013
Total revenue	**324,088**	314,826	**174,661**	151,606	**46,838**	41,191
thereof inter-segment revenue	**19,960**	18,638	**5,589**	5,300	**1,498**	944
Revenue from external customers	**304,128**	**296,188**	**169,072**	**146,306**	**45,340**	**40,247**
Contribution to consolidated group sales	**58%**	61%	**33%**	30%	**9%**	9%
Adjusted EBITDA[1]	**65,828**	**63,326**	**34,780**	**34,404**	**4,978**	**4,225**
Depreciation without PPA depreciation[2]	**-7,153**	-7,345	**-3,225**	-3,209	**-1,400**	-1,388
Adjusted EBITA[1]	**58,675**	**55,981**	**31,555**	**31,195**	**3,578**	**2,837**
Assets (prior year as of 31 Dec 2013)[3]	**492,716**	490,322	**250,316**	210,047	**71,926**	61,895
Liabilities (prior year as of 31 Dec 2013)[4]	**132,648**	196,079	**139,503**	121,336	**24,667**	20,385
CAPEX	**7,023**	6,743	**11,563**	3,511	**2,684**	2,019

1) For details regarding the adjustments, refer to Note 4.
2) Depreciation from purchase price allocations.
3) Including allocated goodwills, taxes are shown within the reconciliation.
4) Taxes are shown within the reconciliation.

Total segments		Central functions		Consolidation		Consolidated group	
Q1 – Q3 2014	Q1 – Q3 2013	Q1 – Q3 2014	Q1 – Q3 2013	Q1 – Q3 2014	Q1 – Q3 2013	Q1 – Q3 2014	Q1 – Q3 2013
545,587	507,623	21,853	32,760	- 48,900	- 57,642	518,540	482,741
27,047	24,882	21,853	32,760	- 48,900	- 57,642	0	0
518,540	482,741	0	0	0	0	518,540	482,741
100%	100%						
105,586	101,955	- 691	- 2,844	- 250	- 1,571	104,645	97,540
- 11,778	- 11,942	- 594	- 552	0	0	- 12,372	- 12,494
93,808	90,013	- 1,285	- 3,396	- 250	- 1,571	92,273	85,046
814,958	762,264	87,228	212,440	- 150,063	- 151,011	752,123	823,693
296,818	337,800	216,084	277,946	- 115,618	- 111,955	397,284	503,791
21,270	12,273	2,559	3,706	0	0	23,829	15,979

Notes to the Consolidated Financial Statements (condensed)

1. GENERAL INFORMATION

The condensed consolidated financial statements of NORMA Group as of 30 September 2014 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 financial statements for 2013, which are available on the website http://investoren.normagroup.com. All IFRS to be applied for financial years beginning 1 January 2014, as adopted by the EU, have been taken into account.

The condensed financial statements were approved by NORMA Group management on 4 November 2014 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 2013. A detailed description of significant accounting principles can be found in the annual consolidated statements for 2013 (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 2014:

- IFRS 10 ‘Consolidated Financial Statements’;
- IFRS 11 ‘Joint Arrangements’;
- IFRS 12 ‘Disclosure of Interests in Other Entities’;
- Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12);
- Amendments to IFRS 10 ‘Consolidated Financial Statements’, IFRS 12 ‘Disclosure of Interests in Other Entities’ and IAS 27 ‘Separate Financial Statements’: amendments relating to the consolidation of investment entities;
- IAS 27R ‘Separate Financial Statements’;
- IAS 28R ‘Investments in Associates and Joint Ventures’;
- Amendments to IAS 32 ‘Financial Instruments: Presentation’;
- Amendments to IAS 39 ‘Financial Instruments: Recognition and Measurement’: amendments relating to the novation of derivatives and continuation of hedge accounting.

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)	Amortised costs
Property, plant and equipment	Amortised costs
Derivative financial assets:	
Classified as cash flow hedge	At fair value in other comprehensive income
Inventories	Lower of cost or net realisable value
Other non-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
Without hedge accounting	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 September 2014 remains unchanged compared to 31 December 2013 and includes seven domestic and 38 foreign companies.

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

4. ADJUSTMENTS

In January and September 2014, NORMA Group repayed parts of the existing syndicated bank facilities. The repayment amounted to EUR 108,600 thousands. The associated hedging instruments (cross-currency and interest rate swaps) as well as the accrued transaction costs were dissolved through profit or loss at the time of repayment. The related negative one-time items in the amount of EUR 5,406 thousands were adjusted within the financial result of the first nine months of 2014. Furthermore, acquisition related expenses amounting to EUR 1,462 thousands, particularly associated with the acquisition of National Diversified Sales, Inc., were normalised within the other operation income and expenses.

Besides the described adjustments, depreciation in the amount of EUR 822 thousands (first nine months of 2013: EUR 239 thousands) and amortisation in the amount of EUR 6,777 thousands (first nine months of 2013: EUR 5,954 thousands) from purchase price allocations were adjusted additionally as in previous years.

The following table shows the adjusted profit for the period:

in EUR thousands	Q3 2014	Q3 2013	Q1–Q3 2014	Q1–Q3 2013
Revenue	165,505	159,944	518,540	482,741
Changes in inventories of finished goods and work in progress	1,957	135	1,426	2,212
Other own work capitalised	500	669	1,452	1,102
Raw materials and consumables used	-69,216	-67,701	-219,814	-207,425
Gross profit	98,746	93,047	301,604	278,630
Adjusted other operating income and expenses	-19,298	-18,203	-58,484	-54,653
Employee benefits expense	-46,016	-41,832	-138,475	-126,437
Adjusted EBITDA	33,432	33,012	104,645	97,540
Depreciation without PPA depreciation	-4,263	-4,213	-12,372	-12,494
Adjusted EBITA	29,169	28,799	92,273	85,046
Amortisation without PPA amortisation	-1,351	-1,513	-3,927	-3,332
Adjusted operating profit (EBIT)	27,818	27,286	88,346	81,714
Adjusted financial costs – net	-2,392	-5,488	-9,632	-11,221
Adjusted profit before income tax	25,426	21,798	78,714	70,493
Adjusted income taxes	-8,277	-8,039	-24,905	-23,364
Adjusted profit for the period	17,149	13,759	53,809	47,129
Non-controlling interests	62	26	134	49
Adjusted profit attributable to shareholder of the parent	17,087	13,733	53,675	47,080
Adjusted earnings per share (in EUR)	0.54	0.43	1.68	1.48

5. REVENUE AND RAW MATERIALS AND CONSUMABLES USED

Revenue for the first nine months of 2014 (EUR 518,540 thousands) was 7.4% higher than revenue for the first nine months of 2013 (EUR 482,741 thousands). Business combinations of 2014 contributed EUR 2,259 thousands to revenues (Note 20 "Business combinations").

Revenue recognised during the period related to the following:

in EUR thousands	Q1–Q3 2014	Q1–Q3 2013
Engineered Joining Technologies	369,098	338,799
Distribution Services	153,522	145,858
Other revenue	1,340	1,613
Deductions	-5,420	-3,529
	518,540	482,741

The raw materials and consumables used increased disproportionately lower in relation to revenues, leading to a ratio of 42.4% (first nine months of 2013: 43.0%). In relation to the total value, raw materials and consumables used are, with a ratio of 42.2%, below the previous year's level (first nine months of 2013: 42.7%).

6. OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Other operating income particularly included operational currency gains, government grants and reversals from accruals for variable compensation elements for employees. Other operating income in the first nine months of 2014 came to EUR 5,249 thousands which was EUR 956 thousands higher than in the first nine months of 2013 (EUR 4,293 thousands).

Other operating expenses for the first nine months of 2014 (EUR 65,195 thousands) were 10.6% higher than other operating expenses for the first nine months of 2013 (EUR 58,946 thousands). The position other operating expenses includes currency losses in the amount of EUR 2,128 thousands (first nine months of 2013: EUR 2,278 thousands). The composition of other operating expenses did not change significantly compared to fiscal year 2013.

7. EMPLOYEE BENEFITS EXPENSE

In the first nine months of 2014, employee benefits expense amounted to EUR 138,475 thousands compared to EUR 126,437 thousands in the first nine months of 2013. The increase of 9.5% is mainly due to a higher average headcount in comparison to the first nine months of 2013.

Average headcount was 4,279 in the first nine months of 2014 (first nine months of 2013: 3,885).

8. FINANCIAL RESULT

The financial result for the first nine months of 2014 (EUR - 15,038 thousands) changed by EUR - 3,817 thousands compared to the first nine months of 2013 (EUR - 11,221 thousands). In the first nine months of 2014, the net foreign exchange losses / gains amounted to EUR - 737 thousands (first nine months of 2013: EUR - 475 thousands). Net interest expenses (EUR 8,963 thousands) decreased by EUR 785 thousands in the first nine months of 2014 compared to the first nine months of 2013 (EUR 9,748 thousands). Adjusted for the one-off expenditures from the early repayment of the syndicated bank facilities, net interest expenses in the first nine months of 2014 amounted to EUR 7,726 thousands and was EUR 2,022 thousands lower than in the first nine months of 2013. Furthermore, the financial result in the first nine months of 2014 includes one-time expenses from the dissolving of derivatives in the amount of EUR 4,683 thousands and other financial expenses in the amount of EUR 726 thousands.

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 nine months of financial year 2014, the average weighted number of shares was 31,862,400 (first nine months of 2013: 31,862,400).

Options issued out of the Matching-Stock-Program ("MSP") for the Board of NORMA Group had dilutive effects on earnings per share in the first nine months of 2014. A detailed description of the MSP can be found in the annual consolidated statements for 2013; Note 28 "Share based payments." The dilutive effect on earnings per share is calculated using the treasury stock method.

Earnings per share for the first nine months of 2014 are as follows:

	Q3 2014	Q3 2013	**Q1–Q3 2014**	Q1–Q3 2013
Profit attributable to shareholders of the parent (in EUR thousands)	**14,304**	12,495	**43,169**	42,940
Number of weighted shares	**31,862,400**	31,862,400	**31,862,400**	31,862,400
Effect of dilutive share-based payment	**224,889**	121,230	**224,889**	114,064
Number of weighted shares (diluted)	**32,087,289**	31,983,630	**32,087,289**	31,976,464
Earnings per share (in EUR)	**0.45**	**0.39**	**1.36**	**1.35**
Earnings per share diluted (in EUR)	**0.45**	**0.39**	**1.35**	**1.34**

In the first nine months of 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 Sep 2014**	31 Dec 2013
Goodwill	**243,024**	233,239
Customer lists	**48,789**	45,676
Licenses, rights	**1,078**	1,151
Software	**8,416**	6,607
Trademarks	**15,689**	14,988
Patents & technology	**13,502**	14,304
Internally generated intangible assets	**4,645**	4,162
Intangible assets, other	**4,589**	6,022
Total	**339,732**	**326,149**

The change in goodwill from EUR 233,239 thousands to EUR 243,024 thousands resulted from foreign exchange differences and from the acquisition of the business activities of Five Star Clamps, Inc. in the amount of EUR 2,389 thousands.

The change in goodwill is summarised as follows:

in EUR thousands	
Balance on 31 December 2013	**233,239**
Changes in consolidation	2,389
Five Star Clamps, Inc.	2,389
Currency effect	7,396
Balance on 30 September 2014	**243,024**

In the second quarter of 2014, the brand "Nordic Metalblok" in the amount of EUR 276 thousands was fully impaired, as NORMA Group no longer expects to use the brand in the future.

Tangible assets are as follows:

	Carrying amounts	
in EUR thousands	**30 Sep 2014**	31 Dec 2013
Land and buildings	**55,648**	46,449
Machinery & tools	**44,516**	45,761
Other equipment	**11,198**	11,970
Assets under construction	**13,390**	11,187
Total	**124,752**	**115,367**

In the first nine months of 2014, EUR 23,888 thousands were invested in property, plant and equipment and intangible assets, including own work capitalised in the amount of EUR 1,452 thousands and finance leases in the amount of EUR 59 thousands. The main focus of the investments was on expansion in Germany, in China, the USA and in Brazil. There were no major disinvestments.

11. CURRENT ASSETS

The decrease in current assets is due to a decrease in cash and cash equivalents resulting from the repayment of borrowings in the amount of EUR 121,999 thousands in the first nine months of 2014, as well as from the dividend in the amount of EUR 22,304 thousands, which was paid to the shareholders of NORMA Group SE in May 2014. There was an opposite effect from the increase in trade account receivables and inventories resulting from the increased sales volume in the third quarter of 2014 in comparison to the last quarter of 2013.

12. EQUITY

Changes in equity resulted from the profit for the period (EUR 43,303 thousands), cash flow hedges (EUR 2,082 thousands), exchange differences on translation of foreign operations (EUR 11,430 thousands) and the issuance of share options (EUR 454 thousands).

A dividend of EUR 22,304 thousands was paid to the shareholders of NORMA Group SE after the annual general meeting in May 2014, which reduced the retained earnings.

Authorised and conditional capital

The Management Board was authorised by the extraordinary shareholders' meeting on 6 April 2011 to increase the Company's registered share capital in one or more transactions by up to EUR 15,931,200 in aggregate by issuing up to 15,931,200 new no par value registered shares against cash contributions or contributions in kind (authorised capital) in the period ending on 5 April 2016.

With the resolution of the extraordinary shareholders' meeting on 6 April 2011, the Company's share capital has been conditionally increased by up to EUR 12,505,000 through the issuance of up to 12,505,000 new no par value registered shares (conditional capital). The conditional capital increase serves to issue shares to the holders or creditors of convertible or warrant-linked bonds as well as profit participation rights based on the authorisation approved by the extraordinary shareholders' meeting of 6 April 2011.

13. PROVISIONS

The provisions slightly increased from EUR 13,618 thousands as of 31 December 2013 to EUR 13,678 thousands as of 30 September 2014.

14. FINANCIAL DEBT

Net debt of the NORMA Group is as follows:

in EUR thousands	30 Sep 2014	31 Dec 2013
Bank borrowings, net	203,373	324,338
Derivative financial liabilities	18,150	15,270
Other borrowings (e.g. factoring and reverse-factoring)	1,638	1,770
Lease liabilities	531	683
Other financial liabilities	5,579	5,612
Financial debt	**229,271**	**347,673**
Cash and cash equivalents	62,482	194,188
Net debt	**166,789**	**153,485**

The financial debt of NORMA Group decreased by 34.1% from EUR 347,673 thousands as of 31 December 2013 to EUR 229,271 thousands as of 30 September 2014. The decrease in the first nine months of 2014 is mainly due to the repayment of parts of the syndicated bank facilities in the amount of EUR 115,800 thousands and the repayment of the associated derivative financial liabilities in the amount of EUR 6,995 thousands. Furthermore, liabilities resulting from a revolving credit line in the amount of EUR 5,500 thousands were repayed in the third quarter of 2014.

Compared to 31 December 2013 (EUR 153,485 thousands) net debt increased to EUR 166,789 thousands due to the dividend payment in the second quarter of 2014, the increase of derivative financial liabilities and the increased cash outflows relating to payments for income tax liabilities.

The maturity of the syndicated bank facilities and the promissory note on 30 September 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	16,800	62,400	0	0
Promissory Note, net	0	0	52,000	73,000
Total	**16,800**	**62,400**	**52,000**	**73,000**

The maturity of the syndicated bank facilities and the promissory note on 31 December 2013 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	115,800	19,200	60,000	0
Promissory Note, net	0	0	52,000	73,000
Total	**115,800**	**19,200**	**112,000**	**73,000**

The early repayment made in January 2014 in the amount of EUR 101,400 thousands is already considered within the maturity analysis on 31 December 2013.

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 15,220 thousands as of 31 December 2013 to EUR 16,203 thousands as of 30 September 2014.

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 Sep 2014**	Amortised Cost	Fair value through profit or loss	Derivatives used for hedging	Measure-ment basis IAS 17	**Fair value 30 Sep 2014**
Financial assets							
Derivative financial instruments – hedge accounting							
Foreign exchange derivatives	n/a	**26**			26		**26**
Trade and other receivables	LaR	**116,639**	116,639				**116,639**
Cash and cash equivalents	LaR	**62,482**	62,482				**62,482**
Financial liabilities							
Borrowings	FLAC	**205,011**	205,011				**212,441**
Derivative financial instruments – held for trading							
Cross-currency swaps	FLHfT	**1,232**		1,232			**1,232**
Derivative financial instruments – hedge accounting							
Interest derivatives	n/a	**2,291**			2,291		**2,291**
Cross-currency swaps	n/a	**13,912**			13,912		**13,912**
Foreign exchange derivatives	n/a	**715**			715		**715**
Trade payables	FLAC	**74,694**	74,694				**74,694**
Other financial liabilities							
Contingent considerations	n/a	**4,243**		4,243			**4,243**
Other liabilities	FLAC	**1,336**	1,336				**1,336**
Finance lease liabilities	n/a	**531**				531	**550**
Totals per category							
Loans and receivables (LaR)		**179,121**	179,121				**179,121**
Financial liabilities held for trading (FLHfT)		**1,232**		1,232			**1,232**
Financial liabilities at amortised cost (FLAC)		**281,041**	281,041				**288,471**

in EUR thousands	Category IAS 39	Carrying amount 31 Dec 2013	Measurement basis IAS 39 Amortised Cost	Fair value through profit or loss	Derivatives used for hedging	Measurement basis IAS 17	Fair value 31 Dec 2013
Financial assets							
Derivative financial instruments – hedge accounting							
Foreign exchange derivatives	n/a	**92**			92		**92**
Trade and other receivables	LaR	**90,138**	90,138				**90,138**
Cash and cash equivalents	LaR	**194,188**	194,188				**194,188**
Financial liabilities							
Borrowings	FLAC	**326,108**	326,108				**329,273**
Derivative financial instruments – hedge accounting							
Interest derivatives	n/a	**5,375**			5,375		**5,375**
Cross-currency swaps	n/a	**9,845**			9,845		**9,845**
Foreign exchange derivatives	n/a	**50**			50		**50**
Trade payables	FLAC	**59,025**	59,025				**59,025**
Other financial liabilities							
Contingent considerations	n/a	**1,371**		1,371			**1,371**
Other liabilities	FLAC	**4,241**	4,241				**4,241**
Finance lease liabilities	n/a	**683**				683	**705**
Totals per category							
Loans and receivables (LaR)		**284,326**	284,326				**284,326**
Financial liabilities at amortised cost (FLAC)		**389,374**	389,374				**392,539**

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 September 2014, contingent considerations measured at fair value amounting to EUR 4,243 thousands from the acquisition of Guyco Pty Limited (EUR 1,353 thousands) and the acquisition of the business activities of Five Star Clamps, Inc. in the second quarter of 2014 (EUR 2,890 thousands) are 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 September 2014 as well as of 31 December 2013:

in EUR thousands	Level 1 [1]	Level 2 [2]	Level 3 [3]	Total on 30 Sep 2014
Recurring fair value measurements				
Assets				
Foreign exchange derivatives – hedge accounting		26		**26**
Total	**0**	**26**	**0**	**26**
Liabilities				
Cross-currency swaps – hedge accounting		13,912		**13,912**
Interest swap – hedge accounting		2,291		**2,291**
Foreign exchange derivatives – hedge accounting		715		**715**
Cross-currency swaps – held for trading		1,232		**1,232**
Other financial liabilities			4,243	**4,243**
Total	**0**	**18,150**	**4,243**	**22,393**

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 on 31 Dec 2013
Recurring fair value measurements				
Assets				
Foreign exchange derivatives – hedge accounting		92		**92**
Total	**0**	**92**	**0**	**92**
Liabilities				
Cross-currency swaps – hedge accounting		9,845		**9,845**
Interest swap – hedge accounting		5,375		**5,375**
Foreign exchange derivatives – hedge accounting		50		**50**
Other financial liabilities			1,371	**1,371**
Total	**0**	**15,270**	**1,371**	**16,641**

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 nine months of 2014 as well as in 2013, 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 fair values of financial liabilities from contingent considerations resulting from the acquisition of Guyco Pty Limited and the acquisition of the business activities of Five Star Clamps, Inc. The agreement on the contingent consideration related to the acquisition of Guyco Pty Limited commits NORMA Group to pay an amount depending on the gross profits made by the Guyco Pty Limited in the period from 1 July 2013 to 30 June 2014. On 30 June 2014, an adjustment of the fair value to an amount of EUR 1,174 thousands was made to reflect the achieved gross profit. The difference in the fair value in the amount of EUR 100 thousands was recognised in the financial income in the period.

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 the financial year 2015 in comparison with certain revenues made in the 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 thousands. 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 Davydick & Co. Pty Limited existing on 31 December 2013 in the amount of EUR 97 thousands was settled with a payment of EUR 59 thousands in the first quarter of 2014. The difference in the amount of EUR 41 thousands was recognised in the financial result.

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 on 1 January 2014	**1,371**	**1,371**
Acquisitiion of the business of Five Star Clamps, Inc.	2,630	2,630
Transfers to Level 3	0	0
Gains and losses recognised in profit (+) or loss (-)	141	141
Payments	-59	-59
Currency effects	442	442
Balance on 30 September 2014	**4,243**	**4,243**
Total gains or losses for the period included in profit or loss under 'Financial result'	141	141

From the income recognised in the first nine months of 2014 for in level 3 categorised financial liabilities, EUR 100 thousands are due to financial liabilities, which are held on 30 September 2014.

16. DERIVATIVE FINANCIAL INSTRUMENTS

The derivative financial instruments were as follows:

	30 September 2014		31 December 2013	
in EUR thousands	Assets	Liabilities	Assets	Liabilities
Cross-currency swaps – cash flow hedges		13,912		9,845
Interest rate swaps – cash flow hedges		2,291		5,375
Foreign exchange derivatives – cash flow hedges	26	715	92	50
Cross-currency swaps – held for trading		1,232		
Total	**26**	**18,150**	**92**	**15,270**
Less non-current portion				
Cross-currency swaps – cash flow hedges		13,912		8,293
Interest rate swaps – cash flow hedges		2,291		
Non-current portion	**0**	**16,203**	**0**	**8,293**
Current portion	**26**	**1,947**	**92**	**6,977**

Foreign exchange derivatives

On 30 September 2014, foreign exchange derivatives with a positive market value of EUR 26 thousands and with a negative market value of EUR 715 thousands were classified as cash flow hedges.

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 the 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 reduced equity on 30 September 2014 by EUR 3,134 thousands before taxes. Of this amount, EUR -9,353 thousands are due to the measurement of the derivatives held as cash flow hedges and EUR 6,530 thousands are due to the change in value of the underlying. In the period, an additional EUR 5,957 thousands before tax were reclassified from the hedging reserve to the profit and loss and thus increased other comprehensive income.

Amounts recognised in the hedging reserve in equity will be released in profit or loss until the repayment 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 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 57,094 thousands (first nine months of 2013: EUR 74,659 thousands) represents changes in current assets, provisions and liabilities (excluding liabilities in connection with financing activities).

The Group participates in a reverse-factoring-programme. The payments to the factor are included in cash flows from operating activities, as this represents the economic substance of the transaction.

Net cash provided by operating activities is adjusted for other non-cash expenses and income, which results in the first nine months of 2014 mainly from the non-cash personnel expenses from the matching stock program amounting to EUR 454 thousands (first nine months of 2013: EUR 505 thousands) as well as non-cash interest expenses amounting to EUR 2,152 thousands (first nine months of 2013: EUR 1,295 thousands).

Net cash provided by operating activities in the first nine months of 2014 was influenced by outflows from income taxes, relating to tax liabilities from prior years.

Net cash used in investing activities includes net cash outflows from the acquisition and disposal of property, plant and equipment and intangible assets amounting to EUR 23,565 thousands (first nine months 2013: EUR 15,742 thousands) as well as net payments for acquisitions of subsidiaries in the amount of EUR 5,786 thousands (first nine months of 2013: EUR 14,053 thousands).

Net cash used in financing activities mainly includes cash outflows in connection with the repayment of parts of the syndicated bank facilities amounting to EUR 115,800 thousands, as well as the repayment of the associated derivative financial liabilities in the amount of EUR 6,890 thousands. Additionally, the revolving credit line, which amounted to EUR 5,500 thousands as of 31 December 2013, was repaid in the third quarter of 2014. Furthermore, cash flows resulting from interest paid (first nine months of 2014: EUR -8,627 thousands; first nine months of 2013: EUR -8,023 thousands) and payments for shares in a subsidiary in the amount of EUR 907 thousands (first nine months of 2013: EUR 0 thousands) 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 September 2014, cash and cash equivalents comprised of cash on hand and demand deposits of EUR 62,414 thousands (30 September 2013: EUR 184,438 thousands) as well as cash equivalents in value of EUR 68 thousands (30 September 2013: EUR 1,771 thousands).

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 nine months of 2014 acquisition related expenses amounted to EUR 1,462 thousands, particularly associated with the acquisition of National Diversified Sales, Inc., were normalised within the EBITDA and EBITA. Furthermore, EBITA was adjusted for depreciation from purchase price allocations as in prior years. A detailed description of the adjustments can be found in 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 in the reconciliation. Segment assets and liabilities are measured in a manner consistent with that used in the statement of financial position.

Assets of the "Central Functions" include mainly cash and intercompany receivables; the liabilities include mainly borrowings.

The reconciliation of the segments' adjusted EBITA is as follows:

in EUR thousands	Q1 – Q3 2014	Q1 – Q3 2013
Total segments' adjusted EBITDA	**104,645**	**97,540**
Depreciation without PPA depreciation	**-12,372**	-12,494
Total adjusted EBITA of the Group	**92,273**	**85,046**
Normalised acquisition costs	**-1,462**	0
Depreciation from PPA	**-822**	-239
EBITA of the Group	**89,989**	**84,807**
Amortisation	**-10,704**	-9,286
Financial costs – net	**-15,038**	-11,221
Profit before tax	**64,247**	**64,300**

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 Sep 2014	31 Dec 2013
Property, plant and equipment	**2,640**	1,443
	2,640	**1,443**

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

Five Star Clamps, Inc.

Effective 25 April 2014, NORMA Group acquired the business activities of Five Star Clamps, Inc. (“Five Star”) in the United States.

Five Star with headquarters in Crest Hill near Chicago, Illinois, has been selling joining products since 1987. The high-quality clamps of the owner-managed business are distributed to customers in over 50 different industries. In fiscal year 2013, Five Star generated revenues of about USD 5.5 million. Five Star has many years of expertise in the markets for joining technology. The acquisition will strengthen NORMA Group's market position in the US region and we will expand our manufacturing footprint and distribution activities.

Goodwill of EUR 2,389 thousands derives from the acquisition which mainly relates to the extended product range and the strengthening of NORMA Group's market position.

Of the consideration of EUR 7,111 thousands, EUR 4,481 thousands were paid in cash and EUR 2,630 thousands consist of incurred liabilities.

The incurred liabilities consist entirely of a contingent consideration agreement according to IFRS 3.39. Under the contingent consideration agreement, NORMA Group is obligated to pay a specific amount depending on certain Five Star's revenue in fiscal year 2015 compared to fiscal year 2012.

The potential not discounted future amount resulting out of the contingent consideration is between EUR 0 thousands and EUR 2,630 thousands.

Based on the financial forecast of the Company, the Group expects the contingent consideration to be paid in the total amount. This leads to a fair value in the amount of EUR 2,630 thousands on the acquisition date.

The following table summarises the consideration paid for Five Star and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date:

in EUR thousands	
Consideration at 25 April 2014	**7,111**
Acquisition-related costs (included in other operating expenses in the consolidated financial statement of comprehensive income)	54
Recognised amounts of identifiable assets acquired and liabilities assumed	
Property, plant and equipment	680
Trademarks	241
Customer lists	3,399
Inventory	252
Trade and other receivables	431
Trade payables	-165
Provisions	-184
Deferred tax assets	68
Total identifiable net assets	**4,722**
Goodwill	2,389
	7,111

The fair value of trade and other receivables is EUR 431 thousands and includes trade receivables with a fair value of EUR 436 thousands, of which EUR 5 thousands are expected to be uncollectible.

Due to the acquisition of the business activities of Five Star on 25 April 2014, the determination of the fair values of the acquired assets and liabilities on the balance sheet date could not be completed. The consolidation is therefore based on a preliminary purchase price allocation. This concerns in particular the fair value of the acquired identifiable intangible assets in the amount of EUR 3,640 thousands; this item mainly includes customer relationships.

The provisions mainly consist of personnel-related and warranty provisions.

The revenue included in the consolidated statement of comprehensive income contributed by Five Star was EUR 2,259 thousands since 25 April 2014. NORMA Group acquired individual assets, liabilities and processes. Therefore, no profit and revenue can be shown for the period from 1 January to 24 April 2014.

21. RELATED PARTY TRANSACTIONS

In the first nine months of 2014, NORMA Group had no reportable transactions with related parties.

22. EVENTS AFTER THE BALANCE SHEET DATE

On 31 October 2014, NORMA Group acquired all shares in National Diversified Sales, Inc. ("NDS"). By acquiring NDS, one of the leading US suppliers of storm water management, landscape irrigation and connecting flow management components for water infrastructure, NORMA Group is continuing its expansion course in the area of water management. NDS is owned by a fund managed by Graham Partners, a US based private equity firm focused on middle market advanced manufacturing and industrial technology companies. The purchase price amounts to USD 285 million and might be exposed to purchase price adjustments at the acquisition date. The purchase price will be settled with a cash payment in USD. To finance the purchase price, bridge loans provided by the Helaba Landesbank Hessen-Thüringen and Landesbank Baden-Württemberg were used.

The Group is currently in the process of determining the fair values of the acquired assets and assumed liabilities of NDS. Therefore, disclosure of the fair values of the net identifiable assets, liabilities and the goodwill arising from the acquisition cannot be made. The valuation is expected to be completed before year-end.

As of 5 November 2014, no further events were known that would have led to a material change in the disclosures or valuation of the assets and liabilities as of 30 September 2014.

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 November 2014

NORMA Group SE
Management Board

Werner Deggim

Dr. Othmar Belker

Bernd Kleinhens

John Stephenson

Financial Calendar 2015

III	18 / 02 / 2015	Publication of Preliminary Financial Results 2014
III	25 / 03 / 2015	Publication of Full Year Results 2014
III	06 / 05 / 2015	Publication of Q1 Interim Report
III	20 / 05 / 2015	Annual General Meeting, Frankfurt/Germany
III	05 / 08 / 2015	Publication of Q2 Interim Report
III	04 / 11 / 2015	Publication of Q3 Interim Report

We constantly update our financial calendar. Please visit http://investors.normagroup.com for the latest information.

Contact and Imprint

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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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