NORMA GROUP SE

INTERIM REPORT Q3 2015

Overview of Key Figures

		Q3 2015	Q3 2014	Q1–Q3 2015	Q1–Q3 2014
Order situation					
Order book (30 September)	EUR millions	–	–	289.1	263.4
Income statement					
Revenue	EUR millions	218.3	165.5	672.6	518.5
Adjusted gross profit [1]	EUR millions	131.1	98.7	402.7	301.6
Adjusted EBITA [1]	EUR millions	39.3	29.2	120.6	92.3
Adjusted EBITA margin [1]	%	18.0	17.6	17.9	17.8
EBITA	EUR millions	38.4	27.4	115.9	90.0
Adjusted profit for the period [1]	EUR millions	20.8	17.1	67.2	53.8
Adjusted earnings per share [1]	EUR	0.65	0.54	2.10	1.68
Profit for the period	EUR millions	17.4	14.4	55.4	43.3
Earnings per share (EPS)	EUR	0.55	0.45	1.73	1.36
Cash flow					
Operating cash flow	EUR millions	44.1	18.3	95.9	57.1
Operating net cash flow [2]	EUR millions	42.8	21.6	92.2	66.0
Cash flow from investing activities	EUR millions	–10.0	–12.5	–28.4	–29.4
Cash flow from financing activities	EUR millions	–5.2	–17.9	–58.8	–160.6
Balance sheet		**30 Sep 2015**	31 Dec 2014		
Total assets	EUR millions	1,156.3	1,078.4		
Total equity	EUR millions	404.6	368.0		
Equity ratio	%	35.0	34.1		
Net debt	EUR millions	366.7	373.1		
Employees					
Core workforce		4,985	4,828		
Share data					
IPO		April 2011			
Stock exchange		Frankfurt Stock Exchange, Xetra			
Market segment		Regulated Market (Prime Standard), MDAX			
ISIN		DE000A1H8BV3			
Security identification number		A1H8BV			
Ticker symbol		NOEJ			
Highest price Q1–Q3 2015 [3]	EUR	51.910			
Lowest price Q1–Q3 2015 [3]	EUR	38.315			
Share price as of 30 September 2015 [3]	EUR	43.925			
Market capitalisation as of 30 September 2015 [3]	EUR millions	1,400			
Number of shares		31,862,400			

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

Date of publication: 4 November 2015

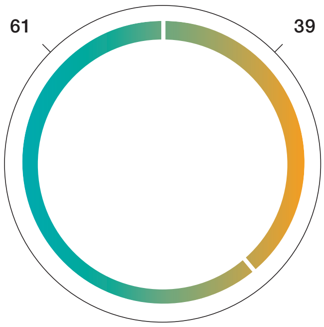
INNOVATIVE JOINING TECHNOLOGY AND THE HIGHEST QUALITY STANDARDS HAVE SECURED NORMA GROUP'S MARKET POSITION FOR OVER 60 YEARS NOW. THE COMPANY OFFERS SOLUTIONS FOR MANY DIFFERENT INDUSTRIES WITH ITS ADVANCED PRODUCTS. IN FACT, NORMA GROUP RANKS AS ONE OF THE WORLD'S MARKET AND TECHNOLOGY LEADERS IN THE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

Two Strong Distribution Channels

DISTRIBUTION OF SALES

in %

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



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

ENGINEERED JOINING TECHNOLOGY (EJT)

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

DISTRIBUTION SERVICES (DS)

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

CONTENTS

EXPLANATION OF SYMBOLS

@ Internet → Cross Reference

NORMA Group on the Capital Market

- NORMA Group's share affected by global economic concerns
- NORMA Group's Annual Report and investor relations work win awards again

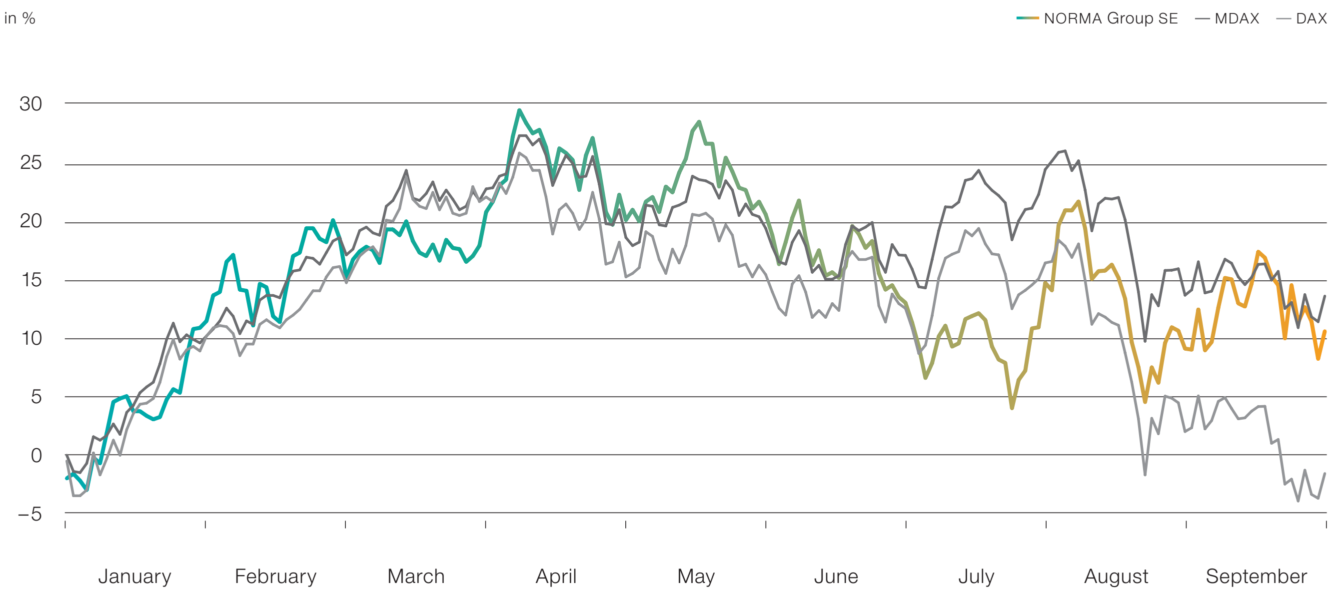
WEAK GROWTH IN CHINA LEADS TO PRICE CORRECTIONS AROUND THE WORLD

The international stock markets posted significant price declines in the third quarter of 2015. After the markets were still recovering from the Greek crisis in July, weak economic growth in China caused increasing volatility and negative price trends. In addition, the fear of lower growth in the emerging markets and the uncertainty associated with an impending rate hike by the Federal Reserve (Fed) fueled the negative trend on the stock markets. Germany's leading index also performed poorly. The DAX, which was still above the 11,500 point mark at the beginning of the quarter, ultimately ended the quarter with a loss of 11.7% compared to the preceding quarter at 9,660 points due to the developments described above and the emission scandal at Volkswagen. Overall, the DAX dropped by 1.5% in the first nine months of the year. The MDAX rose by 13.8% and closed at 19,279 points, despite a weak third quarter of 2015. The Euro Stoxx 50 also fell by 1.1% in the period from January to September 2015. US indices experienced similar developments. While the S&P 500 dropped by only 7.7% in the first nine months of 2015, the Dow Jones fell by 9.4% to 16,284 points.

NORMA GROUP SHARE OUTPERFORMS THE LEADING GERMAN INDEX ONCE AGAIN

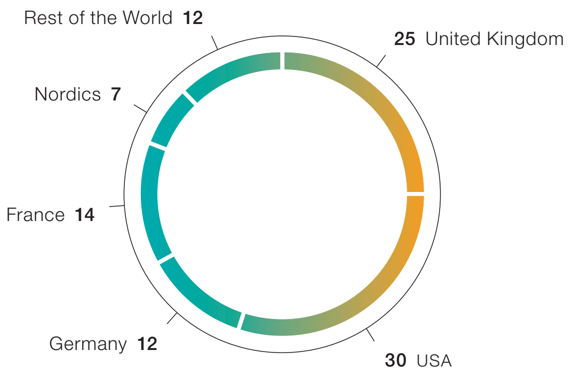
NORMA Group's share continued its development from the first half in the third quarter of 2015. The low economic growth in

INDEX-BASED COMPARISON OF NORMA GROUP'S SHARE PRICE PERFORMANCE IN THE FIRST NINE MONTHS OF 2015 WITH THE MDAX AND DAX



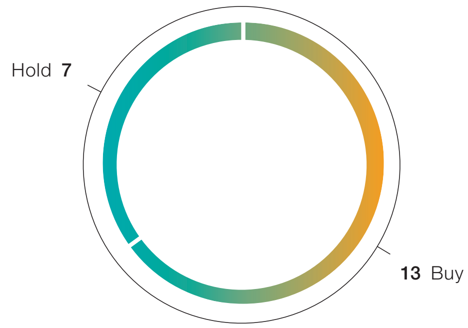
FREE FLOAT BY REGION

in % as of 30 September 2015



ANALYST RECOMMENDATIONS

as of 30 September 2015



China and the emission scandal involving Volkswagen influenced the development of the stock, which closed on 30 September 2015 at a price of EUR 43.925, and thus posted a 3.1% loss in the period July to September 2015. Compared with the end of 2014 (EUR 39.64), NORMA Group's share still gained 10.8%.

NORMA Group's market capitalisation amounted to EUR 1.4 billion on 30 September 2015. Thus the Company was ranked 34th out of 50 in the MDAX, based on market capitalisation relevant to the determination of index membership.

TRADING VOLUME INCREASES AGAIN

In the first nine months of 2015, the average Xetra trading volume of the NORMA Group share was 93,386 shares per day (full year 2014: 73,932 shares). In terms of value, this equates to approximately EUR 4.27 million (full year 2014: EUR 2.80 million). The NORMA Group share thus ranked 46th out of 50 in the MDAX based on trading volume.

The total trading activities of the NORMA Group shares are distributed unequally to the various trading platforms. In the first nine months of the year, around 33% of all trading activities took place on the official market and 43% through block trades. Around 24% of the shares were traded via alternative platforms.

REGIONALLY DIVERSIFIED SHAREHOLDER STRUCTURE

The NORMA Group share has gained greater international recognition in recent years due to active investor relations work. As a result, foreign investors have become increasingly important. In the meantime, NORMA Group has achieved a regionally highly diversified shareholder base with a significant share of international investors mainly from the USA, the UK, France and Scandinavia. → Graph: Free float by region. As of 30 September 2015, German investors held around 12%.

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

Investors	Share in %
Ameriprise Financial Inc., Minneapolis, USA	9.96
Mondrian Investment Partners Ltd., London, United Kingdom	5.34
Allianz Global Investors Europe GmbH, Frankfurt, Germany	5.02
BNP Paribas Investment Partners S.A., Paris, France	3.15
The Capital Group Companies Inc., Los Angeles, USA	3.05
BNP Paribas Asset Management SAS, Paris, France	3.01
AXA S.A., Paris, France	2.99
BlackRock Inc., Wilmington, USA	2.99
Select Equity Group, Wilmington, USA	2.93
T.Rowe Price International Ltd., Baltimore, USA	2.89

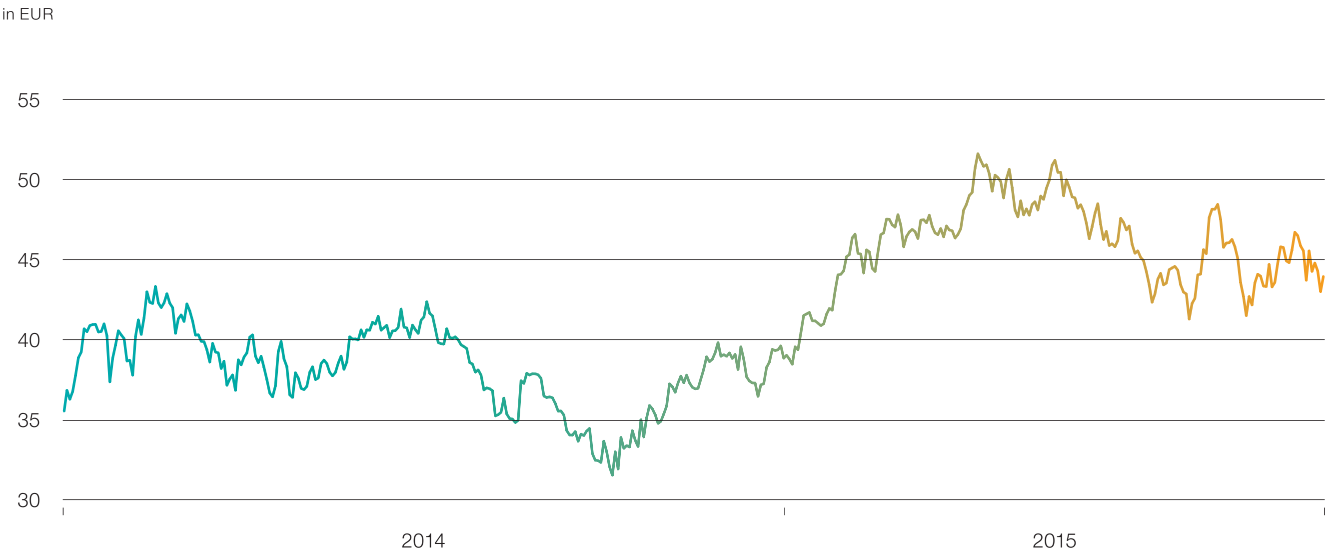
As of 31 October 2015. All voting rights notifications are published on the Company's website @ http://investors.normagroup.com.

The total number of unweighted NORMA Group shares was unchanged at 31,862,400 shares on 30 September 2015. The majority of these are currently held by institutional investors. The number of private investors (excl. management) was 2,876 at the end of September 2015 (30 June 2015: 2,692) which reflects a stake of the total share portfolio of around 2.2% of shares. The Management and Supervisory Board continued to hold around 2.3% of shares as of 30 September 2015.

SUSTAINABLE INVESTOR RELATIONS ACTIVITIES

NORMA Group's investor relations activities seek to further increase awareness of the Company on the capital market,

NORMA GROUP SHARE PRICE DEVELOPMENT SINCE 2014



strengthen long-term confidence in its share, and achieve a realistic and fair valuation of the Company.

Maintaining an ongoing and transparent dialogue with analysts represents one key element of investor relations work. As of 30 September 2015, NORMA Group SE was followed by an unchanged number of 20 analysts. Of these, there were 13 recommendations to 'buy' and seven to 'hold' the NORMA Group share. There were no recommendations to sell. The average price target was thus EUR 51.52 on 30 September 2015 (30 June 2015: EUR 50.67).

NORMA GROUP ANNUAL REPORT WINS AWARDS AGAIN

NORMA Group's 2014 Annual Report came in 5th place in the MDAX segment in the 'The Best Annual Report 2015' competition. Germany's most prestigious investor relations competition exclusively examined criteria relating to the quality of the business content for the first time and was hosted by the business magazine BILANZ.

Furthermore, NORMA Group's 2014 Annual Report also received a FOX FINANCE Award with Honors. The jury composed of six representatives from the industry, science and teaching confirmed great transparency in the numbers and figures section as well as its well thought-out structure. The FOX FINANCE Awards recognise solutions that have been proven to be efficient in corporate reporting in the areas of print and digital.

In addition, the Annual Report was able to defend its position in this year's Vision Awards presented by the League of American Communications Professionals (LACP). By receiving 97 out of 100 points, the 2014 Annual Report earned silver in the category 'Other – Specialized Materials.'

In the 'Investors' Darling' competition, which judges not only the business and semi-annual report, the Investor Relations website and presentation, but also a company's presence on the capital market, NORMA Group came in 4th place in the MDAX. NORMA Group ranked 13th in the overall comparison of the 160 DAX companies. The annual award is presented by manager magazin.

KEY FIGURES ON THE NORMA GROUP SHARE

	Q1–Q3 2015
Closing price on 30 September 2015 (in EUR)	43.925
Highest price (in EUR)	51.910
Lowest price (in EUR)	38.315
Number of unweighted shares as of 30 September 2015	31,862,400
Market capitalisation (in EUR millions)	1,400
Average daily Xetra volume	
Shares	93,386
EUR millions	4.27
Earnings per share (in EUR)	1.73
Adjusted earnings per share (in EUR)	2.10

As of 30 September 2015

CONSOLIDATED INTERIM MANAGEMENT REPORT

Consolidated Interim Management Report

- Solid organic growth in the third quarter of 2015
- Adjusted EBITA margin of 18.0% in third quarter of 2015 at a sustained high level
- Operating net cash flow doubles in third quarter of 2015

Principles of the Group

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

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

FINANCIAL INDICATORS

	Q1–Q3 2015	Q1–Q3 2014
Sales (in EUR millions)	672.6	518.5
Adjusted EBITA margin (in %) [1]	17.9	17.8
Operating net cash flow (in EUR millions) [2]	92.2	66.0

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

[2] Adjusted for currency effects.

NON-FINANCIAL INDICATORS

	Q1–Q3 2015	Q1–Q3 2014
Number of new patent registrations	61	47
Defective parts (Parts per million, PPM)	23	13
Customer complaints per month	9	8

RESEARCH AND DEVELOPMENT

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

Efforts to structure R&D as more of a global Group function continued and the position of Vice President R&D was filled on 1 July 2015. To ensure the best possible formation for handling future innovation tasks and to strengthen its power of innovation and speed, NORMA Group has tested new processes and innovative tools and successfully implemented these accordingly.

In the third quarter of 2015, the further development of SCR (Selective Catalytic Reduction) systems was one of the main priorities of research and development activities. Moreover, the focus was on theoretical models that can continuously improve the predictive accuracy with respect to how well new products will function through improved simulations in early phases of development. This pertains not only to the FLUID products, but also the FASTEN products. In addition, NORMA Group is currently working on other alternative tube concepts for meeting the market demands that will be placed on future vehicle generations, and not just cars, as effectively as possible.

R&D FIGURES

	Q1–Q3 2015	Q1–Q3 2014
Number of R&D employees	262	231
R&D employee ratio in relation to permanent staff (in %)	5.3	5.3
R&D expenses in the area of EJT (in EUR millions)	19.2	18.5
R&D ratio with respect to EJT sales (in %)	4.6	5.0

Economic Report

GENERAL ECONOMIC AND INDUSTRY-SPECIFIC CONDITIONS

Weak and heterogeneous global economy

While global growth has been weak thus far (H1 2015: +2.9%, IMF), the US economy has recovered slightly. Consequently, US industrial production rose by an annualised 1.8% in the third quarter of 2015, although capacity utilisation remained quite low at 77.8% (Q3 2014: 78.3%). Furthermore, US GDP grew in the third quarter of 2015 at an annualised rate of 1.5%. On the other hand, the Chinese economy continued its decline. Industrial production increased by a mere 6.2% in the first nine months of the year while GDP gained 6.9% in the third quarter of 2015 (H1 2015: +7.0%). Furthermore, the moderate upturn in the euro region gained momentum. This was supported by industrial production, which increased by 0.9% in August of this year (July 2015: +1.7%). In addition, capacity utilisation improved to 81.5% in the third quarter (Q3 2014: 80.6%) while the Ifo Institute reported that GDP increased by 1.7%.

Germany on the upswing, but industry still remains slow

The macroeconomic upswing from the first half of 2015 has continued thanks to strong consumption in the summer. Despite a rise in exports, the revival of industrial activity that experts had hoped for has not yet taken place. According to Eurostat data, capacity utilisation in the third quarter of 2015 was unchanged at 84.7% compared to the previous quarter, which equates to only a small increase compared to the same quarter of the previous year (Q3 2014: 84.4%). Furthermore, industrial production in the summer of 2015 swayed, but rose rather significantly compared to the same quarter of the previous year (Aug. 2015: +2.9%, July 2015: +1.0%). Moreover, the Fall Joint Economic Forecast from the institutes for the third quarter of this year again projects GDP growth of 0.4% compared to the previous quarter (Q2 2015: 0.4%).

German engineering moves sideways

According to the VDMA, German mechanical engineering and construction is operating in a difficult environment despite the devaluation of the euro because demand stimuli from major export markets such as China, Russia and Latin America are still missing. In addition, the continuing reluctance to invest weighs heavy on the industry domestically. Nevertheless, production, orders and employment have remained at nearly the same level that has been achieved so far. According to the VDMA, capacity utilisation (July 2015: 84.8%) was only slightly below the long-term average. As in the first half of the year, orders declined by 1% in the third quarter of 2015, whereby a 8% increase was observed in Germany and a decline of 6% abroad.

Automotive industry: Expansion in the US and Western Europe, despite weakness in other regions

According to LMC Automotive (LMCA), global sales of light vehicles (LV up to 6 tons) increased to 65.6 million vehicles in the first nine months of the year (+1.1%). China's LV sales added up to only 1.2% cumulatively due to several months of decline (VDA: +4.7% cars). Moreover, the VDA data for the first nine months of 2015 shows massive slumps in sales in Russia (LV: −33.0%), Brazil (LV: −21.7%) and Japan (cars: −10.7%). By contrast, the US light vehicle market continued to post solid growth (LMCA: +5.0%). The car market in Western Europe, in particular, achieved strong growth across the board. According to the trade association ACEA, growth in the first nine months of this year was 8.7% for passenger cars and 11.3% for commercial vehicles. 5.5% more cars and 2.2% more commercial vehicles were sold in Germany. While domestic production increased by 2%, exports increased by even as much as 3% (VDA).

EU construction output still shows large regional differences and suffered a setback in August

Despite low interest rates, EU construction output remained moderate by annual comparison according to Eurostat (Q1 2015: −0.1%, Q2 2015: +0.7%). A solid July (+0.4%) was then followed by a slump in August of this year (−5.0%). Nevertheless, Sweden and the Netherlands have achieved strong growth rates so far this year. By contrast, the construction industry lost ground again in Spain, while the trend in France, Italy and Portugal remained persistently negative. German construction nevertheless has remained brisk, albeit below the high prior-year levels (Aug. 2015: −1.5%). Nevertheless, according to Destatis, both total sales in the construction industry (+0.2%) and orders in real terms (0.0%) were robust in the first eight months of the year. The order situation is good according to the ZDB's monthly surveys and is supported by the slightly increased range and stable equipment utilisation.

SIGNIFICANT DEVELOPMENTS IN THE THIRD QUARTER OF 2015

New Chief Financial Officer of NORMA Group SE

Dr. Michael Schneider took office as a member of the Management Board of NORMA Group SE on 1 July 2015. He succeeds the former CFO, Dr. Othmar Belker, who stepped down at the end of March 2015, and is responsible for the divisions Finance, Controlling, Treasury, IT and Investor Relations.

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

With Group sales of EUR 672.6 million and 29.7% growth compared to the same period of the previous year, NORMA Group ended the first nine months of financial year 2015 more or less in line with expectations. Organic growth continued to improve and resulted in an increase of 1.5% for the 9-month period (H1 2015: 0.0%), despite the generally restrained overall economic environment. In addition, strong acquisition-driven growth in revenue contributed 20.3% to Group sales. Furthermore, the depreciation of the euro against the US dollar, in particular, led to positive currency effects that amounted to 7.9% in the period January to September 2015.

With sales of EUR 218.3 million and 31.9% growth, the third quarter of 2015 turned out to be even better than the first half of 2015 as expected. The improved macroeconomic upward movement as of most recently is the main reason for this, but also the diminishing organic growth in the same period of the previous year and the resulting lower comparison base.

Consolidated revenue growth was mainly supported by the dynamic development in both Asia-Pacific and EMEA. Moreover, growth in the Americas was achieved by way of the revenues from the business of National Diversified Sales (NDS), which was acquired in October 2014 as well as positive currency effects.

The two distribution channels EJT and DS developed in line with expectations due to the partly improved macroeconomic environment and recorded growth rates of 16.2% (EJT) and 67.3% (DS) in the third quarter of 2015 compared to the previous year.

The main cost positions also developed in line with the Management Board's expectations in the first nine months of 2015. The adjusted personnel cost ratio improved slightly to 26.3% (Q1–Q3 2014: 26.7%) during the reporting period in 2015, while the adjusted cost of materials ratio declined from 42.4% in the same period of the previous year to 40.8% in the first nine months of 2015. In addition, adjusted other operating income and expenses increased in relation to sales to 13.3% in the 9-month period of 2015 (Q1–Q3 2014: 11.3%).

At EUR 120.6 million, adjusted EBITA at the end of September was 30.8% higher than the previous year's level (Q1–Q3 2014: EUR 92.3 million). The resulting adjusted EBITA margin of 17.9% continued to remain at a sustainable high level (Q1–Q3 2014: 17.8%).

Viewed holistically, the first nine months of 2015 developed in line with the Management Board's expectations. The integration of NDS, the company acquired in October of 2014, is continuing on schedule and is being driven forward accordingly.

COMPARISON OF THE ACTUAL DEVELOPMENT OF BUSINESS WITH THE FORECAST

In general, business developed in line with expectations for NORMA Group in the reporting period January to September 2015. Therefore none of the relevant performance indicators deviated significantly from the forecast values.

EARNINGS, ASSETS AND FINANCIAL POSITION

Adjustments

In the first nine months of 2015, expenses of EUR 3.1 million in total were adjusted within EBITDA. These adjustments in the amount of EUR 2.5 million relate to the costs of materials, which resulted from the remeasurement of acquired inventories within the purchase price allocation of the acquisition of NDS. Furthermore, expenses that pertained to the integration of the acquired company in the amount of EUR 0.4 million were adjusted in other operating expenses as well in the amount of EUR 0.3 million within expenses for employee benefits.

In addition to the adjustments described, depreciations on property, plant and equipment in the amount of EUR 1.7 million (Q1–Q3 2014: EUR 0.8 million) and intangible assets in the amount of EUR 13.1 million (Q1–Q3 2014: EUR 6.8 million) each from purchase price allocations are presented in adjusted form as in previous years. → Notes, p. 33.

ADJUSTMENTS

in EUR millions	Q1–Q3 2015 adjusted	Adjustments	Q1–Q3 2015 reported
Sales revenues	672.6		672.6
EBITDA	136.5	3.1	133.4
EBITDA margin (in %)	20.3		19.8
EBITA	120.6	4.8	115.9
EBITA margin (in %)	17.9		17.2
EBIT	115.1	17.9	97.3
Financial income	–13.7		–13.7
Profit for the period	67.2	11.8	55.4
Earnings per share (in EUR)	2.10	0.37	1.73

Deviations may occur due to rounding.

Earnings Position

Order backlog on high level

On 30 September 2015, the order backlog amounted to EUR 289.1 million and was thus 9.8% higher than in the comparative period last year (30 September 2014: EUR 263.4 million). Due to the fact that the order book is recalculated at closing rates, the increase compared to the previous year can also be attributed to currency effects. Compared to the second quarter of 2015 (EUR 302.4 million), the order backlog decreased by 4.4%.

Moderate organic growth in sales in the 9-month period

Group sales for the 9-month period of 2015 amounted to EUR 672.6 million and were thus 29.7% higher than in the comparative period (Q1–Q3 2014: EUR 518.5 million). This includes acquisition-related growth of 20.3% in particular, which can be attributed mainly to the acquisition of the US company NDS. Organic growth accounted for 1.5% while currency effects, particularly those that involved the US dollar, resulted in 7.9% higher sales.

The Company recorded Group sales of EUR 218.3 million in the third quarter, which is 31.9% higher than the previous year's figure (EUR 165.5 million). Compared to the second quarter of 2015 (EUR 232.9 million), Group sales for the period July to September were 6.3% lower. The main reasons for this were the typical business developments and the summer holidays.

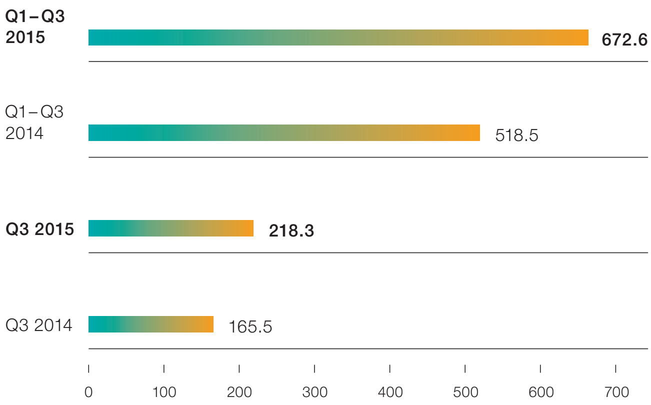
Organic growth in the area of EJT, growth in the area of DS achieved by acquisitions

In the area of EJT, NORMA Group achieved sales of EUR 409.5 million in the 9-month period and thus grew by 11.9% compared to the same period last year (EUR 366.0 million). In the third quarter of 2015, EJT generated sales of EUR 134.1 million, which equates to a 16.2% increase compared to the same period last year (EUR 115.4 million). Compared to the second quarter of 2015 (EUR 136.5 million), sales revenue declined by 1.7% in the third quarter for seasonal reasons and due to the state of the economy.

In the area of DS, sales increased by 72.1% to EUR 260.3 million during the period from January to September 2015 compared to the same period last year (EUR 151.2 million). This is mainly due to the revenues of the acquired water business from NDS. DS sales amounted to EUR 83.0 million in the third quarter of 2015 and were thus 67.3% higher than in the same quarter in the previous year (EUR 49.6 million). Sales declined by 13.0% in the third quarter compared to the second quarter of the current year (EUR 95.4 million).

SALES GROWTH Q1–Q3 2015

in EUR millions



EFFECTS ON GROUP SALES

	in EUR millions	share (in %)
Sales Q1–Q3 2014	518.5	
Organic growth	7.6	1.5
Acquisitions	105.5	20.3
Currency effects	41.0	7.9
Sales Q1–Q3 2015	**672.6**	**29.7**

DEVELOPMENT OF DISTRIBUTION CHANNELS

	EJT		DS	
	Q1–Q3 2015	Q1–Q3 2014	**Q1–Q3 2015**	Q1–Q3 2014
Sales (in EUR millions)	**409.5**	366.0	**260.3**	151.2
Growth (in %)	**11.9**		**72.1**	
Share of sales (in %)	**61.1**	70.8	**38.9**	29.2

Improvement of the adjusted cost of materials ratio

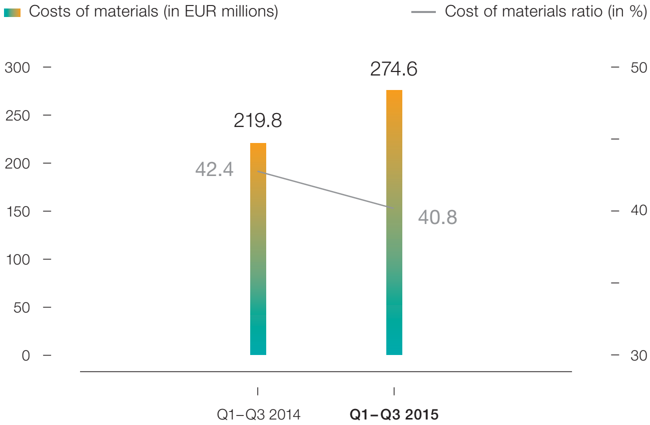
Adjusted costs of materials amounted to EUR 274.6 million in the 9-month period of 2015 and were thus 24.9% higher than in the same period of the previous year (EUR 219.8 million). Based on the revenue generated from January to September 2015, this means the adjusted materials ratio improved to 40.8% compared to last year (42.4%).

Adjusted costs of materials in the third quarter of 2015 amounted to EUR 89.3 million and were thus 29.1% higher than the previous year's figure of EUR 69.2 million. This is reflected in an adjusted material usage ratio compared to sales of 40.9% in the third quarter of 2015. Thus, the adjusted materials ratio improved again compared to the same period of the previous year (41.8%) and was slightly above the level of the previous quarter (Q2 2015: 40.5%). These improvements can be attributed to the Group-wide Global Excellence Programme and the optimisation measures implemented in this context.

In relation to overall performance, the adjusted materials ratio amounted to 40.5% for the period January to September 2015 (Q1–Q3 2014: 42.2%). → Notes, p. 35.

Adjustments made to the costs of materials are related in an amount of EUR 2.5 million to expenses for raw materials and consumables used, which are a result of the remeasurement of acquired inventories within the purchase price allocation for the acquisition of NDS. The unadjusted cost of materials ratio in the 9-month period of 2015 was 41.2% (Q1–Q3 2014: 42.4%).

ADJUSTED COSTS OF MATERIALS AND MATERIALS RATIO



Improved adjusted gross margin

Adjusted gross profit (sales less the cost of materials and changes in inventories plus other own work capitalised) amounted to EUR 402.7 million at the end of the reporting period in 2015. This equates to an increase of 33.5% over the previous year's figure (EUR 301.6 million) and resulted in an improved adjusted gross margin (gross profit in relation to sales) of 59.9% (Q1–Q3 2014: 58.2%).

In the third quarter of 2015, NORMA Group generated adjusted gross profit of EUR 131.1 million, which was 32.7% higher than in the same quarter of the previous year (EUR 98.7 million). The adjusted gross margin in the third quarter of 2015 was once again at a very high level of 60.1%.

Adjusted personnel cost ratio declined slightly in the first nine months of the year

As of 30 September 2015, NORMA Group had 6,296 employees worldwide, including temporary workers. 4,985 of these employees can be attributed to the Group's core workforce, therefore the core workforce increased by 13.7% compared to last year. The strongest increase of 61.5% took place in the Americas which can be attributed to the acquisition of the US company NDS in October 2014. The staff increase in the growth region Asia-Pacific was 12.4%, while the number of employees in EMEA declined by 0.9%.

Due to the increase in the number of employees, but also as a result of exchange rate effects, adjusted expenses for employee benefits increased by 27.7% year on year from EUR 138.5 million to EUR 176.8 million during the period January to September 2015. Based on sales, this resulted in a slightly lower adjusted personnel cost ratio of 26.3% compared to the previous year (Q1–Q3 2014: 26.7%). → Notes, p. 35.

Compared to the second quarter of 2015 (EUR 58.9 million), adjusted personnel expenses fell by 2.5% to EUR 57.4 million in the third quarter. The adjusted personnel cost ratio increased slightly to 26.3% in the third quarter of 2015 from 25.3% in the second quarter, however, due to the weaker sales performance.

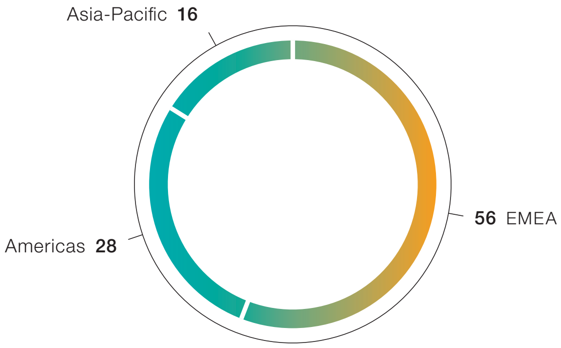
With respect to employee benefits expenses, integration costs of EUR 0.3 million were adjusted.

PERSONNEL DEVELOPMENT

	30 Sep 2015	30 Sep 2014
EMEA	**2,792**	2,818
Americas	**1,415**	876
Asia-Pacific	**778**	692
Core workforce	**4,985**	4,386
Temporary workers	**1,311**	1,006
Total number of employees including temporary workers	**6,296**	**5,392**

CORE WORKFORCE BY SEGMENT

in %



Adjusted other operating income and expenses

In the first nine months of 2015, the balance of adjusted other operating income and expenses amounted to EUR –89.4 million, which was thus 52.8% above the previous year's level of EUR –58.5 million. This represents a 13.3% share of sales (Q1–Q3 2014: 11.3%). The increase is primarily due to the inclusion of NDS as well as exchange rate effects.

The balance of adjusted other operating income and expenses in the third quarter of 2015 amounted to EUR –29.1 million, an increase of 51.0% compared to the same quarter of last year (EUR –19.3 million). In terms of sales, this equates to a ratio of 13.4% (Q3 2014: 11.7%).

Compared to the second quarter of 2015, adjusted other operating income and expenses in the period July to September 2015 in relation to sales increased slightly disproportionately from 13.8% to 13.4%. → Notes, p. 35.

Within other operating income and expenses, integration costs of EUR 0.4 million were adjusted in the 9-month period of 2015.

Adjusted operating result improved

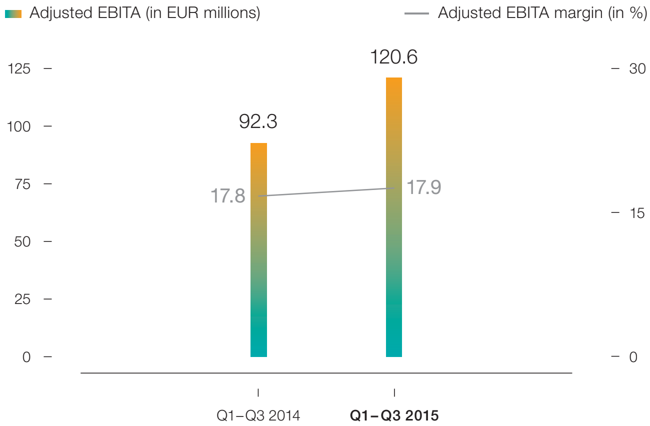
Adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to EUR 136.5 million for the 9-month period of 2015, which means they were down 30.5% on the previous year (EUR 104.6 million). The EBITDA margin of 20.3% was at a slightly higher level compared to the previous year (Q1–Q3 2014: 20.2%).

Adjusted EBITA, which, in addition to the adjustments mentioned, is also adjusted to account for depreciation on intangible assets from purchase price allocations, amounted to EUR 120.6 million on 30 September 2015, which represents an increase of 30.8% over the previous year's figure (EUR 92.3 million). The resulting adjusted EBITA margin for the first nine months of 2015 is 17.9% and has thus remained at a sustainable high level (Q1–Q3 2014: 17.8%).

Adjusted EBITA was EUR 39.3 million in the third quarter of 2015, which represents a 34.7% increase over the same quarter of the previous year (EUR 29.2 million). The adjusted EBITA margin amounted to 18.0% (Q3 2014: 17.6%).

Adjusted EBITA was 6.8% lower in the third quarter than in the second quarter of 2015 (EUR 42.1 million). The margin decreased slightly by 0.1 percentage points (Q2 2015: 18.1%).

ADJUSTED EBITA AND ADJUSTED EBITA MARGIN



Financial result

The financial result for the 9-month period of 2015 was EUR –13.7 million and thus improved by 9.2% compared to the same period of the previous year (EUR –15.0 million). This is due to the negative one-time effects from the partial repayment of the syndicated loan in the first quarter of 2014 (EUR 5.4 million). From January to September 2015, the financial result adjusted for this effect decreased by 41.8% compared to the same period last year (Q1–Q3 2014: EUR –9.6 million). → Notes, p. 35.

The financial result for the third quarter of 2015 amounted to EUR –5.2 million after EUR –2.4 million in the same period last year. This is mainly due to the additional interest expense incurred by increased debt and currency effects.

Net interest expenses amounted to EUR 11.8 million for the 9-month period of 2015 and were thus, adjusted for the non-recurring items at the beginning of 2014 referred to earlier, EUR 4.1 million higher than in the comparable period of the previous year (EUR 7.7 million). This was mainly due to the loans taken out in conjunction with the acquisition of NDS in December 2015.

Adjusted earnings after taxes

Earnings after taxes adjusted for one-time effects and depreciation from purchase price allocations amounted to EUR 67.2 million in the reporting period of 2015 and were thus 24.9% higher than last year's level of EUR 53.8 million. Adjusted income taxes for the first nine months of 2015 amounted to EUR 34.3 million (Q1–Q3 2014: EUR 24.9 million). This resulted in a higher adjusted tax rate of 33.8% compared to the same period of last year (Q1–Q3 2014: 31.6%).

Adjusted income taxes for the third quarter of 2015 amounted to EUR 11.3 million (Q3 2014: EUR 8.3 million). This resulted in adjusted profit after taxes that amounted to EUR 20.8 million, an increase of 21.0% over the same quarter of the previous year (EUR 17.1 million).

Compared to the second quarter of this year (EUR 23.6 million), adjusted net income decreased by 11.9% in the third quarter.

Adjusted earnings per share

Adjusted earnings per share in the reporting period of 2015 were EUR 2.10 and thus 24.9% higher than in the same period of the previous year (EUR 1.68). Earnings per share were EUR 1.73 and therefore higher than last year (EUR 1.36).

Earnings per share in the third quarter of 2015 amounted to EUR 0.65, an increase of 21.0% over the previous year's figure of EUR 0.54. → Notes, p. 35.

Net Asset Position

Total assets

Total assets as of 30 September 2015 amounted to EUR 1,156.3 million and were thus 7.2% higher than at the end of 2014 (EUR 1,078.4 million). Compared to 30 September 2014 (EUR 752.1 million), they increased by 53.7%.

Assets impacted by acquisition and currency effects

Non-current assets as of 30 September 2015 amounted to EUR 778.1 million. This means they increased slightly by 3.2% compared to 31 December 2014 (EUR 754.3 million). Compared to 30 September 2014, they increased by 65.0% (EUR 471.7 million). This is mainly due to the acquisition of NDS as well as exchange rate effects. The share of non-current assets to total assets was 67.3% as of 30 September 2015.

Current assets amounted to EUR 378.2 million as of 30 September 2015 and thus increased by 16.7% compared to the end of 2014 (EUR 324.1 million). Compared to the same day of the previous year (EUR 280.5 million), they rose by 34.9%.

The increase compared to the end of 2014 is mainly due to the 25.5% increase in receivables from goods and services to EUR 135.1 million as of 30 September 2015 (31 Dec 2014: EUR 107.7 million). Furthermore, inventories increased by 13.4% to EUR 130.3 million compared to the end of 2014 (31 Dec 2014: EUR 114.9 million). The increase in NORMA Group's activities in the reporting period was the main reason for this.

In addition, cash and cash equivalents increased by 12.7% to EUR 95.0 million as of 30 September 2015 compared to the end of 2014 (31 Dec 2014: EUR 84.3 million). The increase is due to the positive development of net cash from operating activities which more than compensated for the cash outflow for investments and in the area of financing activities.

Working capital increased

(Trade) working capital (inventories plus receivables less liabilities, both primarily from trade payables and trade receivables) was at EUR 168.6 million as of 30 September 2015, an 18.9% increase compared to 31 December 2014 (EUR 141.8 million). This is mainly due to the strong increase in business activity compared to the fourth quarter of 2014. Compared to 30 September 2014 (EUR 130.4 million), it rose by 29.3% mainly due to the acquisitions and for exchange rate effects.

Group equity ratio continues to improve

Group equity amounted to EUR 404.6 million on 30 September 2015 and thus increased by 9.9% compared to December 2014 (EUR 368.0 million). The equity ratio was 35.0% at the end of the reporting period and has improved steadily since the acquisition of NDS. The changes in equity resulted primarily from the net income, the dividend payment and currency translation differences. → Notes, p. 37.

Net debt moderately lower

Net debt amounted to EUR 366.7 million as of 30 September 2015. This represents a decrease of 1.7% or EUR 6.4 million compared to 31 December 2014 (EUR 373.1 million). Net debt as of September 2015 included derivative liabilities of EUR 23.3 million (31 Dec 2014: EUR 20.2 million). Gearing (net debt in relation to equity) of 0.9 was slightly lower than it was at the end of 2014.

Non-current liabilities fall further while current liabilities rise

Long-term net debt amounted to EUR 504.6 million as of 30 September 2015 and thus decreased by 9.1% compared to the end of 2014 (EUR 555.1 million). This can be attributed for the most part to the reclassification of the syndicated loan to short-term liabilities in accordance with its maturity. Consequently, the associated derivative hedging instruments were reclassified. The proportion of long-term debt to total assets was 43.6% on the reporting date (31 Dec 2014: 51.5%). Long-term debt increased by 95.4% due to the inclusion of NDS and the related borrowing compared to 30 September 2014 (EUR 258.3 million).

As a result of the reclassification, but also due to the 19.8% increase in trade payables to EUR 96.9 million as of 30 September 2015 compared to the end of 2014 (31 Dec 2014: EUR 80.8 millions), current liabilities rose by 59.1% to EUR 247.1 million (31 Dec 2014: EUR 155.3 million). They thus accounted for 21.4% of total assets as of 30 September 2015 (31 Dec 2014: 14.4%). → Notes, p. 38.

Compared to 30 September 2014, current liabilities increased by 77.8% (30 Sep 2014: EUR 139.0 million). This is mainly due to the reclassification of loans based on their maturities as well as to a 29.7% increase in trade payables compared to 30 September 2014 (30 Sep 2014: EUR 74.7 million).

Off-balance sheet financial instruments

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

Financial Position

Group-wide financial management

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

Adjusted operating net cash flow

Adjusted operating net cash flow for the 9-month period of 2015 amounted to EUR 92.2 million (Q1–Q3 2014: EUR 66.0 million). This was mainly influenced by the rise in EBITDA which more than compensated for the growth-related demand for working capital and the increased spending for investments. The main focus of investments in the amount of EUR 28.8 million (Q1–Q3 2014: EUR 23.8 million) was on the plants in Germany, Serbia, China and the USA.

In relation to total sales, adjusted operating net cash flow for the period January to September 2015 amounted to 13.7% (Q1–Q3 2014: 12.7%).

ADJUSTED OPERATING NET CASH FLOW

in EUR millions	Q1–Q3 2015	Q1–Q3 2014
Adjusted EBITDA	**136.5**	104.6
Change in working capital [1)	**–15.5**	–14.8
Investments from operating business	**–28.8**	–23.8
Adjusted operating net cash flow	**92.2**	**66.0**

1) Adjusted for currency effects in the amount of EUR 11.3 million (Q1–Q3 2014: EUR 4.7 million).

Cash flow from operating activities

NORMA Group generated cash flow from operating activities in the amount of EUR 95.9 million in the first nine months of 2015. The higher cash flow from operating activities compared to the previous year (Q1–Q3 2014: EUR 57.1 million) can be mainly attributed to the higher earnings before depreciation as well as the positive development of working capital.

In the third quarter of 2015, the inflow of funds from operating activities amounted to EUR 44.1 million and thus increased by 6.2% compared to the second quarter of 2015 (EUR 41.5 million). Cash flow from operating activities increased by 140.8% compared to the third quarter of the previous year (EUR 18.3 million).

Cash flow from investing activities

From January to September 2015, NORMA Group's cash outflow from investing activities amounted to EUR 28.4 million, which was at the same level as in the previous year (Q1–Q3 2014: EUR –29.4 million). Investments in the 9-month period related mainly to projects aimed at expanding capacities in Germany, Serbia, China and the USA.

The investment ratio in the 9-month period of 2015 thus amounted to 4.2% of sales. Adjusted for acquisitions and proceeds from the sale of property, plant and equipment, this ratio was 4.3%.

The outflow of funds from investing activities in the third quarter of 2015 amounted to EUR –10.0 million. Compared to the second quarter (EUR –7.9 million), a planned increase of EUR 2.1 million was recorded for investment projects.

Cash flow from financing activities

From January to September 2015, NORMA Group posted cash outflow from financing activities of EUR 58.8 million (Q1–Q3 2014: EUR –160.6 million). Cash flow from financing activities was mainly influenced by the repayment of loans (EUR 10.4 million) and the repayment of EUR 15.1 million in hedging derivatives. Furthermore, the dividend payment in the second quarter of 2015 resulted in a cash outflow of EUR 23.9 million.

The cash outflow from financing activities amounted to EUR 5.2 million in the third quarter of 2015 (Q3 2014: EUR –17.9 million). This is mainly due to EUR 4.9 million in interest payments. Compared to the second quarter of 2015 (EUR –41.3 million), cash outflow from financing activities has been reduced by EUR 36.1 million. This is mainly due to the cash outflows through dividend payments and the repayment of loans and hedging derivatives in the previous quarter.

SEGMENT REPORTING

In the first nine months of 2015, NORMA Group generated roughly 78% of total Group sales abroad (Q1–Q3 2014: 70%). The higher share of foreign sales is mainly attributable to the acquisition of NDS, which increased the share of the Americas region in Group sales.

EMEA region continues to grow moderately

External sales in the EMEA region amounted to EUR 314.4 million in the first nine months of 2015 and thus increased by 3.4% compared to the same period of the previous year (Q1–Q3 2014: EUR 304.1 million). The EMEA region therefore contributed around 47% to Group sales (Q1–Q3 2014: 58%).

Adjusted EBITDA in the EMEA region in the reporting period of 2015 amounted to EUR 67.4 million, a 2.3% increase compared to the previous year (EUR 65.8 million). This resulted in an adjusted EBITDA margin of 20.0% for the first nine months of 2015 (Q1–Q3 2014: 20.3%).

Investments in the 9-month period in 2015 amounted to EUR 8.2 million, which is 16.3% above the level of the previous year (EUR 7.0 million). The EMEA region's assets amounted to EUR 487.1 million as of 30 September 2015 (31 Dec 2014: EUR 496.4 million), which thus declined slightly by 1.9%.

Development of sales in the Americas impacted by acquisition

The Americas region achieved external sales of EUR 303.1 million during the reporting period of 2015 and thus 79.3% growth compared to the previous year (Q1–Q3 2014: EUR 169.1 million). Thus the share of the region now equates to approximately 45% of the Group's total consolidated sales (Q1–Q3 2014: 33%). The increase in the share of sales is mainly due to the acquisition of the US company NDS as well as exchange rate effects.

Adjusted EBITDA for the 9-month period in 2015 amounted to EUR 69.9 million, which means it increased and consequently more than doubled by 101.0% compared to the same period of the previous year (EUR 34.8 million). The adjusted EBITDA margin was 22.6% in the reporting period and therefore higher than in the previous year (Q1–Q3 2014: 19.9%). It thus still remains at a sustainable high level.

Investments in the 9-month period of 2015 amounted to EUR 10.1 million and were thus 12.8% lower compared to the same period of the previous year (Q1–Q3 2014: EUR 11.6 million). Assets amounted to EUR 627.1 million on 30 September 2015 and thus increased by 9.1% compared to the end of 2014 (EUR 574.9 million). This is mainly due to exchange rate effects.

Asia-Pacific continues to grow strongly

From January to September 2015, external sales amounted to EUR 55.0 million in the Asia-Pacific region and rose by 21.4% compared to the same period of the previous year (Q1–Q3 2014: EUR 45.3 million). The segment thus achieved a share of total sales of around 8% (Q1–Q3 2014: 9%).

Adjusted EBITDA in the reporting period of 2015 amounted to EUR 6.6 million and was thus 32.6% higher than in the previous year (EUR 5.0 million) due to the positive sales performance. The adjusted EBITDA margin amounted to 11.5% (Q1–Q3 2014: 10.6%).

Investments in the 9-month period of 2015 amounted to EUR 2.8 million, which represents an increase of 3.1% compared to last year (Q1–Q3 2014: EUR 2.7 million). Compared to the end of 2014, assets increased by 7.8% from EUR 71.9 million to EUR 77.5 million on 30 September 2015. The expansion of the second production plant in China was the main reason for this.

DEVELOPMENT OF SEGMENTS

	EMEA		Americas		Asia-Pacific	
in EUR millions	**Q1–Q3 2015**	Q1–Q3 2014	**Q1–Q3 2015**	Q1–Q3 2014	**Q1–Q3 2015**	Q1–Q3 2014
Total segment sales	**337.2**	324.1	**309.4**	174.7	**57.2**	46.8
External sales	**314.4**	304.1	**303.1**	169.1	**55.0**	45.3
Contribution to consolidated sales (in %)	**47**	58	**45**	33	**8**	9
Adjusted EBITDA [1]	**67.4**	65.8	**69.9**	34.8	**6.6**	5.0
Adjusted EBITDA margin [2] (in %)	**20.0**	20.3	**22.6**	19.9	**11.5**	10.6

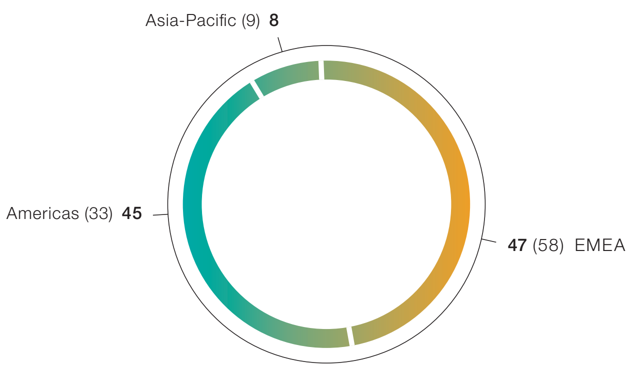
[1] The adjusted EBITDA margin...

[1] The adjustments are described in the Notes to the Consolidated Financial Statements. → Notes, p. 33.

[2] Based on segment sales.

SALES BY SEGMENT

in % Q1–Q3 2014 figures in brackets



NON-FINANCIAL PERFORMANCE INDICATORS

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

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

Maintaining the Group's market position

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

Maintaining the Group's power of innovation

Sustainably securing its technological leadership is a key driver of NORMA Group's future growth. The Group uses patents as a way of protecting its innovations. The number of patent applications per year is therefore part of the internal control system and an indicator of the Company's innovative capacity. In addition, it is used to steer the long-term development strategy. NORMA Group also submitted applications for patents on new developments in the first nine months of 2015. 61 new patents (Q1–Q3 2014: 47) in total were registered in 16 patent families.

Quality and delivery reliability

NORMA Group stands for the highest possible reliability and quality of service. The reputation of its brands and reliability of its products are key factors in the Company's success. The Group therefore relies on the highest quality standards in developing and manufacturing its products. In order to minimise production losses and maximise customer satisfaction, NORMA Group measures and manages the problem solving behaviour of its employees by using two performance indicators: the average number of quality-related customer complaints per month and defective parts per million of manufactured parts (parts per million / PPM). The two metrics are collected and aggregated at Group level on a monthly basis. The number of defective parts (PPM) was 23 (Q1–Q3 2014: 13) on 30 September 2015. The average number of quality-related complaints per month was 9 (Q1–Q3 2014: 8).

Acting responsibly in all areas of the Company

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

Risk and Opportunity Report

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

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

RISK AND OPPORTUNITY PROFILE OF NORMA GROUP

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

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

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

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

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

There were no significant changes in the assessment of risks and opportunities in the third quarter of 2015 compared to the data published in the 2014 Annual Report, except for the section on industry-specific and technological risks and opportunities.

Against the backdrop of current discussions about compliance with emission standards for diesel vehicles, NORMA Group sees slightly higher risks in terms of the demand for product solutions for this vehicle category compared to the previous quarter. The industry-specific and technological risks are therefore now considered to be possible with a moderate financial impact. But at the same time, opportunities can also arise from a possible further tightening of emission standards for diesel vehicles for NORMA Group in the industry-specific and technological area. These, however, are currently not sufficiently specific. Therefore they will continue to be considered possible with a moderate financial impact. The risk and opportunity portfolio for NORMA Group is thus as follows:

RISK AND OPPORTUNITY PORTFOLIO OF NORMA GROUP [1]

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

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

	Probability						Impact					
	very unlikely	unlikely	possible	likely	very likely	Change compared to June 2015	minor	low	moderate	significant	high	Change compared to June 2015
			•			→		•				→
	•					→					•	→
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→ unchanged ↗ higher ↘ lower

Forecast Report

GENERAL ECONOMIC AND INDUSTRY-SPECIFIC CONDITIONS

World economy to grow again more strongly, but not until 2016

Due to the slowdown in growth in the emerging markets and only moderate growth in the industrial countries, the IMF has lowered its forecasts even further. They call for the global GDP to grow by only 3.1% instead of 3.3% in 2015 (2014: 3.4%). An acceleration of growth to 3.6% (3.8% previously) is expected, but not until 2016. The higher volatility on the financial markets, falling commodity prices and the pressure on the currencies of emerging markets also weigh heavy on the global economy as do the expected US turnaround in interest rates and the weak economy in China. For this reason, the IMF expects growth rates of 2.6% (2015) and 2.8% (2016) in the US. Growth rates of 6.8% (2015) and 6.3% (2016) are predicted for China. By contrast, the euro region has recovered somewhat. According to the IMF, GDP will grow by 1.5% in 2015 and by 1.6% in 2016.

Germany's economy in robust shape

Low interest rates and commodity prices and the devaluation of the euro make for a positive environment in Germany. Nevertheless, sluggish global growth, in particular the weakness of the emerging markets, slows down the momentum. For this reason, the ZEW Index has been declining since April due to more subdued economic expectations. By contrast, the Ifo Business Climate Index still suggests that the German economy is in good condition. Moreover, private consumption remains the most important pillar of the economy. According to the Autumn Joint Economic Forecast, the further increase in employment indicates a slightly accelerated increase in production. The institutes therefore estimate that GDP will grow by 1.8% respectively in 2015 and 2016, in other words parallel to the production potential.

Mechanical engineering with stable production in 2015, moderate upturn expected

In the wake of the expected slight recovery of industrial manufacturing in the industrialised countries and in the emerging economies as well in 2016, capacity utilisation should tend to increase. Investment programmes for stimulating the economy in some emerging markets could provide impetus for the sector. Accordingly, the economic researchers (Autumn Joint Economic Forecast) expect to see investment pick up in the euro region. Germany too will overcome its current reluctance. Investments in machinery and equipment should therefore increase slightly in the second half of 2015 if financing conditions remain favourable. The VDMA expects to see zero growth in production in 2015 because the existing gap cannot be compensated for.

Global automotive industry with a dip in growth, Western Europe on the rise

The automotive market has been developing extremely heterogeneously worldwide and the dynamics are therefore quite weak overall. The reasons for this are, in particular the relative weakness of the largest volume market of China and the sharp declines in sales in Russia, Brazil and Japan. Therefore, the expectations of global market growth were lowered again just recently. LMC Automotive (LMCA) has lowered its production forecast for light vehicles (LV up to 6 t) to an increase of only 0.8% or 87.9 million vehicles in 2015. At the regional level, the LMCA expects production to grow in Western Europe (+5.2%, 13.9 million LV) and North America (+3.0%, 17.5 million LV) in 2015. However, the Asia-Pacific region, which accounts for close to half of the LV manufactured, is expected to stagnate. Global production growth is expected to pick up again by +4.1% in 2016.

Construction industry expected to gain momentum in Europe and Germany

Europe's construction industry is expected to gradually recover. The industry network Euroconstruct expects to see a 1.9% increase in construction output in real terms in its medium-term forecast for 2015 (2016: +2.4%, 2017: +2.6%). Due to high investment in infrastructure, Central and Eastern Europe should grow more strongly than Western Europe. For Germany, the research institutes (Autumn Joint Economic Forecast) expect the construction industry to recover by the end of 2015. Construction investment, supported by residential construction, is expected to increase by 1.0%. Furthermore, a broad upturn is expected in 2016, therefore investment in construction is expected to rise by 2.1%. The trade association HDB expects construction-related sales to increase by 2.0% in 2015 (residential +3.0%, economic/public construction +1.5% each).

GDP GROWTH RATES (REAL)

in %	2014	Q1 2015	Q2 2015	**Q3 2015**	2015e	2016e
World	+3.4	H1 2015: +2.9		---	+3.1	+3.6
USA	+2.4	+0.6 [1]	+3.9 [1]	+1.5 [1]	+2.6	+2.8
China	+7.3	+7.0	+7.0	+6.9	+6.8	+6.3
Euro zone	+0.9	+1.2	+1.5	+1.7 [2]	+1.5	+1.6
Germany	+1.6	+1.2	+1.6	H2 2015: +2.1 [3]	+1.8 [3]	+1.8 [3]

Sources: IMF, US Department of Commerce, NBS China, Eurostat, German Central Bank
[1] annualised rate, [2] Ifo estimate, [3] Autumn Joint Economic Forecast

2015 FORECAST (UNCHANGED)

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

FUTURE DEVELOPMENT OF NORMA GROUP

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

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

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

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

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

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

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

GENERAL STATEMENT BY THE MANAGEMENT BOARD ON PROBABLE DEVELOPMENT

NORMA Group looks back on a solid development in the first nine months of 2015. The Management Board still holds fast to the unchanged forecast it issued for 2015.

Report on Transactions with Related Parties

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

Supplementary Report

As of the date of publication of this report, no events were known that would have influenced the assets, financial and earnings position of NORMA Group.

Maintal, 4 November 2015

NORMA Group SE
The Management Board

Werner Deggim

Dr. Michael Schneider

Bernd Kleinhens

John Stephenson

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

as of 30 September 2015

ASSETS

in EUR thousands	Note	30 Sep 2015	31 Dec 2014	30 Sep 2014
Non-current assets				
Goodwill	(10)	**338,469**	324,496	243,024
Other intangible assets	(10)	**268,300**	262,460	96,708
Property, plant and equipment	(10)	**158,730**	154,490	124,752
Other non-financial assets		**275**	782	582
Income tax assets		**435**	933	841
Deferred income tax assets		**11,870**	11,137	5,749
		778,079	**754,298**	**471,656**
Current assets				
Inventories	(11)	**130,280**	114,877	88,459
Other non-financial assets		**12,474**	10,545	10,709
Other financial assets		**2,677**	2,198	0
Derivative financial assets	(17)	**1,180**	3	26
Income tax assets		**1,524**	4,505	2,152
Trade and other receivables	(11)	**135,146**	107,717	116,639
Cash and cash equivalents	(18)	**94,965**	84,271	62,482
		378,246	**324,116**	**280,467**
Total assets		1,156,325	**1,078,414**	**752,123**

EQUITY AND LIABILITIES

in EUR thousands	Note	30 Sep 2015	31 Dec 2014	30 Sep 2014
Equity attributable to equity holders of the parent				
Subscribed capital		**31,862**	31,862	31,862
Capital reserves		**210,325**	216,468	216,381
Other reserves		**13,910**	2,496	–220
Retained earnings		**147,491**	116,218	105,831
Equity attributable to shareholders		**403,588**	**367,044**	**353,854**
Non-controlling interests		**1,027**	969	985
Total equity	(12)	**404,615**	**368,013**	**354,839**
Liabilities				
Non-current liabilities				
Retirement benefit obligations		**11,940**	12,271	10,937
Provisions	(13)	**12,168**	6,207	6,438
Borrowings	(14)	**362,636**	408,225	185,707
Other non-financial liabilities	(15)	**1,460**	1,790	1,671
Other financial liabilities		**725**	3,763	3,679
Derivative financial liabilities	(14), (17)	**3,616**	18,177	16,203
Deferred income tax liabilities		**112,039**	104,647	33,639
		504,584	**555,080**	**258,274**
Current liabilities				
Provisions	(13)	**6,062**	8,142	7,240
Borrowings	(14)	**69,704**	22,721	19,304
Other non-financial liabilities	(15)	**32,951**	26,015	23,616
Other financial liabilities		**5,335**	2,445	2,431
Derivative financial liabilities	(14), (17)	**19,647**	2,043	1,947
Income tax liabilities		**16,560**	13,126	9,778
Trade payables		**96,867**	80,829	74,694
		247,126	**155,321**	**139,010**
Total liabilities		**751,710**	**710,401**	**397,284**
Total equity and liabilities		**1,156,325**	**1,078,414**	**752,123**

Consolidated Statement of Comprehensive Income

for the period from 1 January to 30 September 2015

in EUR thousands	Note	Q3 2015	Q3 2014	Q1 – Q3 2015	Q1 – Q3 2014
Revenue	(5)	218,250	165,505	672,588	518,540
Changes in inventories of finished goods and work in progress		973	1,957	2,841	1,426
Other own work capitalised		1,189	500	1,834	1,452
Raw materials and consumables used	(5)	–89,349	–69,216	–277,019	–219,814
Gross profit		131,063	98,746	400,244	301,604
Other operating income	(6)	2,519	2,238	8,920	5,249
Other operating expenses	(6)	–31,697	–22,998	–98,650	–65,195
Employee benefits expense	(7)	–57,658	–46,016	–177,073	–138,475
Depreciation and amortisation		–12,057	–8,280	–36,185	–23,898
Operating profit		32,170	23,690	97,256	79,285
Financial income		21	91	220	312
Financial costs		–5,255	–2,483	–13,879	–15,350
Financial costs – net	(8)	–5,234	–2,392	–13,659	–15,038
Profit before income tax		26,936	21,298	83,597	64,247
Income taxes		–9,500	–6,932	–28,235	–20,944
PROFIT FOR THE PERIOD		17,436	14,366	55,362	43,303
Other comprehensive income for the period, net of tax					
Other comprehensive income that can be reclassified to profit or loss, net of tax		–8,320	7,885	11,430	13,512
Exchange differences on translation of foreign operations		–7,786	7,946	11,410	11,430
Cash flow hedges, net of tax		–534	–61	20	2,082
Other comprehensive income for the period, net of tax		–8,320	7,885	11,430	13,512
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		9,116	22,251	66,792	56,815
Profit attributable to					
Shareholders of the parent		17,387	14,304	55,170	43,169
Non-controlling interests		49	62	192	134
		17,436	14,366	55,362	43,303
Total comprehensive income attributable to					
Shareholders of the parent		8,954	22,293	66,584	56,806
Non-controlling interests		162	–42	208	9
		9,116	22,251	66,792	56,815
Undiluted earnings per share (in EUR)	(9)	0.55	0.45	1.73	1.36
Diluted earnings per share (in EUR)	(9)	0.55	0.45	1.73	1.35

Consolidated Statement of Cash Flows

for the period from 1 January to 30 September 2015

in EUR thousands	Note	Q3 2015	Q3 2014	Q1 – Q3 2015	Q1 – Q3 2014
Operating activities					
Profit for the period		17,436	14,366	55,362	43,303
Depreciation and amortisation		12,057	8,280	36,185	23,898
Gain (–) / loss (+) on disposal of property, plant and equipment		–68	17	–78	32
Change in provisions		388	–117	–626	–171
Change in deferred taxes		290	–700	–921	–988
Change in inventories, trade account receivables and other receivables, which are not attributable to investing or financing activities		16,586	1,810	–31,812	–30,317
Change in trade and other payables, which are not attributable to investing or financing activities		–7,192	–6,622	27,148	7,546
Payments for share based payments		0	0	–2,265	0
Interest expenses of the period		3,741	2,215	10,859	7,056
Expenses due to measurement of derivatives within a hedge		–1,831	0	9,878	4,683
Other non-cash expenses/ income		2,731	–922	–7,796	2,052
Net cash provided by operating activities	(18)	44,138	18,327	95,934	57,094
thereof interest received		21	43	57	219
thereof income taxes		–11,489	–13,824	–22,440	–26,914
Investing activities					
Payments for acquisitions of subsidiaries, net		0	–848	–52	–5,786
Investments in property, plant and equipment and intangible assets		–10,166	–11,740	–28,818	–23,829
Proceeds from sale of property, plant and equipment		157	114	453	264
Net cash used in investing activities		–10,009	–12,474	–28,417	–29,351
Financing activities					
Payments for shares in a subsidiary		0	0	0	–907
Interest paid		–4,902	–4,939	–9,390	–8,627
Dividends paid to shareholders		0	0	–23,897	–22,304
Dividends paid to non-controlling interests		0	–28	–150	–28
Proceeds from borrowings		0	0	456	317
Repayment of borrowings	(14)	–350	–12,807	–10,418	–121,999
Repayment of hedging derivatives	(17)	106	0	–15,132	–6,890
Repayment of lease liabilities		–49	–85	–222	–210
Net cash used in financing activities	(18)	–5,195	–17,859	–58,753	–160,648
Net decrease in cash and cash equivalents		28,934	–12,006	8,764	–132,905
Cash and cash equivalents at beginning of the year		67,417	73,482	84,271	194,188
Effect of foreign exchange rates on cash and cash equivalents		–1,386	1,006	1,930	1,199
Cash and cash equivalents at end of the period	(18)	94,965	62,482	94,965	62,482

Consolidated Statement of Changes in Equity

for the period from 1 January to 30 September 2015

		Attributable to equity holders of the parent	
in EUR thousands	Note	Subscribed capital	Capital reserves
Balance as of 31 December 2013		**31,862**	**215,927**
Changes in equity for the period			
Result for the period			
Exchange differences on translation of foreign operations			
Cash flow hedges, net of tax			
Total comprehensive income for the period		**0**	**0**
Stock options			454
Dividends paid			
Dividends paid to non-controlling interests			
Total transactions with owners for the period		**0**	**454**
Balance as of 30 September 2014	(12)	**31,862**	**216,381**
Balance as of 31 December 2014		**31,862**	**216,468**
Changes in equity for the period			
Result for the period			
Exchange differences on translation of foreign operations			
Cash flow hedges, net of tax	(17)		
Total comprehensive income for the period		**0**	**0**
Stock options			–6,143
Dividends paid			
Dividends paid to non-controlling interests			
Total transactions with owners for the period		**0**	**–6,143**
Balance as of 30 September 2015	(12)	**31,862**	**210,325**

Attributable to equity holders of the parent				
Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
−13,857	84,966	318,898	1,004	319,902
	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
2,496	116,218	367,044	969	368,013
	55,170	55,170	192	55,362
11,394		11,394	16	11,410
20		20		20
11,414	55,170	66,584	208	66,792
		−6,143		−6,143
	−23,897	−23,897		−23,897
		0	−150	−150
0	−23,897	−30,040	−150	−30,190
13,910	147,491	403,588	1,027	404,615

Segment Reporting

for the period from 1 January to 30 September 2015

	EMEA		Americas		Asia-Pacific	
in EUR thousands	**Q1–Q3 2015**	Q1–Q3 2014	**Q1–Q3 2015**	Q1–Q3 2014	**Q1–Q3 2015**	Q1–Q3 2014
Total revenue	**337,239**	324,088	**309,415**	174,661	**57,158**	46,838
thereof inter-segment revenue	**22,813**	19,960	**6,298**	5,589	**2,113**	1,498
Revenue from external customers	**314,426**	**304,128**	**303,117**	**169,072**	**55,045**	**45,340**
Contribution to consolidated Group sales	**47 %**	58 %	**45 %**	33 %	**8 %**	9 %
Gross profit [1]	**197,665**	191,606	**180,396**	90,524	**26,595**	21,195
Adjusted EBITDA [2]	**67,363**	**65,828**	**69,924**	**34,780**	**6,600**	**4,978**
Depreciation without PPA depreciation [3]	**–7,382**	–7,153	**–5,923**	–3,225	**–1,885**	–1,400
Adjusted EBITA [2]	**59,981**	**58,675**	**64,001**	**31,555**	**4,715**	**3,578**
Assets (prior year as of 31 Dec 2014) [4]	**487,071**	496,433	**627,070**	574,897	**77,487**	71,893
Liabilities (prior year as of 31 Dec 2014) [5]	**104,965**	145,082	**355,179**	346,317	**27,439**	23,116
CAPEX	**8,171**	7,023	**10,084**	11,563	**2,766**	2,684

[1] In Q1–Q3 2015 adjusted (→ Note 4).
[2] For details regarding the adjustments, refer to → Note 4.
[3] Depreciation from purchase price allocations.
[4] Including allocated goodwill, taxes are shown within the column "consolidation."
[5] Taxes are shown within the column "consolidation."

Total segments		Central functions		Consolidation		Consolidated Group	
Q1 – Q3 2015	Q1 – Q3 2014	**Q1 – Q3 2015**	Q1 – Q3 2014	**Q1 – Q3 2015**	Q1 – Q3 2014	**Q1 – Q3 2015**	Q1 – Q3 2014
703,812	545,587	**22,523**	21,853	**– 53,747**	– 48,900	**672,588**	518,540
31,224	27,047	**22,523**	21,853	**– 53,747**	– 48,900	**0**	0
672,588	**518,540**	**0**	**0**	**0**	**0**	**672,588**	**518,540**
100 %	100 %						
404,656	303,325	**n.a.**	n.a.	**– 1,951**	– 1,721	**402,705**	301,604
143,887	**105,586**	**– 6,878**	**– 691**	**– 485**	**– 250**	**136,524**	**104,645**
– 15,190	– 11,778	**– 687**	– 594	**0**	0	**– 15,877**	– 12,372
128,697	**93,808**	**– 7,565**	**– 1,285**	**– 485**	**– 250**	**120,647**	**92,273**
1,191,628	1,143,223	**282,348**	316,412	**– 317,651**	– 381,221	**1,156,325**	1,078,414
487,583	514,515	**466,807**	476,205	**– 202,680**	– 280,319	**751,710**	710,401
21,021	21,270	**2,895**	2,559	**0**	0	**23,916**	23,829

Notes to the Consolidated Financial Statements (condensed)

1. GENERAL INFORMATION

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

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

The condensed financial statements were approved by NORMA Group management on 3 November 2015 and released for publication.

2. BASIS OF PREPARATION

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

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

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

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

The most significant accounting policies are as follows:

Position	Valuation method
Assets	
Goodwill	Impairment-only approach
Other intangible assets (except goodwill) - finite useful lives	Amortised costs
Other intangible assets (except goodwill) - indefinite useful lives	Impairment-only approach
Property, plant and equipment	Amortised costs
Derivative financial assets:	
Classified as cash flow hedge	At fair value in other comprehensive income
Classified as fair value hedge	At fair value through profit or loss
Without hedge accounting	At fair value through profit or loss
Inventories	Lower of cost or net realisable value
Other non-financial assets	Amortised costs
Other financial assets	Amortised costs
Trade receivables	Amortised costs
Cash and cash equivalents	Nominal amount
Liabilities	
Pensions	Projected unit credit method
Other provisions	Settlement amount
Borrowings	Amortised costs
Other non-financial liabilities	Amortised costs
Other financial liabilities (categories IAS 39):	
Financial liabilities at cost (FLAC)	Amortised costs
Derivative financial liabilities:	
Classified as cash flow hedge	At fair value in other comprehensive income
Classified as fair value hedge	At fair value through profit or loss
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 2015 remains unchanged compared to 31 December 2014 and includes seven domestic and 39 foreign companies.

4. ADJUSTMENTS

In the first nine months of 2015, expenses amounting to EUR 3,083 thousand were normalised within EBITDA (Earnings before interest, taxes, depreciation and amortisation). These adjustments within the EBITDA are related in the amount of EUR 2,461 thousand to expenses for raw materials and consumables used, which are a result of the remeasurement of acquired inventories within the purchase price allocation for the acquisition of National Diversified Sales, Inc. ("NDS"). Furthermore, expenses associated with the integration of the acquired entity in the amount of EUR 353 thousand were adjusted within other operating expenses and in the amount of EUR 269 thousand within employee benefits expense.

Besides the adjustments described, depreciation in the amount of EUR 1,696 thousand (Q1 – Q3 2014: EUR 822 thousand) and amortisation in the amount of EUR 13,077 thousand (Q1 – Q3 2014: EUR 6,777 thousand) from purchase price allocations were adjusted as in previous years.

In the first nine months of 2014, acquisition related expenses amounting to EUR 1,462 thousand, particularly associated with the acquisition of NDS, were adjusted within the other operation income and expenses. Furthermore, in the first nine months of 2014, an adjustment related to the repayment of the syndicated bank facilities in January 2014 in the amount of EUR 5,406 thousand was made within the financial result. In the first nine month of 2015, no adjustments were made within the financial result.

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

The following table shows the adjusted profit for the period:

in EUR thousands	Q1 – Q3 2015 unadjusted		Integration costs	Step-up effects from purchase price allocations	Total adjustments	Q1 – Q3 2015 adjusted
Revenue	672,588				0	672,588
Changes in inventories of finished goods and work in progress	2,841				0	2,841
Other own work capitalised	1,834				0	1,834
Raw materials and consumables used	–277,019			2,461	2,461	–274,558
Gross profit	400,244		0	2,461	2,461	402,705
Other operating income and expenses	–89,730		353		353	–89,377
Employee benefits expense	–177,073		269		269	–176,804
EBITDA	133,441		622	2,461	3,083	136,524
Depreciation	–17,573			1,696	1,696	–15,877
EBITA	115,868		622	4,157	4,779	120,647
Amortisation	–18,612			13,077	13,077	–5,535
Operating profit (EBIT)	97,256		622	17,234	17,856	115,112
Financial costs – net	–13,659				0	–13,659
Profit before income tax	83,597		622	17,234	17,856	101,453
Income taxes	–28,235		–211	–5,825	–6,036	–34,271
Profit for the period	55,362		411	11,409	11,820	67,182
Non-controlling interests	192				0	192
Profit attributable to shareholders of the parent	55,170		411	11,409	11,820	66,990
Earnings per share (in EUR)	1.73					2.10

in EUR thousands	Q1 – Q3 2014 unadjusted	Finance renegotiation	M&A related costs	Step-up effects from purchase price allocations	Total adjustments	Q1 – Q3 2014 adjusted
Revenue	518,540				0	518,540
Changes in inventories of finished goods and work in progress	1,426				0	1,426
Other own work capitalised	1,452				0	1,452
Raw materials and consumables used	–219,814				0	–219,814
Gross profit	301,604	0	0	0	0	301,604
Other operating income and expenses	–59,946		1,462		1,462	–58,484
Employee benefits expense	–138,475				0	–138,475
EBITDA	103,183	0	1,462	0	1,462	104,645
Depreciation	–13,194			822	822	–12,372
EBITA	89,989	0	1,462	822	2,284	92,273
Amortisation	–10,704			6,777	6,777	–3,927
Operating profit (EBIT)	79,285	0	1,462	7,599	9,061	88,346
Financial costs – net	–15,038	5,406			5,406	–9,632
Profit before income tax	64,247	5,406	1,462	7,599	14,467	78,714
Income taxes	–20,944	–1,480	–400	–2,081	–3,961	–24,905
Profit for the period	43,303	3,926	1,062	5,518	10,506	53,809
Non-controlling interests	134				0	134
Profit attributable to shareholders of the parent	43,169	3,926	1,062	5,518	10,506	53,675
Earnings per share (in EUR)	1.36					1.68

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

5. REVENUE AND RAW MATERIALS AND CONSUMABLES USED

Revenue for the first nine months of 2015 (EUR 672,588 thousand) was 29.7% higher than revenue for the first nine months of 2014 (EUR 518,540 thousand). The increase in revenue results from the inclusion of NDS, from positive currency effects and from organic growth. Revenues from NDS are fully allocated to Distribution Services.

Revenue recognised during the period related to the following:

in EUR thousands	Q1 – Q3 2015	Q1 – Q3 2014
Engineered Joining Technology (EJT)	409,537	365,985
Distribution Services (DS)	260,280	151,215
Other revenue	2,771	1,340
	672,588	518,540

The raw materials and consumables used increased disproportionately lower in relation to revenues, leading to a ratio of 41.2% (Q1 – Q3 2014: 42.4%). Also in relation to the total value, raw materials and consumables used are, with a ratio of 40.9%, below last year's level (Q1 – Q3 2014: 42.2%).

6. OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Other operating income in the first nine months of 2015 totalled EUR 8,920 thousand which was EUR 3,671 thousand higher than in the first nine months of 2014 (EUR 5,249 thousand). Other operating income included, in particular, operational currency gains in the amount of EUR 5,414 thousand (Q1 – Q3 2014: EUR 2,382 thousand), government grants and reversals from provisions and from accruals for variable compensation elements for employees.

Other operating expenses for the first nine months of 2015 (EUR 98,650 thousand) were 51.3% higher than other operating expenses for the first nine months of 2014 (EUR 65,195 thousand). The increase in comparison to the prior year period is due to the integration of NDS acquired in the fourth quarter of 2014 and currency effects. In relation to the total value, other operating expenses increased disproportionately higher with a ratio of 14.6% (Q1 – Q3 2014: 12.5%). The position other operating expenses included currency losses in the amount of EUR 5,468 thousand (Q1 – Q3 2014: EUR 2,128 thousand). The composition of other operating expenses did not change significantly compared to financial year 2014.

7. EMPLOYEE BENEFITS EXPENSE

In the first nine months of 2015, employee benefits expense amounted to EUR 177,073 thousand compared to EUR 138,475 thousand in the first nine months of 2014. The increase of 27.9% is mainly due to an acquisition-related increase in the average headcount in the first nine months of 2015 compared to the first nine months of 2014. Furthermore, currency effects contributed to the increase in employee benefits expense. In relation to the total value, employee benefits expense increased disproportionately lower with a ratio of 26.1% (Q1 – Q3 2014: 26.6%).

Average headcount was 4,955 in the first nine months of 2015 (Q1 – Q3 2014: 4,279).

8. FINANCIAL RESULT

The financial result for the first nine months of 2015 (EUR – 13,659 thousand) changed by EUR 1,379 thousand compared to the first nine months of 2014 (EUR – 15,038 thousand). In the first nine months of 2015, net foreign exchange gains / losses (including income/ expense from the valuation of foreign exchange derivatives) amounted to EUR – 983 thousand (Q1 – Q3 2014: EUR – 737 thousand). Net interest expenses (EUR 11,806 thousand) increased by EUR 2,843 thousand in the first nine months of 2015 compared to the first nine months of 2014 (EUR 8,963 thousand). Adjusted for the one-off expenditures from the early repayment of the syndicated bank facilities in the first quarter of 2014, net interest expenses in the first nine months of 2014 amounted to EUR 7,726 thousand. Hence, net interest expenses in the first nine months of 2015 increased by EUR 4,080 thousand compared to the adjusted previous year amount, mainly due to the loans used to finance the acquisition of NDS.

9. EARNINGS PER SHARE

Earnings per share are calculated by dividing net income for the period attributable to NORMA Group's shareholders by the weighted average number of shares issued. NORMA Group has only issued common shares. In the first nine months of financial year 2015, the average weighted number of shares was 31,862,400 (Q1 – Q3 2014: 31,862,400).

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

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

2015 and therefore also no dilutive effects on earnings per share.

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

	Q3 2015	Q3 2014	Q1 – Q3 2015	Q1 – Q3 2014
Profit attributable to shareholders of the parent (in EUR thousands)	17,387	14,304	55,170	43,169
Number of weighted shares	31,862,400	31,862,400	31,862,400	31,862,400
Effect of dilutive share-based payment	0	224,889	0	224,889
Number of weighted shares (diluted)	31,862,400	32,087,289	31,862,400	32,087,289
Earnings per share undiluted (in EUR)	**0.55**	**0.45**	**1.73**	**1.36**
Earnings per share diluted (in EUR)	**0.55**	**0.45**	**1.73**	**1.35**

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

10. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Intangible assets are as follows:

	Carrying amounts	
in EUR thousands	30 Sep 2015	31 Dec 2014
Goodwill	338,469	324,496
Customer lists	188,861	184,218
Licenses, rights	805	987
Software	10,095	11,637
Trademarks	44,609	42,028
Patents & technology	13,484	14,803
Internally generated intangible assets	6,891	6,190
Intangible assets, other	3,555	2,597
Total	**606,769**	**586,956**

The change in goodwill from EUR 324,496 thousand to EUR 338,469 thousand resulted from foreign exchange differences, mainly from the USD area and from the change of the initial purchase price allocation of NDS → Note 21 "Business Combinations."

The change in goodwill is summarised as follows:

in EUR thousands	
Balance as of 31 December 2014	**324,496**
Change in purchase price of NDS	–256
Currency effect	14,229
Balance as of 30 September 2015	**338,469**

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

Tangible assets are as follows:

	Carrying amounts	
in EUR thousands	30 Sep 2015	31 Dec 2014
Land and buildings	58,390	57,909
Machinery and tools	69,678	68,624
Other equipment	12,591	13,340
Assets under construction	18,071	14,617
Total	**158,730**	**154,490**

In the first nine months of 2015, EUR 23,916 thousand were invested in property, plant and equipment and intangible assets, including own work capitalised in the amount of EUR 1,834 thousand and finance leases in the amount of EUR 108 thousand. The main focus of investments was on expansion in Germany, Serbia, China and USA. There were no major disinvestments.

11. CURRENT ASSETS

The increase in current assets is due to an increase in trade receivables and inventories resulting from the increased sales volume in the third quarter of 2015 compared to the last quarter of 2014. Furthermore, cash and cash equivalents increased by EUR 10,694 thousand despite the repayment of liabilities from hedging derivatives in the amount of EUR 15,132 thousand, the repayment of bank borrowings in the amount of EUR 10,418 thousand, the dividend payment in the amount of EUR 23,897 thousand and payments for investments in the current year as well as repayments of liabilities from prior year investments in the amount of EUR 28,818 thousand.

ABS programme

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

As of 30 September 2015, domestic NORMA Group entities had sold receivables in the amount of EUR 13.9 million (31 Dec 2014: EUR 11.9 million) under this asset-backed securities (ABS) programme with a maximum volume of EUR 25 million. Of the receivables sold, EUR 2.4 million (31 Dec 2014: EUR 1.9 million) were retained as loss reserves and were not paid out. A continuing involvement in the amount of EUR 248 thousand (31 Dec 2014: EUR 320 thousand) was recognised within other financial liabilities and includes the maximum amount that NORMA Group could conceivably have to pay back under the default guarantee and the expected interest payments until the payment is received for the carrying amount of the receivables transferred. The fair value of the guarantee/interest payments to be assumed has been estimated at EUR 1 thousand (31 Dec 2014: EUR 4 thousand), taken through profit or loss and recognised under other liabilities.

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

12. EQUITY

Changes in equity resulted from the profit for the period (EUR 55,362 thousand), cash flow hedges (EUR 20 thousand) and exchange differences on translation of foreign operations (EUR 11,410 thousand). Furthermore, NORMA Group paid out dividends to non-controlling interests in the amount of EUR 150 thousand in the first nine months of 2015.

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

Management incentive schemes

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

Authorised and conditional capital

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

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

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

13. PROVISIONS

Provisions increased from EUR 14,349 thousand as of 31 December 2014 to EUR 18,230 thousand as of 30 September 2015.

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

14. FINANCIAL DEBT

NORMA Group's net debt is as follows:

in EUR thousands	30 Sep 2015	31 Dec 2014
Bank borrowings, net	**431,413**	429,703
Derivative financial liabilities – hedge accounting	**23,181**	20,220
Derivative financial liabilities – held for trading	**82**	0
Other borrowings (e.g. factoring and reverse factoring)	**927**	1,243
Finance lease liabilities	**330**	449
Other financial liabilities	**5,730**	5,759
Financial debt	**461,663**	**457,374**
Cash and cash equivalents	**94,965**	84,271
Net debt	**366,698**	**373,103**

NORMA Group's financial debt increased by 0.9% from EUR 457,374 thousand as of 31 December 2014 to EUR 461,663 thousand as of 30 September 2015. The increase within the bank borrowings is due to effects from changes in the exchange rates on the USD portion of the promissory note issued in financial year 2014. An opposite effect results from the scheduled repayment of parts of the syndicated bank facilities in the amount of EUR 9,600 thousand in June 2015. Furthermore, the negative market value of the hedging derivatives increased.

Compared to 31 December 2014 (EUR 373,103 thousand), net debt decreased by EUR 6,405 thousand or 1.7% to EUR 366,698 thousand. An increase in cash and cash equivalents in the amount of 10,694 positively influenced the net debt, whereby the described effects from the development of the exchange and market interest rates had negative effects on net debt.

The increase in cash and cash equivalents results from the increase of net cash provided by operating activities which overcompensated cash outflows from investing and financing activities.

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

in EUR thousands	up to 1 year	> 1 year up to 2 years	> 2 years up to 5 years	> 5 years
Bank borrowings, net	64,972	722	17,506	0
Promissory note, net	0	0	245,081	100,621
Total	**64,972**	**722**	**262,587**	**100,621**

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

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

The syndicated bank facilities are hedged against foreign exchange rate and interest rate changes. Furthermore, tranches of the promissory note with variable interest rates are hedged against interest rate changes. The derivative liability increased from EUR 18,177 thousand as of 31 December 2014 to EUR 22,810 thousand as of 30 September 2015.

15. OTHER NON-FINANCIAL LIABILITIES

The other non-financial liabilities are as follows:

in EUR thousands	30 Sep 2015	31 Dec 2014
Non-current		
Government grants	**1,429**	1,756
Other liabilities	**31**	34
	1,460	1,790
Current		
Government grants	**88**	0
Non-income tax liabilities	**4,387**	2,337
Social liabilities	**3,484**	3,929
Personnel-related liabilities (e.g. holiday, bonus, premiums)	**22,755**	17,588
Deferred income	**1,120**	1,244
Prepayments received	**131**	10
Other liabilities	**986**	907
	32,951	26,015
Total other non-financial liabilities	**34,411**	**27,805**

16. FINANCIAL INSTRUMENTS

Financial instruments according to classes and categories are as follows:

in EUR thousands	Category IAS 39	Carrying amount 30 Sep 2015	Measurement basis IAS 39: Amortised Cost	Measurement basis IAS 39: Fair value through profit or loss	Measurement basis IAS 39: Derivatives used for hedging	Measurement basis IAS 17	Fair value 30 Sep 2015
Financial assets							
Derivative financial instruments – held for trading							
Foreign exchange derivatives	FAHfT	**44**		44			**44**
Derivative financial instruments – hedge accounting							
Foreign exchange derivatives – cash flow hedges	n/a	**44**			44		**44**
Foreign exchange derivatives – fair value hedges	FVtPL	**1,092**			1,092		**1,092**
Trade and other receivables	LaR	**135,146**	135,146				**135,146**
Other financial assets	LaR	**2,677**	2,677				**2,677**
Cash and cash equivalents	LaR	**94,965**	94,965				**94,965**
Financial liabilities							
Borrowings	FLAC	**432,340**	432,340				**444,697**
Derivative financial instruments – held for trading							
Foreign exchange derivatives	FLHfT	**82**		82			**82**
Derivative financial instruments – hedge accounting							
Interest derivatives	n/a	**3,616**			3,616		**3,616**
Cross-currency swaps	n/a	**19,194**			19,194		**19,194**
Foreign exchange derivatives – cash flow hedges	n/a	**113**			113		**113**
Foreign exchange derivatives – fair value hedges	FVtPL	**258**			258		**258**
Trade payables	FLAC	**96,867**	96,867				**96,867**
Other financial liabilities							
Contingent considerations	n/a	**3,405**		3,405			**3,405**
Other liabilities	FLAC	**2,325**	2,325				**2,325**
Finance lease liabilities	n/a	**330**				330	**340**
Totals per category							
Financial assets held for trading (FAHfT)		**44**		44			**44**
Financial assets at fair value through profit or loss (FVtPL)		**1,092**			1,092		**1,092**
Loans and receivables (LaR)		**232,788**	232,788				**232,788**
Financial liabilities held for trading (FLHfT)		**82**		82			**82**
Financial liabilities at fair value through profit or loss (FVtPL)		**258**			258		**258**
Financial liabilities at amortised cost (FLAC)		**531,532**	531,532				**543,889**

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

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

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

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

Trade payables and other financial liabilities have short maturities; therefore, the carrying amounts reported approximate the fair values. On 30 September 2015, a contingent consideration measured at fair value amounting to EUR 3,405 thousand from the acquisition of the business activities of Five Star Clamps, Inc. in the second quarter of 2014 is included in the position other financial liabilities.

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

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

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

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

in EUR thousands	Level 1 1)	Level 2 2)	Level 3 3)	Total as of 30 Sep 2015
Recurring fair value measurements				
Assets				
Foreign exchange derivatives – held for trading		44		**44**
Foreign exchange derivatives – cash flow hedges		44		**44**
Foreign exchange derivatives – fair value hedges		1,092		**1,092**
Total	**0**	**1,180**	**0**	**1,180**
Liabilities				
Cross-currency swaps – hedge accounting		19,194		**19,194**
Interest swaps – hedge accounting		3,616		**3,616**
Foreign exchange derivatives – held for trading		82		**82**
Foreign exchange derivatives – cash flow hedges		113		**113**
Foreign exchange derivatives – fair value hedges		258		**258**
Other financial liabilities			3,405	**3,405**
Total	**0**	**23,263**	**3,405**	**26,668**

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

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

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

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

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

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

Assumed revenue ratio: > 100%

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

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

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

in EUR thousands	Contingent consideration in business combinations	Total
Balance as of 1 January 2015	**3,314**	**3,314**
Transfers to Level 3	0	**0**
Gains and losses recognised in profit (–) or loss (+)	140	**140**
Payments	–317	**–317**
Currency effects	268	**268**
Balance as of 30 September 2015	**3,405**	**3,405**
Total gains (–) or losses (+) for the period included in profit or loss, under 'Financial result'	140	**140**

In the first nine months of 2015, EUR 140 thousand interest expenses were recognised in profit or loss for financial liabilities categorised in level 3, which are held on 30 September 2015. Currency effects on this liability amounting to EUR 268 thousand were recognised in other comprehensive income.

17. DERIVATIVE FINANCIAL INSTRUMENTS

The derivative financial instruments were as follows:

	30 Sep 2015		31 Dec 2014	
in EUR thousands	Assets	Liabilities	Assets	Liabilities
Cross-currency swaps – cash flow hedges		19,194		15,623
Interest rate swaps – cash flow hedges		3,616		2,554
Foreign exchange derivatives – held for trading	44	82		
Foreign exchange derivatives – cash flow hedges	44	113	3	172
Foreign exchange derivatives – fair value hedges	1,092	258		1,871
Total	1,180	23,263	3	20,220
Less non-current portion				
Cross-currency swaps – cash flow hedges				15,623
Interest rate swaps – cash flow hedges		3,616		2,554
Non-current portion	0	3,616	0	18,177
Current portion	1,180	19,647	3	2,043

Foreign exchange derivatives

On 30 September 2015, foreign exchange derivatives with a positive market value of EUR 44 thousand and a negative market value of EUR 113 thousand were classified as cash flow hedges. Furthermore, foreign exchange derivatives with a positive market value of EUR 1,092 thousand and a negative market value of EUR 258 thousand were classified as fair value hedges.

As part of its financial risk management, NORMA Group not only employs traditional approaches, such as using so-called natural hedges to reduce USD exposure and rolling hedging with foreign currency derivatives, but has also delegated certain parts of its exposure to banking partners. The purpose of this instrument is to protect NORMA Group against any unfavourable exchange rate developments while at the same time letting the Company take advantage of positive developments in foreign exchange markets. A dynamic protection concept with variable rate hedging is used here that analyses market trends on the basis of quantitative models and implements these findings in a technical security model. All activities must always follow the strict requirements of internal risk management. Foreign exchange derivatives resulting from the described dynamic protection concept are classified as held for trading. On 30 September 2015, this led to foreign exchange derivatives with a positive market value of EUR 44 thousand and a negative market value of EUR 82 thousand.

Interest rate swaps and cross-currency swaps

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

The effective part recognised in other comprehensive income increased equity on 30 September 2015 by EUR 158 thousand before taxes. Of this amount, EUR –5,959 thousand are due to the measurement of the derivatives held as cash flow hedges and EUR 3,529 thousand are the change in value of the underlying. In the period, an additional EUR 2,588 thousand before tax were reclassified from the hedging reserve to profit or loss and thus increased other comprehensive income.

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

18. 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 such as depreciation and amortisation as well as expenses and payments for which the cash effects are investing or financing cash flows and to eliminate other non-cash expenses and income. Net cash provided by operating activities of EUR 95,934 thousand (Q1 – Q3 2014: EUR 57,094 thousand) represents changes in current assets, provisions and liabilities (excluding liabilities in connection with financing activities).

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

Net cash provided by operating activities includes in the first nine months of 2015 cash outflows from the payments of the cash settled share based payments of the MSP tranche 2011 for the Management Board of NORMA Group in the amount of EUR 2,265 thousand (Q1 – Q3 2014: EUR 0 thousand).

Net cash provided by operating activities is adjusted for other non-cash expenses and income, which results in the first nine months of 2015 from the non-cash personnel expenses from the Matching Stock Programme amounting to EUR 135 thousand (Q1 – Q3 2014: EUR 454 thousand) as well as non-cash interest expenses from the amortisation of accrued costs, directly attributable to the refinancing, amounting to EUR 1,022 thousand (Q1 – Q3 2014: EUR 2,152 thousand).

Furthermore, non-cash income (–) / expenses (+) from foreign exchange rate gains and losses on intragroup monetary items as well as external loans in the amount of EUR –8,953 thousand (Q1 – Q3 2014: EUR –542 thousand) are included in other non-cash expenses and revenues.

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

Cash flows from investing activities include net cash outflows from the acquisition and disposal of property, plant and equipment and intangible assets amounting to EUR 28,365 thousand (Q1 – Q3 2014: EUR 23,565 thousand) including the repayment of liabilities from prior year investments in property, plant and equipment and intangible assets amounting to EUR –5,010 thousand (Q1 – Q3 2014: EUR 0 thousand). Furthermore, net payments for acquisitions of subsidiaries in the amount of EUR 52 thousand (Q1 – Q3 2014: EUR 5,786 thousand) are included in the cash flows from investing activities.

Cash flows from financing activities mainly comprise outflows resulting from repayment of hedging derivatives in the amount of EUR 15,132 thousand (Q1 – Q3 2014: EUR 6,890 thousand), the repayment of financial debt in the amount of EUR 10,418 thousand (Q1 – Q3 2014: EUR 121,999 thousand), the payment of the dividend amounting to EUR 23,897 thousand (Q1 – Q3 2014: EUR 22,304 thousand) as well as cash flows resulting from interest paid (Q1 – Q3 2015: EUR –9,390 thousand, Q1 – Q3 2014: EUR –8,627 thousand).

Furthermore, dividend payments to non-controlling interests in the amount of EUR 150 thousand (Q1 – Q3 2014: EUR 28 thousand), proceeds from other loans amounting to EUR 456 thousand (Q1 – Q3 2014: 317 thousand) and repayments from finance lease liabilities in the amount of EUR 222 thousand (Q1 – Q3 2014: EUR 210 thousand) are disclosed as cash flows from financing activities.

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

On 30 September 2015, cash and cash equivalents consisted of cash on hand and demand deposits of EUR 94,851 thousand (30 September 2014: EUR 62,414 thousand) as well as cash equivalents valued at EUR 114 thousand (30 September 2014: EUR 68 thousand).

19. SEGMENT REPORTING

NORMA Group identifies its segments on a regional level. The reportable segments of NORMA Group are EMEA, the Americas, and Asia-Pacific. NORMA Group's strategy 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 2015, acquisition-related expenses that amounted to EUR 3,083 thousand, particularly associated with the acquisition of National Diversified Sales, Inc. ("NDS"), were adjusted within the EBITDA and EBITA. Adjustments in the amount of EUR 2,461 thousand are related to expenses for raw materials and consumables used, resulting from the valuation of the inventories as part of the purchase price allocation in connection with the acquisition of NDS. Furthermore, expenses due to the integration of the acquired entity in the amount of EUR 353 thousand were adjusted within other operating expenses and in the amount of EUR 269 thousand within employee benefits expense. Besides, EBITA was adjusted for depreciation from purchase price allocations as in prior years → Note 4 "Adjustments."

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

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

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

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

20. 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 2015	31 Dec 2014
Property, plant and equipment	2,732	3,358
	2,732	**3,358**

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

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

21. BUSINESS COMBINATIONS

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

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

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

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

22. RELATED PARTY TRANSACTIONS

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

23. EVENTS AFTER THE BALANCE SHEET DATE

As of 4 November 2015, no events were known that would have led to a material change in the disclosures or valuation of the assets and liabilities as of 30 September 2015.

Review

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

Responsibility Statement

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

Maintal, 4 November 2015

NORMA Group SE
Management Board

Werner Deggim

Dr. Michael Schneider

Bernd Kleinhens

John Stephenson

Financial Calendar 2016

17.02.2016	Publication of Preliminary Financial Results 2015
23.03.2016	Publication of Full Year Results 2015
04.05.2016	Publication of Q1 Interim Results 2016
02.06.2016	Annual General Meeting 2016, Frankfurt/Main
03.08.2016	Publication of Q2 Interim Results 2016
02.11.2016	Publication of Q3 Interim Results 2016

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

Contact and Imprint

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

E-mail: ir@normagroup.com

Andreas Trösch
Vice President Investor Relations
Phone: + 49 6181 6102 741
Fax: + 49 6181 6102 7641
E-mail: andreas.troesch@normagroup.com

Dana Feuerberg
Manager Investor Relations
Phone: + 49 6181 6102 748
Fax: + 49 6181 6102 7648
E-mail: dana.feuerberg@normagroup.com

EDITOR
NORMA Group SE
Edisonstraße 4
63477 Maintal, Germany

Phone: + 49 6181 6102 740
E-mail: info@normagroup.com
www.normagroup.com

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.

NORMA Group SE
Edisonstraße 4
63477 Maintal, Germany

Phone: +49 6181 6102 740
E– mail: info@normagroup.com
www.normagroup.com