



INTERIM REPORT
1 APRIL TO 31 DECEMBER 2014



THE FIRST NINE MONTHS OF FINANCIAL YEAR 2014/2015 AT A GLANCE

- FIRST NINE MONTHS OF THE YEAR DOMINATED BY WEAK FIRST HALF YEAR AND MARGIN IMPROVEMENT IN THE THIRD QUARTER
- STABLE BUSINESS ACTIVITIES IN THE FOURTH QUARTER
- FULL-YEAR FORECAST CONFIRMED
- GESCO SUBSIDIARY SETTER ACQUIRED US PAPER STICKS MARKET LEADER SETTERSTIX CORP.

GESCO GROUP KEY FIGURES FOR THE FIRST NINE MONTHS OF THE 2014/2015 FINANCIAL YEAR

| 01.04.-31.12. | I.-III. Quarter 2014/2015 | I.-III. Quarter 2013/2014 | Change |
|---|------------------------------|------------------------------|--------|
| Incoming orders (€'000) | 340,038 | 325,211 | 4.6% |
| Sales revenues (€'000) | 337,924 | 337,247 | 0.2% |
| EBITDA (€'000) | 34,394 | 36,919 | -6.8% |
| EBIT (€'000) | 20,414 | 24,254 | -15.8% |
| Earnings before tax (€'000) | 18,223 | 21,941 | -16.9% |
| Group net income after minority interest (€'000) | 10,453 | 13,562 | -22.9% |
| Earnings per share acc. to IFRS (€) | 3.14 | 4.08 | -22.9% |
| Employees (No.) | 2,454 | 2,368 | 3.6% |

DEAR SHAREHOLDERS,

The financial year of GESCO AG and GESCO Group runs from 1 April to 31 March of the following year, while the financial years of the subsidiaries coincide with the calendar year. This interim report for the first nine months of financial year 2014/2015 therefore encompasses the operating months January to September 2014 of the Group's subsidiaries.

Results were mixed in the GESCO Group in this period. Some subsidiaries recorded stable or rising sales, while others had to accept declines in sales. Incoming orders rose overall in the nine-month period, while sales remained roughly on par with the previous year's period. The economic development of two subsidiaries, Protomaster GmbH and MAE Maschinen- und Apparatebau Götzen GmbH, had a significantly negative impact on Group earnings. We reported on the restructuring measures at these two companies as part of our annual accounts press conference on 26 June 2014 and in the reports for the first quarter and first half of the financial year. Work continues apace in both projects.

The Ukraine/Russia crisis that began in spring 2014 and has escalated further since the summer also had a negative impact on business at Frank Walz- und Schmiedetechnik GmbH, which produces wear parts for the agriculture market. The devaluation of many Eastern European currencies led to a collapse in demand for Western European and particularly German agricultural machinery among customers in this region. Major declines in sales of original equipment for agricultural machinery and spare parts were direct consequences of this.

There has been a further downturn in the overall business climate since the summer, and geo-political uncertainty is dampening customers' willingness to invest.

With the first half of the year shaped by poor margins, the third quarter saw recovery return with pleasing sales figures, increased total output and major improvements to margins.

In the fourth quarter, which includes the operating months of October to December for the subsidiaries, the GESCO Group posted stable business performance with both incoming orders and sales at satisfactory levels.

Based on the information available to us at the current time, we confirm the full-year plan that was last revised in November 2014. Group sales are to stand at between € 455 million and € 460 million and Group net income after minority interest between € 14.5 million and € 15.0 million is set to be generated.

EXPANDING THE GESCO PORTFOLIO

At the turn of the year, Setter GmbH & Co. Papierverarbeitung acquired the business operations of the leading US paper sticks manufacturer Setterstix Corp., Cattaraugus, New York, through a subsidiary. Setter and Setterstix have the same roots, but took different paths for many decades.

Setterstix manufactures paper sticks, which are then predominantly sold as supplies to customers from the confectionery industry. These sticks are used for example in producing fruit-flavoured and chocolate lollipops. Setterstix is the US market leader in the segment for papersticks for the confectionery industry. The company generates annual sales of roughly € 10 million and has approximately 40 employees.

For Setter, this acquisition offers an ideal chance to round off its market presence in the US, where the company has so far predominantly supplied customers from the hygiene industry with sticks for ear buds. The company is market leader in this segment. This acquisition has allowed Setter to open up a new market segment in the US and also gain a production site, which simplifies the expansion of business operations in Central and South America.

Setterstix will be included in the Group balance sheet for the first time as at 31 March 2015. The company will be included in the Group income statement for the first time in the new financial year 2015/2016.

At the start of 2014, MAE Maschinen- und Apparatebau Götzen GmbH had acquired the business operations of US competitor Eitel Presses Inc. through a subsidiary. Eitel was already included in the Group balance sheet as at 31 March 2014, however it was included in the Group income statement for the first time in the financial year 2014/2015.

DEVELOPMENT OF GROUP SALES AND EARNINGS IN THE THIRD QUARTER

At € 113.4 million in the third quarter, incoming orders were almost exactly on par with the previous year's figure of € 113.3 million. Group sales amounted to € 117.8 million compared to € 119.5 million in the previous year's period. While total output increased significantly, earnings before interest, taxes, depreciation and amortisation (EBITDA) rose by 8.6 % to € 14.3 million (previous year's period: € 13.2 million). Depreciation and amortisation rose considerably due to the investments made in the reporting period and in the previous year. As a result, earnings before interest and taxes (EBIT) grew less sharply than EBITDA by 7.1 % from € 9.0 million to € 9.6 million. Against the backdrop of an improved financial result, an increased tax rate and a major rise in third-party profit share, Group net income after minority interest came to € 5.0 million (€ 4.9 million). Earnings per share pursuant to IFRS came in at € 1.49 (€ 1.48).

DEVELOPMENT OF GROUP SALES AND EARNINGS IN THE FIRST NINE MONTHS OF THE YEAR

Viewed as a whole, the first nine months of the year saw incoming orders increase by 4.6 % to € 340.0 million compared to € 325.2 million in the previous year's period. At € 337.9 million, sales barely changed on the previous year's figure of € 337.2 million.

The decline in EBITDA from € 36.9 million in the previous year's period to € 34.3 million in the reporting period was largely due to the negative impact on earnings of the restructuring measures at two subsidiaries. As depreciation and amortisation rose considerably due to investments made, EBIT fell more sharply than EBITDA and stood at € 20.4 million (€ 24.3 million). Group net income after minority interest came in at € 10.5 million (€ 13.6 million), which equates to earnings per share pursuant to IFRS of € 3.14 (€ 4.08).

SEGMENT REPORTING

The tool manufacture and mechanical engineering segment is still the much larger of the two segments. The segment's incoming orders amounted to € 316.5 million compared to € 302.4 million in the previous year's period. At € 313.4 million, segment sales were down slightly on the previous year's figure of € 315.1 million. EBIT fell from € 27.0 million to € 24.0 million.

The plastics technology segment recorded an increase in incoming orders to € 23.2 million (€ 22.5 million). Sales grew by 11.0 %, from € 21.8 million to € 24.2 million. EBIT amounted to € 3.1 million compared to € 3.6 million in the previous year's period.

ASSETS AND FINANCIAL POSITION

Total assets rose by 5.8 % to € 402.1 million compared to 31 March 2014.

On the assets side, the investments made in the reporting period resulted in a rise in property, plant and equipment. One investment property was reclassified under “assets held for sale”. Inventories increased significantly on account of the operating business, while trade receivables remained practically unchanged. Liquid assets amounted to € 35.0 million as at the reporting date, compared to € 38.8 million as at the beginning of the financial year. A dividend of € 7.3 million was paid in the reporting period.

On the liabilities side, equity increased from € 176.6 million to € 181.0 million. As total assets rose more strongly than equity, the equity ratio dropped from 46.5 % to 45.0 %. Non-current bank liabilities increased slightly on account of the financing required for the investments. Current bank liabilities and prepayments received rose in line with the operating business.

The Group balance sheet continues to show an exceptionally healthy structure with sufficient liquid assets, high equity and moderate indebtedness.

INVESTMENTS

In the first nine months of the year, the GESCO Group companies invested approximately € 20.9 million in property, plant and equipment and intangible assets (previous year's period: € 21.1 million). The main focuses of investment were AstroPlast Kunststofftechnik GmbH & Co. KG, Frank Walz- und Schmiedetechnik GmbH and Protomaster GmbH. We anticipate an investment volume of approximately € 30 million for the full year.

EMPLOYEES

The number of people employed by GESCO Group increased by 3.6 % year on year, from 2,368 to 2,454. This increase was largely the result of the addition of Eitel Presses.

OUTLOOK AND EVENTS AFTER THE REPORTING DATE

As explained above, this nine-month interim report comprises the subsidiaries' operating business from January to September. In the following fourth quarter, the months October to December in the case of the subsidiaries, incoming orders and sales stood at satisfactory levels. According to preliminary figures, incoming orders came to roughly € 108 million (previous year's period: € 110.4 million) while sales stood at approximately € 116 million (€ 116.1 million).

As explained above, we confirm the current full-year plan and anticipate Group sales of between € 455 million and € 460 million and Group net income after minority interest of between € 14.5 million and € 15.0 million for the full year.

In the half-year interim report, we reported on two acquisition projects currently under review. One of these projects was successfully concluded with the aforementioned acquisition of Setterstix Corp. by Setter GmbH & Co. Papierverarbeitung. The second project has been postponed until further notice, as we were unable to reach an agreement with the seller. Despite the downturn in market conditions for buyers, we currently have a number of other projects in the pipeline that we will continue to pursue over the next few months.

No further significant events occurred after the end of the reporting period.

Yours sincerely,

GESCO AG
The Executive Board

Wuppertal, 13 February 2015

GESCO GROUP BALANCE SHEET
AS AT 31 DECEMBER 2014 AND 31 MARCH 2014

| €'000 | 31.12.2014 | 31.03.2014 |
|---|----------------|----------------|
| Assets | | |
| A. Non-current assets | | |
| I. Intangible assets | | |
| 1. Industrial property rights and similar rights and assets as well as licences | 11,360 | 11,888 |
| 2. Goodwill | 12,429 | 12,423 |
| 3. Prepayments made | 150 | 264 |
| | 23,939 | 24,575 |
| II. Property, plant and equipment | | |
| 1. Land and buildings | 50,493 | 50,213 |
| 2. Technical plant and machinery | 37,165 | 35,942 |
| 3. Other plant, fixtures and fittings | 22,046 | 21,310 |
| 4. Prepayments made and plant under construction | 10,792 | 5,670 |
| 5. Property held as financial investments | 165 | 1,737 |
| | 120,661 | 114,872 |
| III. Financial investments | | |
| 1. Shares in affiliated companies | 51 | 15 |
| 2. Shares in associated companies | 1,426 | 1,192 |
| 3. Investments | 156 | 156 |
| 4. Other loans | 158 | 181 |
| | 1,791 | 1,544 |
| IV. Other assets | 2,348 | 2,344 |
| V. Deferred tax assets | 4,983 | 3,057 |
| | 153,722 | 146,392 |
| B. Current assets | | |
| I. Inventories | | |
| 1. Raw materials and supplies | 22,074 | 21,986 |
| 2. Unfinished products and services | 53,794 | 41,514 |
| 3. Finished products and goods | 58,252 | 55,225 |
| 4. Prepayments made | 1,886 | 443 |
| | 136,006 | 119,168 |
| II. Receivables and other assets | | |
| 1. Trade receivables | 65,450 | 65,517 |
| 2. Amounts owed by affiliated companies | 511 | 624 |
| 3. Amounts owed by associated companies | 1,119 | 431 |
| 4. Other assets | 8,245 | 8,468 |
| | 75,325 | 75,040 |
| III. Cash in hand and credit balances with financial institutions | 35,026 | 38,815 |
| IV. Accounts receivable and payable | 509 | 535 |
| | 246,866 | 233,558 |
| C. Assets held for sale | 1,501 | 0 |
| | 402,089 | 379,950 |

| €'000 | 31.12.2014 | 31.03.2014 |
|---|----------------|----------------|
| Equity and liabilities | | |
| A. Equity | | |
| I. Subscribed capital | 8,645 | 8,645 |
| II. Capital reserves | 54,625 | 54,662 |
| III. Revenue reserves | 107,097 | 103,521 |
| IV. Own shares | -17 | -17 |
| V. Other comprehensive income | -3,781 | -2,608 |
| VI. Minority interests (incorporated companies) | 14,407 | 12,401 |
| | 180,976 | 176,604 |
| B. Non-current liabilities | | |
| I. Minority interests (partnerships) | 3,027 | 3,070 |
| II. Provisions for pensions | 16,811 | 14,908 |
| III. Other long-term provisions | 657 | 593 |
| IV. Liabilities to financial institutions | 68,006 | 64,910 |
| V. Other liabilities | 1,465 | 1,827 |
| VI. Deferred tax liabilities | 3,240 | 3,496 |
| | 93,206 | 88,804 |
| C. Current liabilities | | |
| I. Other provisions | 11,275 | 9,816 |
| II. Liabilities | | |
| 1. Liabilities to financial institutions | 37,939 | 31,971 |
| 2. Trade creditors | 19,916 | 14,581 |
| 3. Prepayments received on orders | 29,802 | 25,513 |
| 4. Liabilities to affiliated companies | 47 | 3 |
| 5. Liabilities to associated companies | 28 | 7 |
| 6. Other liabilities | 28,730 | 32,573 |
| | 116,462 | 104,648 |
| III. Accounts receivable and payable | 170 | 78 |
| | 127,907 | 114,542 |
| D. Liabilities held for sale | 0 | 0 |
| | 402,089 | 379,950 |

**GESCO GROUP INCOME STATEMENT
FOR THE THIRD QUARTER (1 OCTOBER TO 31 DECEMBER)**

| €'000 | III. Quarter 2014/2015 | III. Quarter 2013/2014 |
|--|---------------------------|---------------------------|
| Sales revenues | 117,811 | 119,455 |
| Change in stocks of finished and unfinished products | 3,191 | -6,631 |
| Other company produced additions to assets | 805 | 189 |
| Other operating income | 1,116 | 1,459 |
| Total income | 122,923 | 114,472 |
| Material expenditure | -62,208 | -56,479 |
| Personnel expenditure | -32,601 | -30,349 |
| Other operating expenditure | -13,788 | -14,454 |
| Earnings before interest, tax, depreciation and amortisation (EBITDA) | 14,326 | 13,190 |
| Depreciation on tangible and intangible assets | -4,720 | -4,223 |
| Earnings before interest and tax (EBIT) | 9,606 | 8,967 |
| Earnings from investments in associated companies | 98 | -147 |
| Other interest and similar income | 117 | 62 |
| Interest and similar expenditure | -861 | -726 |
| Minority interest in partnerships | -89 | -61 |
| Financial result | -735 | -872 |
| Earnings before tax (EBT) | 8,871 | 8,095 |
| Taxes on income and earnings | -3,112 | -2,665 |
| Group net income | 5,759 | 5,430 |
| Minority interest in incorporated companies | -803 | -508 |
| Group net income after minority interest | 4,956 | 4,922 |
| Earnings per share (€) acc. to IFRS | 1.49 | 1.48 |
| Weighted average number of shares | 3,320,395 | 3,320,935 |

**GESCO GROUP INCOME STATEMENT
FOR THE FIRST NINE MONTHS (1 APRIL TO 31 DECEMBER)**

| €'000 | I.-III. Quarter 2014/2015 | I.-III. Quarter 2013/2014 |
|--|------------------------------|------------------------------|
| Sales revenues | 337,924 | 337,247 |
| Change in stocks of finished and unfinished products | 10,401 | 4,618 |
| Other company produced additions to assets | 1,119 | 383 |
| Other operating income | 3,903 | 4,955 |
| Total income | 353,347 | 347,203 |
| Material expenditure | -180,492 | -177,225 |
| Personnel expenditure | -97,654 | -91,492 |
| Other operating expenditure | -40,807 | -41,567 |
| Earnings before interest, tax, depreciation and amortisation (EBITDA) | 34,394 | 36,919 |
| Depreciation on tangible and intangible assets | -13,980 | -12,665 |
| Earnings before interest and tax (EBIT) | 20,414 | 24,254 |
| Earnings from investments | 37 | 0 |
| Earnings from investments in associated companies | 117 | -162 |
| Other interest and similar income | 235 | 249 |
| Interest and similar expenditure | -2,341 | -2,274 |
| Third party profit share in incorporated companies | -239 | -126 |
| Financial result | -2,191 | -2,313 |
| Earnings before tax (EBT) | 18,223 | 21,941 |
| Taxes on income and earnings | -6,094 | -7,000 |
| Group net income | 12,129 | 14,941 |
| Third party profit share in incorporated companies | -1,676 | -1,379 |
| Group net income after minority interest | 10,453 | 13,562 |
| Earnings per share (€) acc. to IFRS | 3.14 | 4.08 |
| Weighted average number of shares | 3,323,307 | 3,323,326 |

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST NINE MONTHS (1 APRIL TO 31 DECEMBER)**

| €'000 | I-III. Quarter 2014/2015 | I-III. Quarter 2013/2014 |
|---|-----------------------------|-----------------------------|
| Group net income | 12,129 | 14,941 |
| Revaluation of benefit liabilities not impacting on income | -1,372 | 0 |
| Items that cannot be transferred into the income statement | -1,372 | 0 |
| Difference from currency translation | | |
| Reclassification into the income statement | 0 | 0 |
| Changes in value with no effect on income | 260 | -171 |
| Market valuation of hedging instruments | | |
| Reclassification into the income statement | -94 | -229 |
| Changes in value with no effect on income | -35 | -42 |
| Items that can be transferred into the income statement | 131 | -442 |
| Other comprehensive income | -1,241 | -442 |
| Total result for the period | 10,888 | 14,499 |
| of which shares held by minority interest | 1,608 | 1,358 |
| of which shares held by GESCO shareholders | 9,280 | 13,141 |

GESCO GROUP CASH FLOW STATEMENT FOR THE FIRST NINE MONTHS (1 APRIL TO 31 DECEMBER)

| €'000 | I.-III. Quarter 2014/2015 | I.-III. Quarter 2013/2014 |
|--|------------------------------|------------------------------|
| Result for the period (including share attributable to minority interest in incorporated companies) | 12,129 | 14,941 |
| Depreciation on fixed assets | 13,980 | 12,665 |
| Result from investments in associated companies | -117 | 162 |
| Share attributable to minority interest in partnerships | 239 | 126 |
| Increase in long-term provisions | 188 | 17 |
| Other non-cash result | 475 | -416 |
| Cash flow for the period | 26,894 | 27,495 |
| Losses from the disposal of property, plant and equipment/intangible assets | 65 | 45 |
| Gains from the disposal of property, plant and equipment/intangible assets | -297 | -215 |
| Increase in stocks, trade receivables and other assets | -18,671 | -20,473 |
| Increase in trade creditors and other liabilities | 6,796 | 6,340 |
| Cash flow from ongoing business activity | 14,787 | 13,192 |
| Incoming payments from disposals of tangible assets/intangible assets | 168 | 372 |
| Disbursements for investments in property, plant and equipment | -19,501 | -20,477 |
| Disbursements for investments in intangible assets | -1,409 | -603 |
| Incoming payments from disposals of financial assets | 23 | 28 |
| Disbursements for investments in financial assets | -55 | -196 |
| Cash flow from investment activity | -20,774 | -20,876 |
| Disbursements to shareholders (dividend) | -7,313 | -8,311 |
| Incoming payments from minority interests | 1,738 | 0 |
| Disbursements to minority interests | -1,254 | -1,238 |
| Incoming payments from the sale of own shares | 792 | 814 |
| Disbursement for the purchase of own shares | -829 | -800 |
| Incoming payments from raising (financial) loans | 27,321 | 28,032 |
| Outflow for repayment of (financial) loans | -18,257 | -9,832 |
| Cash flow from funding activities | 2,198 | 8,665 |
| Cash increase in cash and cash equivalents | -3,789 | 981 |
| Financial means on 01.04. | 38,815 | 37,464 |
| Financial means on 31.12. | 35,026 | 38,445 |

GESCO GROUP STATEMENT OF CHANGES IN EQUITY CAPITAL

| €'000 | Subscribed capital | Capital reserves | Revenue reserves | Own shares |
|------------------------------------|--------------------|------------------|------------------|------------|
| As at 01.04.2013 | 8,645 | 54,635 | 93,711 | -31 |
| Dividends | | | -8,311 | |
| Acquisition of own shares | | | -800 | |
| Disposal of own shares | | 27 | | 814 |
| Other neutral changes | | | | |
| Result for the period | | | 13,562 | |
| Changes in scope of consolidation | | | | |
| As at 31.12.2013 | 8,645 | 54,662 | 98,962 | -17 |
| As at 01.04.2014 | 8,645 | 54,662 | 103,521 | -17 |
| Dividends | | | -7,314 | |
| Acquisition of own shares | | | -829 | |
| Disposal of own shares | | -37 | | 829 |
| Disposal of shares in subsidiaries | | | 437 | |
| Other neutral changes | | | | |
| Result for the period | | | 10,453 | |
| Changes in scope of consolidation | | | | |
| As at 31.12.2014 | 8,645 | 54,625 | 107,097 | -17 |

GESCO GROUP SEGMENT REPORT FOR THE FIRST NINE MONTHS (1 APRIL TO 31 DECEMBER)

| €'000 | Tool manufacture and mechanical engineering | | Plastics technology | |
|--------------------------------|--|------------------------------|------------------------------|------------------------------|
| | I.-III. Quarter 2014/2015 | I.-III. Quarter 2013/2014 | I.-III. Quarter 2014/2015 | I.-III. Quarter 2013/2014 |
| Order backlog | 185,719 | 182,559 | 5,302 | 4,302 |
| Incoming orders | 316,537 | 302,397 | 23,236 | 22,531 |
| Sales revenues | 313,423 | 315,126 | 24,236 | 21,838 |
| of which with other segments | 0 | 0 | 0 | 0 |
| Depreciation | 9,919 | 8,796 | 1,522 | 1,101 |
| EBIT | 24,036 | 27,007 | 3,140 | 3,620 |
| Investments | 16,322 | 16,213 | 4,396 | 4,843 |
| Employees (No./reporting date) | 2,282 | 2,215 | 154 | 138 |

| Exchange equalisation items | Revaluation of pensions | Hedging Instruments | Total | Minority interest incorporated companies | Equity capital |
|--------------------------------|----------------------------|------------------------|---------|--|----------------|
| -427 | -2,257 | 369 | 154,645 | 11,855 | 166,500 |
| | | | -8,311 | -894 | -9,205 |
| | | | -800 | | -800 |
| | | | 841 | | 841 |
| | | | 0 | -187 | -187 |
| -171 | | -250 | 13,141 | 1,358 | 14,499 |
| | | | 0 | 109 | 109 |
| -598 | -2,257 | 119 | 159,516 | 12,241 | 171,757 |
| -672 | -2,079 | 143 | 164,203 | 12,401 | 176,604 |
| | | | -7,314 | -945 | -8,259 |
| | | | -829 | | -829 |
| | | | 792 | | 792 |
| | | | 437 | 110 | 547 |
| | | | 0 | 42 | 42 |
| 194 | -1,237 | -130 | 9,280 | 1,608 | 10,888 |
| | | | 0 | 1,191 | 1,191 |
| -478 | -3,316 | 13 | 166,569 | 14,407 | 180,976 |

| | GESCO AG | | Other/Consolidation | | Group | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | I.-III. Quarter 2014/2015 | I.-III. Quarter 2013/2014 | I.-III. Quarter 2014/2015 | I.-III. Quarter 2013/2014 | I.-III. Quarter 2014/2015 | I.-III. Quarter 2013/2014 |
| | 0 | 0 | 0 | 0 | 191,021 | 186,861 |
| | 0 | 0 | 265 | 283 | 340,038 | 325,211 |
| | 0 | 0 | 265 | 283 | 337,924 | 337,247 |
| | 0 | 0 | 0 | 0 | 0 | 0 |
| | 96 | 109 | 2,443 | 2,659 | 13,980 | 12,665 |
| | -3,628 | -3,122 | -3,134 | -3,251 | 20,414 | 24,254 |
| | 192 | 24 | 0 | 0 | 20,910 | 21,080 |
| | 18 | 15 | 0 | 0 | 2,454 | 2,368 |

EXPLANATORY NOTES

ACCOUNTS, ACCOUNTING AND VALUATION METHODS

The report of GESCO Group for the first nine months (1 April to 31 December 2014) of financial year 2014/2015 was prepared on the basis of the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB). It was drawn up in compliance with IAS 34.

The accounting and valuation principles applied generally correspond to those in the Group financial statements as at 31 March 2014. The financial statements are affected by the accounting and valuation methods as well as assumptions and estimates which affect the level and recognition of assets, liabilities and contingent liabilities on the balance sheet and of the income and expenditure items. Sales-related figures are accrued throughout the year.

CHANGES TO THE SCOPE OF CONSOLIDATION/ BUSINESS COMBINATIONS PURSUANT TO IFRS 3

MAE Eitel Inc., Orwigsburg/USA was included in the Group income statement for the first time in the first quarter of the current financial year, and is therefore included in the nine months of the present report. The company was already included in the Group balance sheet as at 31 March 2014.

In August 2014, the managing director of Frank Walz- und Schmiedetechnik GmbH acquired a 10% share in that company with retroactive effect as at 1 January 2014.

INFORMATION ON FINANCIAL INSTRUMENTS

The book values of the financial instruments are divided into the following classes:

| | Book value | | Fair value | |
|---------------------------------------|----------------|----------------|----------------|----------------|
| | 31.12.2014 | 31.03.2014 | 31.12.2014 | 31.03.2014 |
| Trade receivables | 65,450 | 65,517 | 65,450 | 65,517 |
| Other receivables | 7,683 | 7,427 | 7,683 | 7,427 |
| of which hedging instruments | 55 | 116 | 55 | 116 |
| Cash and cash equivalents | 35,026 | 38,815 | 35,026 | 38,815 |
| Assets held for sale | 1,501 | 0 | 1,501 | 0 |
| Financial assets | 109,660 | 111,759 | 109,660 | 111,759 |
| Trade creditors | 19,916 | 14,581 | 19,916 | 14,581 |
| Liabilities to financial institutions | 105,945 | 96,881 | 105,945 | 96,881 |
| Other liabilities | 57,377 | 56,983 | 57,377 | 56,983 |
| of which hedging instruments | 265 | 293 | 265 | 293 |
| Liabilities held for sale | 0 | 0 | 0 | 0 |
| Financial liabilities | 183,238 | 168,445 | 183,238 | 168,445 |

Hedging instruments at fair value are measured using the market price method, taking into account generally observable input parameters (such as exchange and interest rates). This method is the equivalent of Level 2 pursuant to IFRS 13.81 et seq.

RELATED PARTY TRANSACTIONS

Business relationships between fully consolidated and not fully consolidated companies within the Group are conducted under regular market terms and conditions. Receivables from related companies are mainly due from Connex SVT Inc., USA, and Frank Lemeeks Tow, Ukraine. Entrepreneur Stefan Heimöller, member of the Supervisory Board of GESCO AG, maintains business relationships to a minor extent with Dörrenberg Edelstahl GmbH, a 90 % subsidiary of GESCO AG, through his company Platestahl Umformtechnik GmbH. These business relationships are conducted under regular market terms and conditions.

FINANCIAL CALENDAR

13 February 2015

Figures for the first nine months (1 April to 31 December 2014)

25 June 2015

Annual Accounts Press Conference and Analysts' Meeting

14 August 2015

Figures for the first quarter (1 April to 30 June 2015)

18 August 2015

Annual General Meeting in the Stadthalle, Wuppertal

13 November 2015

Despatch of the interim report (1 April to 30 September 2015)

DEAR SHAREHOLDERS,

If you would like to receive regular information on GESCO AG, please add your name to our mailing list. Please print this page, fill it out and return it to us by post or fax. You can also register on our website www.gesco.de, send us an e-mail at info@gesco.de or call us on +49 202 24820-18.

CONTACT FOR SHAREHOLDERS

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E-mail info@gesco.de
Website www.gesco.de

First name/name: _____

Street/house number: _____

Zip code/City: _____

E-mail: _____

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