

Consolidated Statement of Profit or Loss (in million Euro)

Consolidated figures following IFRS accounting policies.

	FY 2017 Restated	FY 2018 2,247	Q4 2017 Restated	Q4 2018 Unaudited
Revenue	2,443	2,247	640	600
Cost of sales	(1,629)	(1,533)	(427)	(415)
Gross profit	814	713	213	185
Selling expenses	(336)	(321)	(81)	(81)
Administrative expenses	(169)	(172)	(43)	(44)
R&D expenses	(144)	(141)	(35)	(36)
Net impairment loss on trade and other receivables, including contract assets	(2)	(5)	(1)	(2)
Other operating income	68	56	19	11
Other operating expenses	(93)	(73)	(33)	(27)
Results from operating activities	138	59	39	6
Interest income	1	2	-	-
Interest expense	(8)	(10)	(2)	(3)
Interest income (expense) - net	(7)	(8)	(2)	(3)
Other finance income	10	5	1	3
Other finance expense	(42)	(36)	(10)	(8)
Other finance income (expense) - net	(32)	(31)	(9)	(6)
Net finance costs	(39)	(39)	(11)	(8)
Share of profit of associates, net of tax	(1)	(1)	(1)	-
Profit (loss) before income taxes	98	19	27	(2)
Income taxes	(53)	(34)	(31)	(21)
Profit (loss) for the period	45	(15)	(4)	(23)
Profit (loss) attributable to:				
Owners of the Company	37	(24)	(7)	(28)
Non-controlling interests	8	9	3	5
Results from operating activities	138	59	39	6
Restructuring and non-recurring items	(31)	(66)	(17)	(37)
Recurring EBIT	169	125	56	44
Earnings per share (Euro)	0.22	(0.14)	(0.04)	(0.16)

During 2018, the Group has consistently applied its accounting policies used in previous years, except for the presentation of the statement of profit or loss and comprehensive income that has changed resulting from the application of the new IFRS standard IFRS 9 'Financial Instruments'. According to this new standard the impairment losses on trade and other receivables are now shown on the face of the statement of profit or loss.

Consolidated Statements of Comprehensive Income for the year ending December 2017 / December 2018 (in million Euro)

Consolidated figures following IFRS accounting policies

	2017	2018
Profit / (loss) for the period	45	(15)
Other Comprehensive Income, net of tax		
Items that are or may be reclassified subsequently to profit or loss:		
Exchange differences:	(43)	(1)
Exchange differences on translation of foreign operations	(43)	(1)
Cash flow hedges:	9	(22)
Effective portion of changes in fair value of cash flow hedges	35	(18)
Changes in the fair value of cash flow hedges reclassified to profit or loss	(8)	(4)
Adjustments for amounts transferred to initial carrying amount of hedged items	(14)	(4)
Income taxes	(4)	4
Available-for-sale financial assets	1	-
Changes in the fair value of available-for-sale financial assets ¹	1	-
Items that will not be reclassified subsequently to profit and loss:	53	24
Equity investments at fair value through OCI – change in fair value ¹	-	(2)
Remeasurements of the net defined benefit liability	55	26
Income tax on remeasurements on the net defined benefit liability	(2)	-
Total other Comprehensive Income for the period, net of tax	20	1
Total Comprehensive Income for the period attributable to:	65	(14)
Owners of the Company	60	(23)
Non-controlling interests	5	9

¹ Following the introduction of the new IFRS standard IFRS 9 'Financial Instruments', the Group has adapted the presentation of the statement of comprehensive income. In this statement the change in fair value of equity instruments at fair value through OCI has shifted to 'items that will not be reclassified to profit or loss'.

Consolidated Statements of Comprehensive Income for the quarter ending December 2017 / December 2018 (in million Euro)

Consolidated figures following IFRS accounting policies

	Q4 2017	Q4 2018 Unaudited
Profit / (loss) for the period	(4)	(23)
Other Comprehensive Income, net of tax		
Items that are or may be reclassified subsequently to profit or loss:		
Exchange differences:	(8)	-
Exchange differences on translation of foreign operations	(8)	-
Cash flow hedges:	5	(8)
Effective portion of changes in fair value of cash flow hedges	14	(10)
Changes in the fair value of cash flow hedges reclassified to profit or loss	(4)	1
Adjustments for amounts transferred to initial carrying amount of hedged items	(4)	1
Income taxes	(1)	-
Available-for-sale financial assets	1	-
Changes in the fair value of available-for-sale financial assets ¹	1	-
Items that will not be reclassified subsequently to profit and loss:	53	26
Equity investments at fair value through OCI – change in fair value ¹	-	(1)
Remeasurements of the net defined benefit liability	55	26
Income tax on remeasurements on the net defined benefit liability	(2)	1
Total other Comprehensive Income for the period, net of tax	51	18
Total Comprehensive Income for the period attributable to:	47	(5)
Owners of the Company	45	(10)
Non-controlling interests	2	5

¹ Following the introduction of the new IFRS standard IFRS 9 'Financial Instruments', the Group has adapted the presentation of the statement of comprehensive income. In this statement the change in fair value of equity instruments at fair value through OCI has shifted to 'items that will not be reclassified to profit or loss'.

Consolidated Statement of Financial Position (in million Euro)

Consolidated figures following IFRS accounting policies.

	31/12/2017	01/01/2018 ⁽¹⁾	31/12/2018
<u>Non-current assets</u>	985	985	1,019
Intangible assets and Goodwill	589	589	615
Property, plant & equipment	190	190	174
Investments in associates	5	5	4
Other financial assets	11	11	9
Trade receivables	14	14	16
Receivables under finance leases	55	55	62
Other assets	6	6	24
Deferred tax assets	115	115	114
<u>Current assets</u>	1,248	1,248	1,348
Inventories	487	476	498
Trade receivables	503	419	420
Contract assets	-	105	105
Current income tax assets	63	63	71
Other tax receivables	23	23	25
Receivables under finance lease	30	30	30
Other receivables	14	14	14
Other current assets	44	34	34
Derivative financial instruments	16	16	1
Cash and cash equivalents	68	68	141
Non-current assets held for sale	-	-	10
<u>TOTAL ASSETS</u>	2,233	2,233	2,367

	31/12/2017	01/01/2018 ⁽¹⁾	31/12/2018
Total equity	307	307	290
Equity attributable to owners of the company	275	275	252
Share capital	187	187	187
Share premium	210	210	210
Retained earnings	878	878	854
Other reserves	(69)	(69)	(93)
Translation reserve	(8)	(8)	(9)
Post-employment benefits: remeasurements of the net defined benefit liability	(923)	(923)	(897)
Non-controlling interests	32	32	38
Non-current liabilities	1,241	1,241	1,336
Liabilities for post-employment and long-term termination benefit plans	1,149	1,149	1,066
Other employee benefits	13	13	13
Loans and borrowings	47	47	219
Provisions	5	5	9
Deferred tax liabilities	21	21	22
Trade payables	4	3	2
Contract liabilities	-	1	3
Other non-current liabilities	2	2	2
Current liabilities	685	685	741
Loans and borrowings	39	39	66
Provisions	66	49	52
Trade payables	220	220	217
Contract liabilities	-	145	163
Deferred revenue and advance payments received from customers	128	-	-
Current income tax liabilities	53	53	47
Other tax liabilities	34	34	27
Other payables	12	13	8
Employee benefits	128	128	134
Other current liabilities	3	2	13
Derivative financial instruments	2	2	13
TOTAL EQUITY AND LIABILITIES	2,233	2,233	2,367

1) During 2018, the Group has consistently applied its accounting policies used in previous years, except for the presentation of the balance sheet that has changed resulting from the application of the new IFRS-standard 15 'Revenue from Contracts with Customers'. The Group has adopted IFRS 15 using the cumulative effect method, with the effect of initially applying this standard recognized at the date of initial application, i.e. January 1, 2018. As a result, the Group will not apply the requirements of IFRS 15 to the comparative period presented. The new standard has introduced the concept of contract assets and contract liabilities. At December 31, 2017 these assets and liabilities were included in other captions of the balance sheet. At January 1, 2018 recognized not billed revenue amounting to 84 million Euro, previously comprised in trade receivables, has been reclassified to contract assets. Reclassifications from inventory to contract assets amounted to 11 million Euro and mainly comprised work in progress. The reclassification from other assets to contract assets amounted to 10 million Euro and related to contracts with a third party that provides supporting services enabling the Group to deliver maintenance services to the customers. On the liability side, contract liabilities at 1 January 2018 comprised 'Deferred revenue and advance payments received from customers' amounting to 128 million Euro, previously presented separately on the face of the balance sheet and bonuses and rebates related to goods and service purchased by customers during the period. The latter amounted to 17 million Euro and was previously presented as part of trade-related provisions.

	FY 2017 Restated ⁽¹⁾	FY 2018	Q4 2017 Restated ⁽¹⁾	Q4 2018 Unaudited
Profit (loss) for the period	45	(15)	(4)	(23)
Income taxes	53	34	25	21
Share of (profit)/loss of associates, net of tax	1	1	1	-
Net finance costs	39	39	17	8
Operating result	138	59	39	6
Depreciation, amortization and impairment losses	56	60	17	20
Recycling of hedge reserve	(8)	(4)	(4)	1
Government grants and subsidies	(10)	(14)	(3)	(1)
(Gains)/losses on the sale of intangible assets and PP&E	1	(2)	2	2
Expenses for defined benefit plans & long-term termination benefits	30	38	8	16
Accrued expenses for personnel commitments	110	93	27	19
Write-downs/reversal of write-downs on inventories	16	23	6	12
Impairments/reversal of impairments on receivables	2	5	1	2
Additions/reversals of provisions	13	30	5	15
Exchange results and changes in fair value of derivatives	(2)	(2)	(1)	1
Other non-cash expenses	153	168	42	67
Change in inventories	(41)	(57)	32	26
Change in trade receivables	(39)	(8)	(33)	(24)
Change in contract assets	-	4	-	21
Change in trade working capital assets ⁽²⁾	(80)	(61)	(1)	23
Change in trade payables	7	(4)	(3)	(25)
Change in deferred revenue and advance payments	(5)	-	(16)	-
Change in contract liabilities	-	25	-	(4)
Changes in trade working capital liabilities ⁽²⁾	2	21	(19)	(29)
Changes in trade working capital	(78)	(40)	(20)	(6)
Cash out for employee benefits	(199)	(209)	(58)	(54)
Cash out for provisions	(19)	(25)	(8)	(7)
Changes in lease portfolio	-	(11)	(2)	(1)
Changes in other working capital	11	(29)	21	(34)
Cash settled operating derivatives	-	13	-	(3)
Cash generated from operating activities	62	(14)	31	(11)
Income taxes paid	(22)	(30)	(8)	(14)
Net cash from / (used in) operating activities	40	(44)	23	(25)
Capital expenditure	(46)	(40)	(17)	(9)
Proceeds from sale of intangible assets and PP&E	6	5	3	(2)
Acquisition of subsidiaries, net of cash acquired	(2)	(25)	-	(5)
Interests received	1	3	-	1
Dividends received	-	-	-	-
Net cash from / (used in) investing activities	(41)	(57)	(14)	(16)

	FY 2017 Restated ⁽¹⁾	FY 2018	Q4 2017 Restated ⁽¹⁾	Q4 2018 Unaudited
Interests paid	(9)	(15)	(2)	(5)
Dividends paid to non-controlling interests	(10)	(3)	-	-
Proceeds from borrowings	-	227	-	96
Repayment of borrowings	(23)	(34)	(9)	-
Changes in borrowings	(23)	193	(9)	96
Proceeds / (payment) of derivatives	-	(1)	-	1
Other financing income / (costs) incurred	-	(2)	-	-
Other financial flows	(13)	2	(4)	-
Net cash from/ used in financing activities	(55)	175	(15)	92
Net increase / (decrease) in cash & cash equivalents	(56)	74	(6)	51
Cash & cash equivalents at the start of the period	127	67⁽³⁾		
Net increase / (decrease) in cash & cash equivalents	(56)	74		
Effect of exchange rate fluctuations on cash held	(3)	(5)		
Cash & cash equivalents at the end of the period	68	136⁽³⁾		

1) During 2018, the Group has changed the presentation of the Consolidated statement of cash flows by separating following non-cash expenses: write-downs on inventories, impairment losses on receivables, additions and reversals of provisions and accrued expenses for personnel commitments and defined benefit plans and similar plans. These other non-cash expenses were previously reflected in 'Changes in Trade Working Capital' and 'Changes in Provisions'. By this new presentation, management believes to provide more relevant information to the users of the Consolidated Financial Statements. Therefore, the Group has restated the comparative period presented.

2) During 2018, the Group has consistently applied its accounting policies used in previous year, except for the presentation of the consolidated statement of financial position and the consolidated statement of cash flows that both have changed resulting from the application of the new IFRS-standard 15 'Revenue from Contracts with Customers'. The Group has adopted IFRS 15 using the cumulative effect method, with the effect of initially applying this standard recognized at the date of initial application, i.e. January 1, 2018. As a result, the Group will not apply the requirements of IFRS 15 to the comparative period presented. Due to the changes in IFRS15, the cashflows on the different line items of the Trade Working Capital are not comparable with 2017 as the cash from / (used in) contract assets and contract liabilities for 2017 were reflected in the line items 'Changes in inventories', 'Changes in trade receivables' and 'Changes in other working capital'. More information is provided in footnote (1) to the Consolidated statement of financial position.

3) Net of bank overdraft previously included in proceeds / repayments of borrowings (December 31, 2017: 1 million Euro / December 31, 2018: 5 million Euro).

Consolidated Statement of changes in Equity (in million Euro)

Consolidated figures following IFRS accounting policies.

ATTRIBUTABLE TO OWNERS OF THE COMPANY											
in million Euro	Share capital	Share premium	Retained earnings	Reserve for own shares	Revaluation reserve	Hedging reserve	Remeasurements of the net defined benefit liability	Translation reserve	Total	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Balance at January 1, 2017	187	210	841	(82)	2	1	(976)	32	215	37	252
Comprehensive income for the period											
Profit (loss) for the period	-	-	37	-	-	-	-	-	37	8	45
Other comprehensive income, net of tax	-	-	-	-	1	9	53	(40)	23	(3)	20
Total comprehensive income for the period	-	-	37	-	1	9	53	(40)	60	5	65
Transactions with owners, recorded directly in equity											
Dividends	-	-	-	-	-	-	-	-	-	(10)	(10)
Total transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	(10)	(10)
Balance at December 31, 2017	187	210	878	(82)	3	10	(923)	(8)	275	32	307
Balance at January 1, 2018	187	210	878	(82)	3	10	(923)	(8)	275	32	307
Comprehensive income for the period											
Profit (loss) for the period	-	-	(24)	-	-	-	-	-	(24)	9	(15)
Other comprehensive income, net of tax	-	-	-	-	(2)	(22)	26	(1)	1	-	1
Total comprehensive income for the period	-	-	(24)	-	(2)	(22)	26	(1)	(23)	9	(14)
Transactions with owners, recorded directly in equity											
Dividends	-	-	-	-	-	-	-	-	-	(3)	(3)
Total transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	(3)	(3)
Balance at December 31, 2018	187	210	854	(82)	1	(12)	(897)	(9)	252	38	290