



Bergbau AG
coal illuminates life

Interim Report 2016



Group Key Figures

Balance Sheet Figures	30/06/2016 EUR thousand	30/06/2015 EUR thousand	30/06/2014 EUR thousand
Total assets	35,609	19,662	18,652
Non-current assets	3,135	1,754	548
Current assets	32,390	17,512	18,028
Shareholders' equity	3,840	3,338	3,278
Provisions	5,922	4,641	3,649
Liabilities	25,837	11,683	11,674

Income statement figures	2016 EUR thousand	2015 EUR thousand	2014 EUR thousand
Sales	78,165	52,079	69,058
EBITDA	436	332	849
Operating income (EBIT)	378	282	781
Net profit / loss	81	40	468

Financial Calendar (Status: September 2016)

	Expected publication date
Interim Report 2015	30 September 2016
End of the financial year	31 December 2016
Annual financial statements 2015	30 June 2017
Interim Report 2016	29 September 2017



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The English version of the interim report and the H1 consolidated financial statements 2016 of HMS Bergbau AG is a one-to-one translation. The English version is not audited; in the event of variances, the German version shall take precedence over the English translation.

Letter to the Shareholders

Dear Shareholders,

In the first six months of the current financial year, HMS Bergbau AG operated in a market environment that continued to be challenging. We were able to compensate for the still relatively low, yet consolidating, price levels on international commodity markets, mainly through a significant rise in trading volume. Not least, our global positioning – especially in South Africa, India and Indonesia – was instrumental in this success. Accordingly, the first half of 2016 was positive for HMS Bergbau AG and was essentially in line with the internal planning assumptions. As a result, HMS Group's total performance of EUR 78.6 million (previous year: EUR 52.4 million), which was characterised by strong trade business in Asia and Africa, was up around 50 % on the figure seen in the first six months of financial year 2015. In line with the significant increase in total performance, cost of materials also rose from EUR 49.6 million in the first half of 2015 to EUR 75.9 million. The increase in the cost of materials ratio in the reporting period can mainly be explained by higher freight and financing costs as well as higher trading volumes. All in all, however, we succeeded in generating earnings from ordinary activities on par with the previous year, bringing this figure to EUR 81.7 thousand in the first six months of financial year 2016 after EUR 107.5 thousand in the first half of 2015. Still, profit for the period increased slightly due to a lower tax burden, totalling EUR 81 thousand as of 30 June 2016 compared to EUR 40 thousand in the previous year. Total assets also rose compared to 31 December 2015 to EUR 35.6 million (31 December 2015: EUR 32.1 million). This was mainly due to the increase in advance payments and assets under construction as well as the reporting-date-related rise in trade receivables. With total assets of EUR 35.6 million, the equity ratio stood at 10.9 % (31 December 2015: 11.9 %).

Our activities in recent months focused on the significant increase in business volume and, once again, on improving HMS Bergbau AG's positioning in the strategically important markets and divisions for the Group. For example, HMS Bergbau AG achieved success in covering the value chain in the coal business – from mining and logistics to customer delivery – renewed marketing agreements with partners such as IchorCoal N.V. and concluded new supply contracts, especially in Asia. To expand its market position in South Africa, HMS Bergbau AG acquired 25.1 % of the shares in South Africa's Zamfin Capital (Pty) Ltd at the end of

June 2016. The investment gives HMS Bergbau Africa access to a new coal washing plant that is currently under construction and will enter into operation with a capacity of 350,000 tonnes per month beginning in 2017. The washing plant is located in the immediate vicinity of South Africa's largest power plant, offering the strategic advantages to match. We have also concluded an export-marketing agreement with Zamfin Group, the company that owns Zamfin Capital, plus we concluded a three-year coal sales agreement with an internationally operating customer in August of this year. HMS Bergbau Africa (Pty) Ltd will source the high-quality coal for export from the Usutu and Penumbra mines, which belong to the IchorCoal Group, and has secured the rights on the basis of an already concluded marketing agreement with IchorCoal. Through this high-volume contract in South Africa, HMS Bergbau AG is not only expanding its existing partnership with IchorCoal N.V., but is also underscoring its export and marketing strength on the international coal market.

We continue to focus on the coal business and on the expansion of trade to include other commodities, such as ores, fertilizers and cement products. These trading activities are set to become another pillar for HMS Bergbau AG in the medium term. In the process, HMS Bergbau AG is drawing on and opening up its existing expertise with regard to transport and logistics as well as its network, which has been cultivated over the years. It also intends to tap into new sourcing markets – especially in Asia, Africa and the Middle East – within the scope of this horizontal integration strategy. Through the planned expansion of its trading activities, HMS Bergbau AG is seeking to optimise the utilisation of its capacities and increase gross margins while diversifying risks.

All told, financial year 2016 is shaping up to be promising. The signs of a recovery on commodity markets seen in the second quarter of 2016 appear to be gaining stability. Incoming orders in the European market and the expansion of international trading volume are developing well. Despite relatively low prices and cautious customer markets as a result, HMS Bergbau AG has been able to further expand its position in Asia and South East Asia, where management continues to see considerable growth potential for overseas trade. Thanks to new business relationships, expansion has been particularly strong in India.

At the same time, we have entered new markets in the

Management & Supervisory Board

course of the vertical and horizontal integration, which should contribute to improved earnings in future and enable HMS Bergbau AG to profit in the long term from the positive trend emerging on commodities markets. Management therefore expects sales revenues to continue rising unchanged in the current financial year along with gradually higher gross margins, which will translate into a positive annual result for financial year 2016.

Berlin, im September 2016



Heinz Schernikau
CEO



Steffen Ewald
CFO

CEO



Heinz Schernikau is the CEO of HMS Bergbau AG and founded the Company in Berlin in 1995. He has been in the international coal trade since 1973 and his positions include advisor to the Board of leading coal producers in Asia and Europe. He has established extensive international contacts and places particular importance on achieving long-term business relationships, mutual trust and reliability.

CFO



Steffen Ewald is the CFO of HMS Bergbau AG. After graduating in business administration, Ewald began his career at a medium-sized, international power plant engineering company, rising through the ranks to become Commercial Manager. Before switching to HMS Bergbau AG, Ewald was responsible for Group Finance and Reporting at the German holding company of an international media corporation.

Supervisory Board

- ▲ Dr. Hans-Dieter Harig (Chairman)
- ▲ Dr. h.c. Michael Bärlein (Deputy Chairman)
- ▲ Michaela Schernikau (Member)

Macroeconomic Development

Global economic growth was modest in the first half of 2016, according to the Kiel Institute for the World Economy (Institut für Weltwirtschaft, IfW). At the start of 2016, global economic growth expectations were marked by the decline in the price of oil to the lowest stand in twelve years and weaker economic data from China. Despite a slight improvement in economic growth figures from China over the course of the year and the stabilisation of the oil price, growth expectations were negatively influenced by Brexit due to rising concerns about the stability of European banks and a potential departure from liberal trade policy as a result of the Brexit decision.

Whereas economic output stabilised in emerging markets, momentum slowed in advanced economies. China's growth rate of 6.7 % in the first half of 2016, which was on target for the full year, as well as the marked recovery in the Brazilian and Russian economies, which slipped into recession in 2015, proved decisive in the relatively good development in emerging markets. Advanced economies recorded a slower increase in economic power in the second quarter of 2016. The G-7 nations, for example, recorded growth of just 0.2 % in the second quarter of 2016, following 0.4 % in the first quarter. The failure of the expected economic recovery in the US to materialise played a particularly major role in this development.

Economic development also remained relatively moderate in the eurozone in the first half of 2016, falling to just 0.3 % on the heels of a 0.5 % rise in the first quarter. The German economy proved itself resilient once again, posting a GDP increase of 2.2 % in the first half of 2016. The IfW expects global economic growth to match the previous year's figure of 3.1 % in 2016 on the whole. The global economy is expected to grow by 3.5 % in 2017 and by 3.7 % in 2018. In the IfW's opinion, these rather moderate rises compared to the growth rates before the financial crisis will also continue in the medium term. The IfW predicts the global economy will grow by 3.3 % on average in 2019, falling to 3.1 % by 2021, according to this medium-term forecast. In spite of expansionary monetary and fiscal policy, geopolitical tensions and protectionist efforts such as Brexit are slowing economic development momentum in advanced economies. By contrast, economic performance in emerging markets is making an improved impression thanks to the stabilisation of the crude oil price and the slight improvement in China's economic outlook.

For the eurozone, the IfW expects economic output to rise by 1.6 % in 2016 as a whole. At 1.7 % and 1.8 %, the economic experts are forecasting only slightly higher growth rates in 2017 and 2018. The inflation rate is expected to pick up due to a rise in energy prices. In Germany, economic power will see a more moderate increase in the second half of the year, leading the IfW to forecast growth of around 1.9 percentage points for 2016 as a whole. Next year, that figure is set to decline slightly to 1.7 % due, in particular, to lower exports to the UK. An increase of 2.1 % is forecast for 2018.

Impact of Brexit

Significant turbulence on capital markets followed in the wake of the Brexit vote on 23 June 2016, yet it only took a few weeks to balance out the resulting losses. Although there has been no impact on the overall economy to date, the IfW believes that Brexit will start having a negative influence on the economy in the UK as early as the second half of 2016. The economic experts expect other economies to be impacted merely by way of trade with the UK, meaning that these influences are likely to be rather slight. However, the debate regarding a potential exit from the EU that the UK's decision has triggered in other countries and the scenario of a possible break-up of the EU could have a significant impact on economic development, especially in Europe.

Commodities

After reaching a low of around USD 30 per barrel of Brent at the start of 2016, the oil price entered into a recovery phase in February 2016. Unforeseen production stoppages, forest fires in Canada and political turbulence in Nigeria, an oil producing country, led the price to rise to more than USD 50, among other things. The IfW expects the price of oil to increase to USD 55 in 2016. The experts see the price of oil at a similar level in 2017 and 2018. In the medium term, the price of oil is slated to rise to around USD 58. At this price level, the production of crude oil from shale oil – as practised in the US and elsewhere – would once again be profitable, returning the focus to this form of production.

Many different resources have exceeded their low and have recorded a partially high price increase in summer 2016. According to a medium-term forecast by the IfW, commodity prices will pick up in the years ahead but will remain at a relatively moderate level.

Primary energy consumption

The expansion of the international trade in goods and the ever increasing production of goods have led to a sharp rise in global energy consumption, which has more than doubled in the last four decades alone. Due to the rise of renewable energy, among other factors, there has been a change not only in the absolute quantity of the respective sources of energy, but also in the energy mix.

The International Energy Agency forecasts that the need for primary energy will increase by around double the current figure of 321,000 billion kWh by 2060. These forecasts assume that the standard of living in emerging markets will have reached the level found in Western industrialised nations. According to experts in the World Energy Outlook, published annually, energy consumption in Africa, India, China, South East Asia and the Middle East is also expected to increase by one-third between 2015 and 2040.

Global consumption of primary energy grew by only 1.0 % in 2015, putting it well below the ten-year average growth figure of 1.9 %. The emerging markets accounted for 97 % of this growth. The OECD countries recorded only a minor rise in energy consumption levels in 2015. The growth in Europe was offset by declining primary energy consumption in the US and Japan. The rise in energy consumption slowed once again in China in 2015, but nevertheless saw the largest increase in primary energy consumption for the 15th

time in a row, while Russia recorded the largest drop.

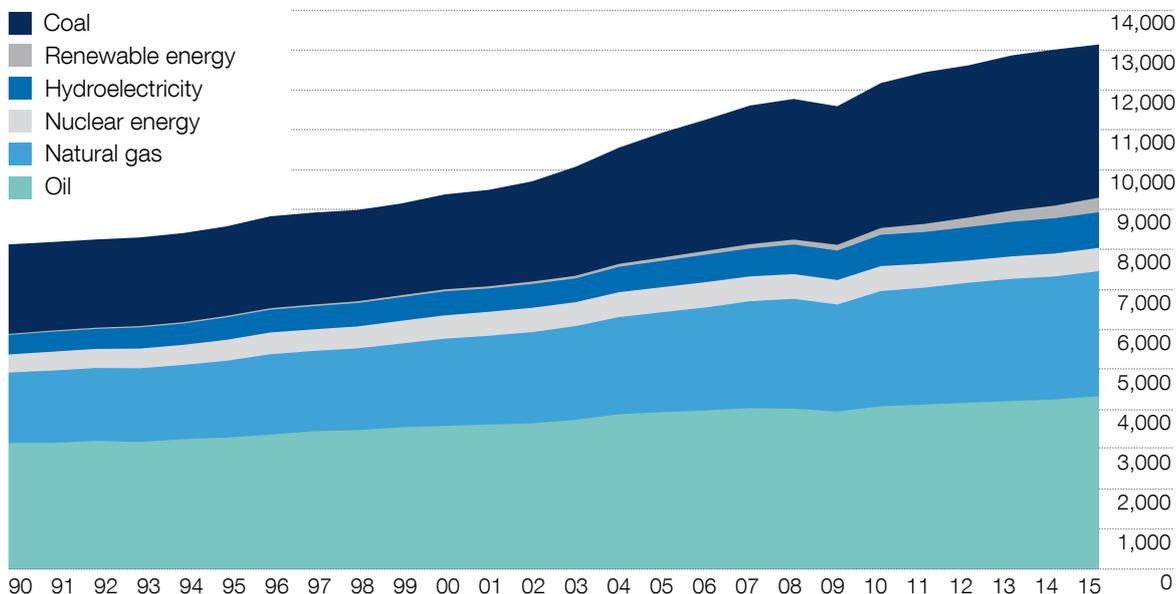
In 2015, consumption of oil and nuclear fuel increased at rates that were above average. As a result, the global share of oil with regard to primary energy consumption grew again slightly for the first time since 1999, accounting for approximately 32.9 % (previous year: 31 %). Now making up around 3 % of global primary energy consumption, the renewable energy sector continues to expand. The share of hydropower and other renewable fuels in power generation therefore reported record-high shares once again in primary energy.

While energy consumption in emerging markets expanded by around 1.6 % in 2015, this figure remained significantly below the ten-year average of 3.8 %. All the same, emerging markets now consume approximately 58.1 % of the energy produced worldwide. Growth of energy consumption in China slowed to just 1.5 %, while at 5.2 %, India recorded another hefty rise. OECD energy consumption saw a comparatively strong increase of 0.1 %, with the OECD reporting an average annual decline of 0.3 % over the last decade. At 1.6 %, the EU experienced an uncharacteristic rise in energy consumption, while the US witnessed a decline of 0.9 % and Japan a decline of 1.2 %. As a result of this development, Japan saw its lowest level of energy consumption since 1991.

The current World Energy Outlook 2015 from the International Energy Agency (IEA) forecasts global

Primary energy consumption worldwide

Million tons of oil equivalent



Source: BP Statistical Review of World Energy 2016, © 2016 BP p.l.c.

energy consumption to increase by around one-third between 2013 and 2040. According to this report, global demand is only expected to increase by 1 % per year starting in 2025, which is lower than the average rate of increase recorded in the past two decades, i.e. 2 % per year. This decrease can be explained by price and policy impacts as well as structural changes in the service sector and industry. Energy consumption in Europe, North America, Japan and South Korea will likely remain low, while Asia's share of global energy demand is expected to rise quickly up to 60 %. China will likely be the largest oil consumer by 2030 (2014: 520.3 million tonnes) and will have caught up with the US, currently holding the top spot (2014: 836.1 million tonnes) but whose oil consumption will decrease in future.

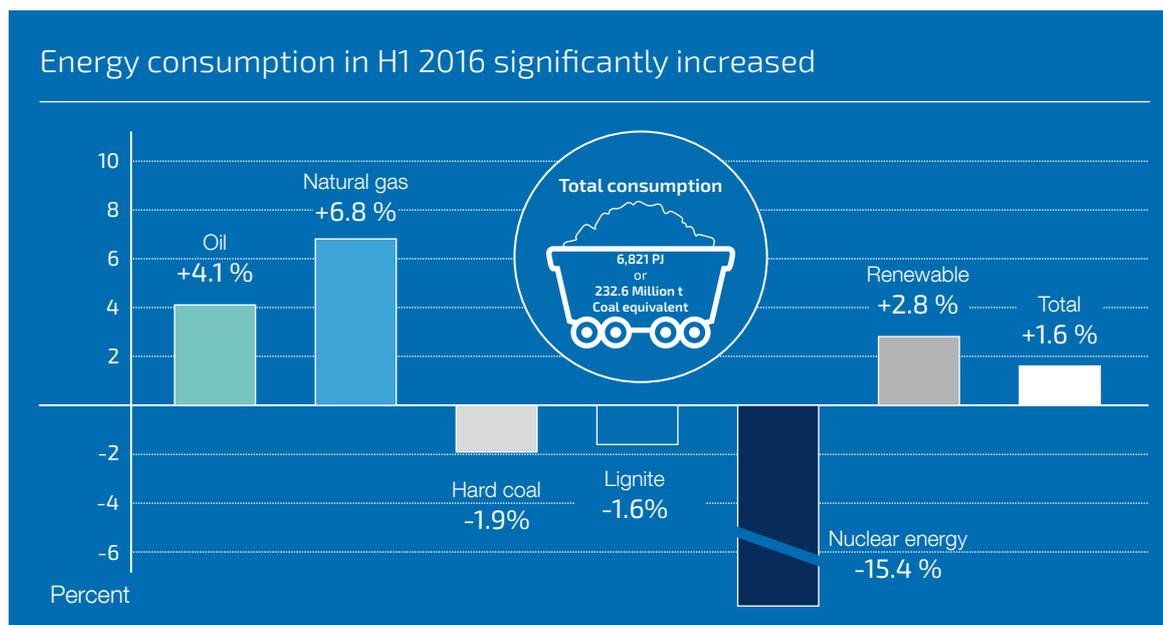
According to IEA forecasts, the energy mix in 2040 will be divided almost equally among four areas (oil, gas, coal and low CO₂-emitting energy sources). The demand for gas will increase by more than 50 % by 2040.

Growth rates in the global demand for coal will be lower compared to the last 30 years, i.e. 0.5 % per year, according to IEA estimates. In 2040, this will amount to an estimated 6,350 million tonnes of coal equivalents. Growth in the demand for coal is being capped (or declining) due to new environmental protection policies in the major markets – US and China – but also in Europe. Coal consumption, however, will continue to increase rapidly in India and South East Asia. In 2040, more than 70 % of global coal production will be consumed by China, India, Indonesia and Australia alone, which further emphasises the importance of Asia for global coal trading.

Primary energy consumption in Germany

Energy consumption in Germany increased year on year by 1.6 % in the first half of 2016, according to calculations by The Arbeitsgemeinschaft Energiebilanzen (AG Energiebilanzen) – Working Group on Energy Balances (Energy Balances Group). The main factors behind the rise were the cooler weather at the start of

the year and the extra day due to 2016 being a leap year, as well as economic and population growth. Natural gas, at almost 7 %, saw the strongest growth, followed by mineral oil at just over 4 % and renewable energy at nearly 3 %. By contrast, power generation using nuclear energy fell significantly by more than 15 %. Consumption of hard coal and lignite, on the other hand, was down only slightly to 1.9 % and 1.6 % respectively.



Source: AG Energiebilanzen e.V.

Trade

HMS Bergbau Group's successful international trading activities are characterised by stable business relationships with customers and suppliers, which are built on trust.

HMS Bergbau Group's main customers include power plant operators, steel and cement manufacturers. We also supply industrial companies, such as glassworks, paper factories and waste processing plants. Our customers include private companies as well as government entities originating from Asia, Europe, the Middle East and Africa.

HMS Bergbau Group cooperates with reliable and well-known producers, largely based in Russia, Poland, Indonesia, South Africa, as well as North and South America. In addition to this, we represent numerous international coal-producing companies. In this role, HMS Bergbau Group handles all their coal marketing activities in selected markets. HMS Bergbau is also a partner for the global distribution of IchorCoal production.

Vertical integration

We intend to secure a reliable supply for consumers in the long term by accessing resources and coal through marketing agreements with international suppliers. In addition to this, HMS Bergbau Group plans to mine its resources itself in future. This strategy is being systematically pursued in 2016.

At the end of June, HMS Bergbau AG acquired a 25.1 % stake in South Africa's Zamfin Capital (Pty) Ltd through its subsidiary HMS Bergbau Africa (Pty) Ltd. The acquisition gives HMS Bergbau Africa access to a new coal washing plant that is currently under construction and will enter into operation with a capacity of 350,000 tonnes per month in the Delmas region of South Africa in November 2016. The washing plant will be located in the immediate vicinity of South Africa's largest power plant. This transaction also saw the conclusion of an export-marketing agreement with Zamfin Group, the company that owns Zamfin Capital. By way of the acquisition, HMS Bergbau AG is strengthening its position in the strategically important Mpumalanga region in South

Africa and will be capable of placing additional volume in the desired quality on the domestic and export market.

With the conclusion of a new coal marketing agreement with Vunene Mining Pty. Ltd, which is majority owned by South Africa's IchorCoal Group, HMS Bergbau Group extended the existing cooperation and also gained access to additional mining operations of IchorCoal for export and domestic sales not associated with Eskom (largest power supplier in Africa), including the marketing of coal from the Usutu and Penumbra mines in Mpumalanga, South Africa. As in the previous year, export shipments are being handled by sea through Richards Bay Coal Terminal (RBCT) – the world's largest coal export terminal. The extension and expansion of the agreement regarding export marketing of the mining activities for the entire IchorCoal Group strengthens HMS Bergbau Group's position on the international coal market.

The wholly owned Group subsidiary Silesian Coal Sp. z o.o, which has already completed geological explorations of the Orzesze region in Silesia, is now ready to apply for the mining licence for the deposits that have been explored. It plans to exploit the Orzesze reserves of coal for power plants and coking by using the infrastructure available at the neighbouring Krupinski mine, which belongs to the JSW Group. With this development, HMS Bergbau Group intends to cover another step along the value chain. It would enable the cost-effective extraction of a reserve of more than 650 million tonnes with a relatively minor investment volume. This step would produce sustainable competitive advantages in the European market for HMS.

Horizontal integration

The expansion of global trade to include other commodities apart from coal, such as ores, fertilizers and cement products, is intended to become another key pillar for HMS Bergbau AG in the medium term. In this way, it will be possible to offer solutions for and meet the constantly growing demand for a wide range of different commodities from existing and new customers through HMS Bergbau structures. This strategy is being systematically pursued in financial year 2016. In the process, HMS Bergbau AG is drawing on and opening up its existing network, expertise that it has acquired over the years and its global transport options. At the same time, it is tapping into and continuing to further develop new sourcing markets – especially in Asia, Africa and the Middle East – within the scope of this horizontal integration strategy. Through the expansion of its activities,

HMS Bergbau AG seeks to optimise the utilisation of its capacities, to further diversify risks, to increase gross margins and, ultimately, to create competitive advantages.

Logistics

HMS Bergbau Group offers its customers and business partners a complete spectrum of services, from the timely supply of commodities to the organisation of the entire transport logistics process. The portfolio of services offered by our highly professional and experienced team covers shipping on demand, the organisation of domestic store transport, harbour procedures, warehousing management, coal processing and technical monitoring. For example, HMS Group organises all logistics needs for its partners in South Africa, from transport by lorry and rail to port handling, thereby ensuring a high level of supply security for its suppliers and customers.

Investor Relations

Development of capital markets

Global stock markets trended significantly downwards to a certain extent and were highly volatile at times in the first half of 2016. As a result, the DAX finished the first half of 2016 at 9,680 points, putting it around 10 % below where it ended in 2015. Alongside geopolitical events, such as the crisis in the Middle East, weaker global economic forecasts (particularly for Asia and Latin America), developments on commodity and oil markets, and weaker corporate earnings in recent times were decisive factors in this development. The UK's decision to leave the EU also led to price action on capital markets due to the uncertainties associated with this change.

While the major publicly traded companies represented on the DAX are receiving a great deal of attention, trading in small-caps is slowing constantly. Nevertheless, the Entry All Share Index, which reflects the performance of shares in listed small- and mid-caps such as HMS Bergbau AG, outperformed the DAX slightly in 2016. Shares in HMS Bergbau AG, however, posted weaker development in the first half of 2016 before returning in July 2016 to the good level seen in the previous year of EUR 8 or more. Since then, the performance of the HMS Bergbau share has been comparable with that of the DAX.

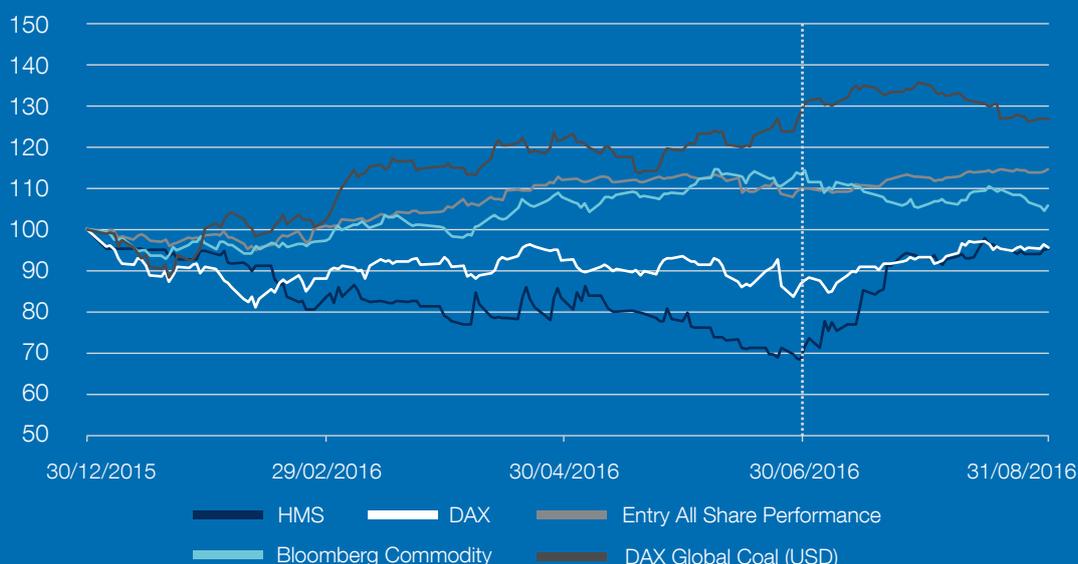
The price of crude oil – the main indicator for primary energy – has been rallying since February 2016, and the Bloomberg Commodity Index and the DAXGlobal Coal

Performance Index have also been posting positive development, buoyed by the slight improvement in global economic growth forecasts. The Kiel Institute for the World Economy (Institut für Weltwirtschaft, IfW) is forecasting global growth of 3.1 % in 2016 and 3.5 % in 2017. Having recovered in July 2016 to the price posted at the end of 2015, the development of HMS Bergbau AG was on par with the performance of the Bloomberg Commodity Index and the DAXGlobal Coal Index in August 2016.

HMS share performance

Shares in HMS Bergbau AG finished 2015 at EUR 8.45 (Xetra). With performance volatile at times, the price fell by around 30 % over the course of the first half of 2016. The share was trading at EUR 6.04 as of the reporting date (30 June 2016). The price of the HMS Bergbau share subsequently recovered significantly in July 2016, matching the previous year's price at over EUR 8. By the end of August 2016, the HMS Bergbau share was trading at EUR 8.06. Market capitalisation amounted to EUR 26.4 million as of the balance sheet date (30 June 2016) and EUR 35.2 million as of the end of August.

Performance of HMS-Bergbau share by June 30, 2016

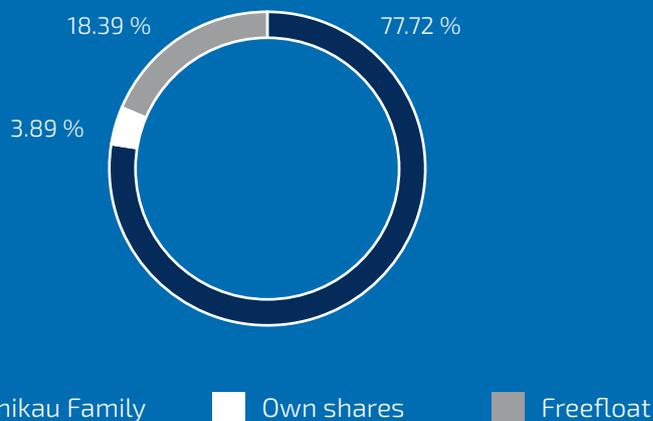


Shareholder structure

The share capital of HMS Bergbau AG as of 30 June 2016 consisted of 4,370,000 shares, each with a nominal value of EUR 1.00, and therefore totalled EUR

4,370,000.00. With a 77.72 % stake, the Schernikau family is the largest shareholder. HMS Bergbau AG holds 3.89 % as treasury shares, while 18.39 % is in free float.

Shareholder structure by June 30, 2016



Statutory shareholders' meeting 2016

This year's statutory shareholders' meeting of HMS Bergbau AG was held in Berlin on 11 August 2016. Items on the agenda included the approval of the Management Board's and Supervisory Board's actions, the selection of an auditor and a resolution on raising Supervisory Board remuneration. The shareholders approved all points on the agenda with a majority of 99.9 % of share capital present at the statutory shareholders' meeting.

In addition, the Company's website, which was completely redesigned and enhanced in 2015, also ensured transparency in shareholder communications. The Management Board also regularly meets with institutional investors, financial journalists and industry analysts to discuss the business model, prospects for the Company's future and other issues relevant to the capital markets.

Investor relations activities

Aside from the publication of financial reports, the Company's Management Board also regularly informs shareholders promptly and comprehensively of important matters by means of corporate news. All capital market-relevant information is published in both German and English, thereby exceeding the requirements of the Entry Standard.

Key share figures as of 30 June 2016

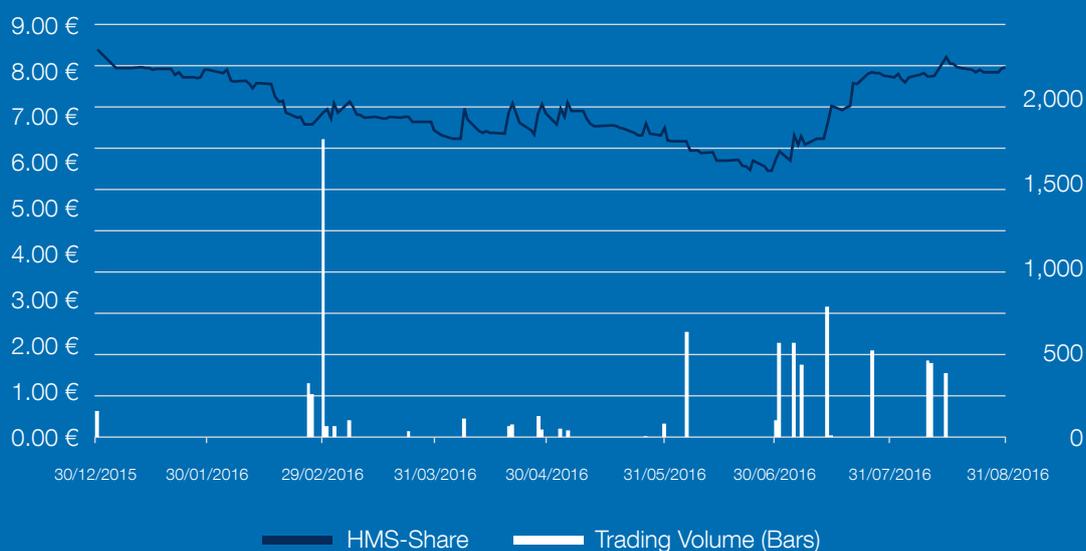
Basic Information

ISIN/WKN	DE0006061104/606110
Stock symbol	HMU
Bloomberg stock symbol	HMU GY
Reuters stock symbol	HMUG.DE
Market segment / Transparency level	Open Market / Entry Standard
Designated Sponsor / Listing partner	Oddo Seydler Bank AG
Investor Relations	GFEI Aktiengesellschaft
Share capital in EUR	4,370,000,00
Number of shares	4,370,000
Free float (in percent)	18.39 %

Performance information in EUR

Share price on 30 December 2015 (Xetra closing price)	8.45
Share price on 30 June 2016 (Xetra closing price)	6.04
Share price on 31 August 2016 (Xetra closing price)	8.06
Market capitalisation on 30 June 2016	26,394,800
Market capitalisation on 31 August 2016	35,222,200

Share price and trading volume by August 31, 2016



Management Report

Business development in the first half of 2016

HMS Bergbau AG is an international coal trading and marketing company that specialises in the reliable and just-in-time supply of commodities, especially steam coal, coking coal and solid fuels for power plants and other industrial consumers. As one of the leading commodity trading companies in Germany with decades of experience, extensive specialist expertise and an outstanding global network of contacts, particularly in Asia and South Africa, HMS Bergbau AG is on sound footing and has excellent prospects for growth.

HMS Bergbau Group is a globally operating group that trades in coal and energy commodities worldwide and supplies steam coal, coking coal and coking products to major international power plants, cement manufacturers and industrial consumers.

The following table shows the HMS Bergbau Group structure and its subsidiaries as of 30 June 2016:



Consolidated Results of Operations

Results of operations of HMS Group in the first half of 2016 compared to the same period in 2015 were as follows:

	30/06/2016		30/06/2015		Change	
	EUR	%	EUR	%	EUR	%
	thousand		thousand		thousand	
Revenues	78,165	100	52,079	100	26,086	50
Total performance	78,165	100	52,079	100	26,086	51
Cost of materials	75,935	97	49,577	95	26,358	53
Personnel costs	783	1	987	2	-204	-20
Depreciation and amortisation	58	0	49	0	9	18
Other operating expenses						
./. other operating earnings	1,010	1	1,183	2	-173	-14
Taxes (excluding income taxes)	1	0	1	0	0	0
Tax expenses	77,787	100	51,798	100	25,989	50
Operating result	378	1	282	1	96	34
Earnings from investment and financial result	-297		-175		122	70
Earnings before income taxes	81		106		-25	-88
Extraordinary expenses	0		-111		-111	-100
Income taxes	0		-45		-45	-100
Net profit	81		40		41	102,5

Results of operations of HMS Group for the first half of 2016 were significantly stronger compared to the same period in 2015. HMS Group's sales rose considerably from EUR 52.1 million to EUR 78.2 million, primarily on account of stabilising commodity prices and higher volume. In line with the rise in sales, the cost of materials also increased from EUR 49.6 million in the first half of 2015 to EUR 75.9 million. Personnel costs amounted to EUR 783 thousand in the first six months of 2016 compared to EUR 987 thousand in the previous year, despite higher business volume. This was mainly due to changes in personnel structure in Singapore and Indonesia.

earnings from ordinary activities of EUR 81.7 thousand following EUR 107.5 thousand in the first half of 2015. The higher cost of materials was responsible for the slight decline, as were higher freight and financing costs due to a rise in trading volumes.

As of 30 June 2016, HMS Group had generated positive

Group assets

Net assets of HMS Group as of 30 June 2016 compared to 31 December 2015 were as follows:

	30/06/2016 EUR thousand	%	31/12/2015 EUR thousand	%	Change EUR thousand	%
Assets						
Non-current assets	3,135	9	2,789	9	346	12
Inventories	31,259	88	19,637	61	11,622	59
Receivables	1,132	3	1,361	4	-229	-17
Cash and cash equivalents	83	0	8,315	26	-8,232	-99
Other assets	35,609	100	32,102	100	3,507	11
Capital						
Shareholders' equity	5,253	15	5,227	16	26	1
Own shares	-1,413	-4	-1,413	-4	0	0
Non-current liabilities	5,509	16	6,599	21	-1,090	-17
Current liabilities	26,260	74	21,689	68	4,571	21
	35,609	100	32,102	100	3,507	11

Total assets increased slightly to EUR 35.6 million (31 December 2015: EUR 32.1 million). This was mainly due to the increase in advance payments and assets under construction as well as the reporting-date-related rise in trade receivables to around EUR 31.3 million. Current assets increased accordingly to EUR 32.4 million (31 December 2015: EUR 29.3 million). Non-current assets amounted to EUR 3.1 million as of the balance sheet date, 30 June 2016, following EUR 2.8 million as of 31 December 2015.

On the equity and liabilities side, equity changed slightly by around EUR 26 thousand to EUR 3.8 million. Trade payables changed considerably and were up by EUR 2.8 million to EUR 16.7 million (31 December 2015: EUR 13.9 million). Liabilities to banks rose as of 30 June 2016 to EUR 5.3 million compared to EUR 3.3 million as of 31 December 2016.

Development in individual divisions

While the global population has more than doubled over the past 50 years, global energy consumption has

tripled in the same period of time. Further growth in the global population, rising per capita energy consumption and the potential of certain countries to consume more energy in the future point to a further increase in energy requirements. According to the International Energy Agency (IEA), non-OECD countries are setting the tempo of the energy markets on an increasing basis. Population and economic growth in these countries will make a major contribution to determining the dynamic of energy consumption over the next 25 years. As a result, experts are forecasting global energy consumption to rise by one-third by 2035. The largest energy consumer, China, will consume almost 70 % more energy than the US. Increases in energy requirements in India, Indonesia, Brazil and the Middle East are forecast to be even higher.

Despite the fact that the share of renewable energies in the global energy balance is set to increase by an estimated 2.5 % per year, the US Department of Energy predicts that approximately 80 % of global energy demand will be met by fossil fuels by 2040. Coal consumption will grow more quickly than demand for

crude oil beyond 2030. One major factor here is the huge demand for coal in China, India and other Asia coupled with a slowdown in the growth rate in terms of OECD member states' crude oil demand.

The strategic realignment of HMS Bergbau AG as a pure trading and marketing company in the commodities industry means that we possess unrivalled specialist expertise, decades of experience, a strong network of international contacts in this sector and a solid market position. Furthermore, we expect to conclude further exclusive marketing and representation contracts with renowned producers in addition to our existing contracts, thereby generating substantial growth in our core business over the next few years. The focus of our international expansion strategy is on Africa, India and Asia, the most important production and consumer markets in the world.

The following section contains further information concerning the individual divisions of HMS Bergbau AG:

Trade

HMS Bergbau Group's international trading in coal is characterised by relationships of trust with customers and suppliers. HMS Bergbau Group's principal customers include power plant operators and cement manufacturers. We also supply coal to steel manufacturers and industrial companies such as glassworks and paper factories. HMS Bergbau Group serves both the private and public sectors. We purchase coal from reliable major-name production and sales companies, largely based in Indonesia, South Africa, Russia, Poland, and North and South America.

HMS Bergbau Group's successful international trading activities are characterised by stable business relationships with customers and suppliers, which are built on trust.

HMS Bergbau Group's main customers include power plant operators, as well as steel and cement manufacturers. We also supply industrial companies, such as glassworks, paper factories and waste processing plants.

Our customers include private companies as well as government entities originating from Asia, Europe, the Middle East and Africa.

HMS Bergbau Group cooperates with reliable and well-known producers, largely based in Russia, Poland, Indonesia, South Africa, and North and South America. In addition to this, we represent numerous international coal-producing companies. In this role, HMS Bergbau Group handles all their coal marketing activities in selected markets. HMS is also a partner for the global distribution of IchorCoal production.

Horizontal integration

The expansion of global trade to include other commodities (apart from coal), such as ores, fertilizers and cement products, is intended to become another key pillar for HMS Bergbau AG in the medium term. In this way, it will be possible to offer solutions for and meet the constantly growing demand for a wide range of different commodities from existing and new customers through HMS structures. This strategy was already systematically pursued in financial year 2015. In the process, HMS Bergbau AG draws on and opens up its existing network, expertise that it has acquired over the years, as well as its global transport options. At the same time, it taps into and continues to further develop new sourcing markets – especially in Asia, Africa and the Middle East – within the scope of this horizontal integration strategy. Through the expansion of its activities, HMS Bergbau AG seeks to optimise the utilisation of its capacities, to further diversify risks, to increase gross margins and finally to create competitive advantages.

Logistics

HMS Bergbau Group offers its customers and business partners a complete spectrum of services, from the timely supply of commodities to the organisation of the entire transport logistics process. The portfolio of services offered by our highly professional and experienced teams covers shipping on demand, the organisation of domestic store transport, harbour procedures, warehousing management, coal processing and technical monitoring.

For example, HMS Group organises all logistics needs for its partners in South Africa, from transport by lorry and rail to port handling, thereby ensuring a high level of supply security for its suppliers and customers.

Events after the balance sheet date

No major events occurred after the balance sheet date.

Consolidated Balance Sheet as of 30/06/2016 (unaudited)

Assets

	EUR thousand	30/06/2016 EUR thousand	31/12/2015 EUR thousand
A. Non-current assets			
I. Intangible assets			
1. Licences, industrial property rights, similar rights and values and licences in such rights and values	11,434.58		15,220.53
2. Property, plant and equipment	130,296.76		155,515.49
		141,731.34	170,736.02
II. Property, plant and equipment			
1. Technical equipment and machinery	0.00		0.00
2. Other equipment, office and factory equipment	148,730.40		169,863.43
3. Deposits paid / plant under construction	2,698,026.41		2,423,515.31
		2,846,756.81	2,593,378.74
III. Financial assets			
Investments in associated companies	146,918.51		25,000.00
		3,135,406.66	2,789,114.76
B. Current assets			
I. Inventories			
1. Goods	0.00		0.00
		0.00	0.00
II. Receivables and other assets			
1. Trade receivables	21,731,398.50		19,636,968.07
2. Other assets	9,527,390.90		8,251,507.41
		31,258,789.40	27,888,475.48
III. Cash-in-hand and bank deposits			
Cash-in-hand and bank deposits	1,131,546.33		1,360,955.30
		32,390,335.73	29,249,430.78
C. Prepaid expenses		83,446.06	63,265.32
		35,609,188.45	32,101,810.86

Liabilities

		30/06/2016	31/12/2015
	EUR thousand	EUR thousand	EUR thousand
A. Shareholders' equity			
I. Subscribed capital		4,201,096.00	4,201,096.00
II. Capital reserve		3,906,305.88	3,906,305.88
III. Profit reserves			
1. Statutory reserve	5,112.92		5,112.92
2. Other profit reserves	273,158.45		273,158.45
		278,271.37	278,271.37
IV. Consolidated net profit/loss		-4,306,445.04	-4,387,475.77
V. Difference in equity due to currency conversion		-239,397.29	-184,691.03
		-4,545,842.33	-4,572,166.80
		3,839,830.92	3,813,506.45
B. Difference from capital consolidation			
		0.00	0.00
C. Provisions			
1. Pension provisions and similar obligations	5,508,629.84		6,599,218.00
2. Tax provisions	99,468.74		97,739.66
3. Other provisions	314,268.14		278,175.82
		5,922,366.72	6,975,133.48
D. Liabilities			
1. Liabilities to banks	5,251,158.53		3,337,331.52
2. Trade payables	16,680,428.94		13,882,274.91
3. Other liabilities	3,905,771.34		4,093,564.50
		25,837,358.81	21,313,170.93
E. Deferred income			
		9,632.00	0.00
		35,609,188.45	32,101,810.86

Consolidated Income Statement for the 1st half of fiscal year 01/01/2016 - 30/06/2016 (unaudited)

	01/01-30/06/2016 EUR thousand	01/01-30/06/2015 EUR thousand
1. Revenues	78,165	52,079
2. Changes in inventories	0.00	0.00
3. Other operating earnings	429	333
	78,594	52,412
4. Cost of materials		
Costs for raw materials and supplies and for goods purchased	-75,540	-49,374
Cost for services purchased	-396	-203
	-75,936	-49,577
5. Personnel costs		
a) Wages and salaries	-561	-705
b) Social security costs and pension support costs	-223	-282
	-783	-987
6. Depreciation and amortisation		
Amortisation of intangible assets and depreciation of property, plant and equipment	-58	-49
7. Other operating expenses	1,439	-1,516
8. Income from investments of associated companies	0.00	0.00
9. Other interest and similar earnings	26	162
10. Interest and similar expenses	-322	-337
11. Earnings from ordinary activities	82	107
12. Extraordinary expenses	0.00	-111
13. Income taxes	0.00	45
14. Other taxes	-1	-1
15. Net profit / loss	81	40
EBITDA	436	332
EBIT	378	282

Legal notice

The report includes forward-looking statements that reflect the current opinion of HMS Bergbau AG's management with regard to future events. Any statement contained in this report reflecting or building upon intentions, assumptions, expectations, forecasts and underlying assumptions is a forward-looking statement. These statements are based upon plans, estimates and forecasts that are currently available to HMS Bergbau AG's management. They therefore only refer to the day on which they were made. Forward-looking statements are naturally subject to risks and uncertainties, which could result in actual developments differing significantly from these forward-looking statements or events implied or expressed therein. HMS Bergbau AG does not assume any liability for such statements and does not intend to update such statements in view of new information or future events. This half-year report ("interim report") of HMS Bergbau AG does not represent annual financial statements in accordance with German commercial law and the regulations of the German Stock Corporation Act; no information or figures contained in this report have been subject to an official audit by an auditor. This report is for reference only within the scope of HMS Bergbau AG's disclosure obligations in accordance with the general terms and conditions of Deutsche Börse AG concerning OTC trading on the Frankfurt Stock Exchange.

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