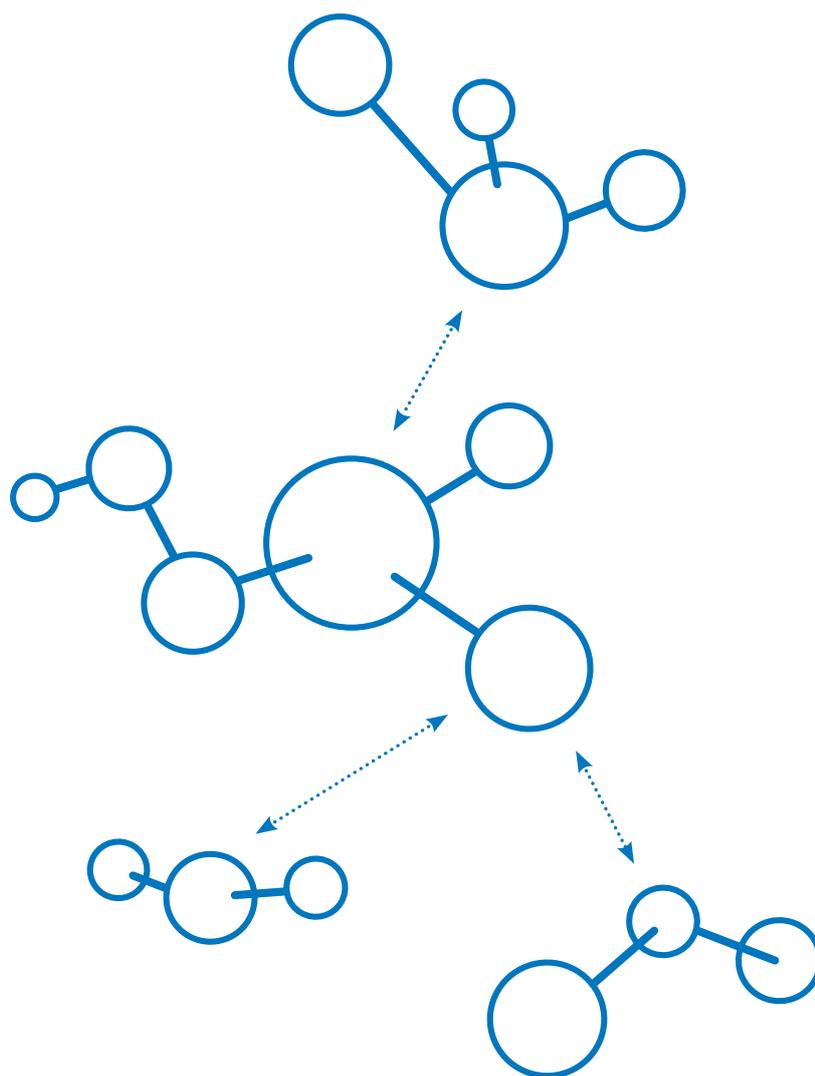


First Interim Report

of the H&R AG as at 31 March 2015



Our first quarter 2015

THE H&R GROUP IN FIGURES

IN € MILLION	1/1 to 31/3/2015	1/1 to 31/3/2014	Change in absolute terms
Sales	263.0	282.6	-19.6
Operating income (EBITDA)	15.5	7.7	7.8
EBIT	8.1	2.1	6.0
Pre-tax earnings	5.0	-1.6	6.6
Net income before minority interests	4.5	-1.1	5.6
Net income after minority interests	4.8	-1.1	5.9
Consolidated earnings per share (basic, in €)	0.13	-0.04	0.17
Operating cash flow	-3.0	-29.6	26.6
Free cash flow	-8.8	-32.5	23.7

IN € MILLION	31/3/2015	31/3/2014	Change in absolute terms
Balance sheet total	704.5	706.6	-2.1
Shareholders' equity	267.0	248.9	18.1
Equity ratio (in %)	37.9	35.2	2.7
Employees (absolute)	1.561	1.553	8

THE SEGMENTS IN FIGURES

IN € MILLION	Sales 1/1 to 31/3/2015	Sales 1/1 to 31/3/2014	EBITDA 1/1 to 31/3/2015	EBITDA 1/1 to 31/3/2014
Chemical-Pharmaceutical Raw Materials Refining The ChemPharm Refining Segment has two refineries in Hamburg and Salzbergen (Germany), which produce speciality products from crude oil.	168.2	219.3	9.8	5.5
Chemical-Pharmaceutical Raw Materials Sales The ChemPharmaceutical Sales Segment comprises the mixing and conversion plants abroad and our international sales activities.	82.1	53.3	6.1	3.4
Plastics The Plastics Segment manufactures high-precision plastic parts along with the associated tools and moulds.	15.3	14.1	0.3	-0.6
Reconciliation	-2.7	-4.0	-0.6	-0.6

Letter from the Executive Board

Dear Shareholders,
Dear Ladies and Gentlemen,
Dear Employees,

H&R started financial year 2015 with a good first quarter.

At the same time, the beginning of the year continued to be overshadowed by the ongoing weakness in the price of crude oil. The negative effects that we brought to your attention in March in the 2014 Annual Report carried over into January and February of 2015. However, unlike the situation at the end of 2014, the effects of the so-called “windfall losses” were more than offset by satisfactory margins and, above all, by a significant recovery in prices across our entire portfolio of primary products and by-products. Overall, we can look back on satisfactory business performance.

Due to raw-material prices, first-quarter sales revenues of €263.0 million were around 7% lower than the prior-year figure. At the same time, H&R AG significantly increased its profitability during the first quarter: year-on-year, the Group’s operating income (EBITDA) doubled to €15.5 million, while EBIT increased by €6.0 million to €8.1 million.

The improvement in profitability was also reflected in Group profit, which likewise was positive (€4.8 million).

Particularly gratifying is the fact that the trend was not driven by just a few subdivisions, but rather by a company that is stronger overall.

The Refining segment, which is benefiting from the aforementioned recovery in prices, significantly outpaced the performance in the first quarter of 2014. In the international Sales segment, the better results reflect the improvement in H&R AG’s position brought about by the inclusion of the Chinese businesses. The Plastics segment also turned the prior year’s loss into a positive contribution to earnings.

All things considered, this was a good start to financial year 2015 that enables us to be confident about the prospects for the year as a whole. For our investors, we are particularly pleased that the stock market has awarded our positive trend at the beginning of the year with a significant increase in our share price.

Nevertheless, although our confidence may be justified, we cannot rely on good markets, rising prices and more stable crude-oil prices alone. Too often, past experience has shown that companies which face market developments without making strategic plans or adopting approaches to ensure continuous improvement ultimately will not survive. H&R AG has been able to overcome the turmoil of the last few years by continuously adapting and reinventing itself.

We would like to express our special thanks to you, our dear shareholders, investors, business partners and employees, for accompanying us on this journey.

Kind regards,
Salzbergen, May 2015
The Executive Board



Niels H. Hansen
Chairman
of the Executive Board



Detlev Wösten
Member
of the Executive Board



Wolfgang Hartwig
Chief Financial Officer

Interim Management Report

- *Operating income (EBITDA) more than twice as high as in the first quarter of 2014*
- *Significant increase in earnings in the Refining segment*
- *Positive EBITDA trend in all three segments*
- *Outlook for 2015 confirmed*

INTERIM MANAGEMENT REPORT

3	Group structure
4	Subscribed capital and shareholder structure
5	Economic environment and important events
7	The share and share-price trend
8	Results of operations, financial position and net assets
13	Report on opportunities and risks
13	Research and development
13	Key events following the balance-sheet date
14	Outlook

Group structure

Sectors and organisational structure

The H&R Group organises its operating activities into two business divisions: the large Chemical-Pharmaceutical Division and the smaller Plastics Division.

At the same time, we have three operating segments: the ChemPharm Refining segment, the ChemPharm Sales segment and the Plastics segment.

Our biggest segment, Refining, includes the refineries in Hamburg-Neuhof and Salzbergen. The main products that we manufacture at these plants are crude-oil-based specialty products such as plasticizers, paraffins, white oils and base oils. Over 800 different products are created in the course of our production processes. They are used in more than 100 client industries.

Our Sales segment combines numerous blending facilities, further-processing facilities and distribution sites worldwide. The segment's main products include label-free plasticizers for the tire industry and wax emulsions for the building-materials industry.

The Plastics segment produces high-precision plastic parts and the molds needed to manufacture them. In addition to the headquarters in Coburg, we also operate production sites in Eastern Europe and Asia. While the automotive industry continues to be the Plastics segment's main customer, the medical technology industry and other industries are increasingly important customers as well.

For a detailed description of our company's position and organizational structure, please refer to the section of our 2014 Annual Report entitled "Group fundamentals", which begins on page 46.

Group's legal structure

As the Group's parent company, H&R AG is in charge of the strategic management of our business operations. It is responsible for communicating with the public and the capital markets, and for the Group's financing. In addition, various services are provided centrally for our subsidiaries. As well as generating synergistic effects for the Group, this enables the subsidiaries to concentrate fully on their business operations.

There have been no fundamental structural or organizational changes within the Group since the 2014 Annual Report was prepared. Because of the inclusion of the Chinese companies in September 2014, there were 35 consolidated subsidiaries as of 31 March 2015 (31 March 2014: 29).

Employees

As of 31 March 2015, the number of people employed by the H&R Group had increased by eight to 1,561 (31 December 2014: 1,553).

In the ChemPharm business segment, the headcount increased by 16, from 938 at year-end 2014 to 954 at the end of the first quarter of 2015. Compared to the first quarter of 2014 (801 employees), this segment added 153 employees.

While the number of employees in Germany rose by eight to 624, our Sales segment had 330 employees at the end of the quarter.

In the Plastics segment, headcount decreased by nine, reducing the number of employees from 590 at 31 December 2014 to 581.

As of 31 March 2015, our Other Activities employed 26 people (31 December 2014: 25 employees).

Subscribed capital and shareholder structure

Due to the September 2014 increase in capital through a contribution-in-kind, H&R AG's subscribed capital (share capital) as of 31 March 2015 of €91,572,769.63 is higher than in the previous year (€76,625,044.11). It is divided into 35,820,154 no-par bearer shares (31 March 2014: 29,973,112 shares). This corresponds to a notional value of €2.56 per share. There are no distinct classes of shares – only ordinary shares. Each of these shares entitles the holder to one vote.

According to the notification from Mr Nils Hansen dated 26 September 2014, his share of voting rights, held by H&R Beteiligung GmbH and attributable to Mr Nils Hansen via H&R Holding GmbH, was 41.89% on 25 September 2014 and therefore was below the 50% threshold on that date.

According to an informal notification on 11 December 2014, H&R Beteiligung GmbH's stake rose by 1.11%.

According to another notification from Mr Nils Hansen dated 26 September 2014, his share of voting rights, held by H&R Internationale Beteiligung GmbH and likewise attributable to Mr Nils Hansen, exceeded the 15% threshold on 25 September 2014 and amounted to 16.32% on that date.

According to the last informal notification received from Mr Nils Hansen, he personally held an additional 1.01% of the outstanding H&R shares as of end of Q1 2015.

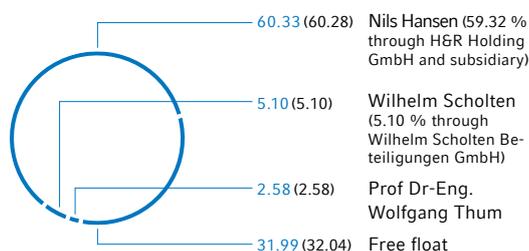
According to a notification on 2 April 2003 pursuant to the German Securities Trading Act (WpHG), on 28 March 2003, Mr Wilhelm Scholten held 6.65% of the voting rights via the company Wilhelm Scholten Beteiligungen GmbH, which is attributable to him. Following the dilution of voting rights caused by the conversion of preferred shares into ordinary shares in 2008, this corresponded to a notional stake of 6.08%. The increase in capital resulting from the use of approved capital diluted Mr Wilhelm Scholten's share of voting rights on 25 September 2014 to 5.10%. According to an informal notification, this share was unchanged on 31 December 2014.

According to a voting-rights notification dated 26 September 2014, Prof Wolfgang Thum (PhD in Engineering) held more than 2.58% of the voting rights in H&R AG on 26 September 2014. According to an informal notification, this also was equal to his share of voting rights at year-end 2014.

The remaining 31.99% of H&R shares were in free float as of 31 December 2014.

SHAREHOLDER STRUCTURE AS OF 31/3/2015

IN % (VALUES AT THE END OF THE PREVIOUS YEAR)



Economic environment and important events

Economic environment

Macroeconomic conditions

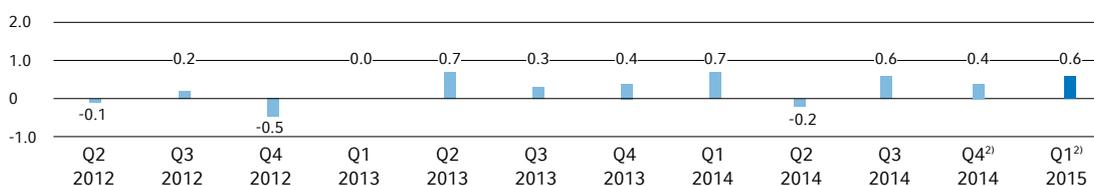
As of spring 2015, global economic conditions have changed considerably. The main parameters used back in the fall to forecast the global economic trend have changed due to the drop in the price of oil and significant shifts in exchange rates, especially among the big advanced economies. Nevertheless, the global economic trend is more or less as expected, so experts at the Institute for the World Economy in Kiel have basically reaffirmed their assumptions. In all likelihood, therefore, global output is expected to increase from 3.5% in 2014 to 3.7% in 2015 and 4.0% in 2016. Higher growth rates are expected primarily in the advanced economies.

According to the Kiel researchers, Germany is “currently on the sunny side of the business cycle”. Economic performance is expected to increase by 1.8% this year and by 2.0% next year. Consumer spending and investments in residential construction by private households have had a stimulative effect. Higher real disposable incomes, plus strong employment figures and significantly higher benefits, mean that personal consumer spending is expected to be higher this year than at any time since the beginning of the 1990s. Next year, company investments should increase, forming the second pillar of the economic recovery.

At the beginning of the year, crude-oil prices (all data refer to the average price for a barrel of North Sea Brent) once again fell below USD 50, only recovering to a level of around USD 60 in the second half of the quarter.

ECONOMIC GROWTH IN GERMANY¹⁾

IN %, SOURCE: ECONOMIC BAROMETER OF THE GERMAN ECONOMIC RESEARCH INSTITUTE (DIW)/AUTUMN FORECAST



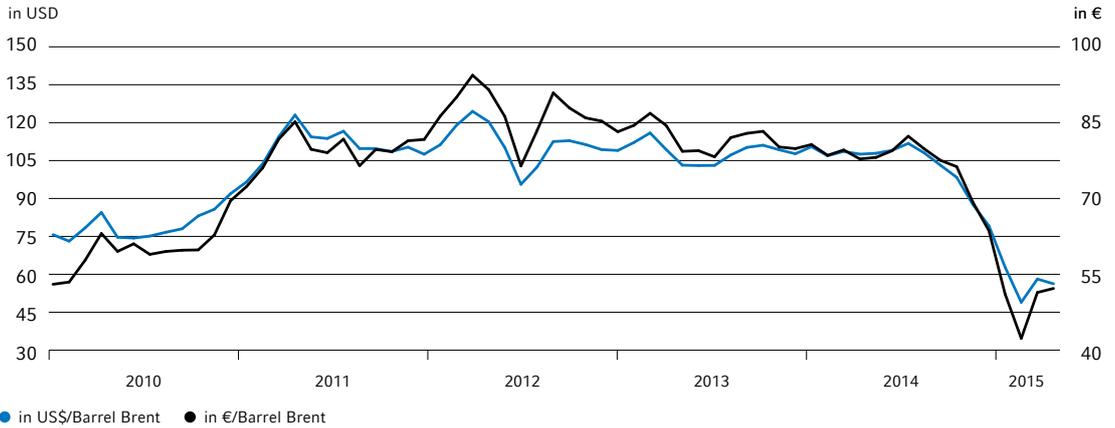
¹⁾ Gross domestic product (price-, season- and calendar adjusted).

²⁾ Estimate.

Economic environment and important events
Economic environment

OIL PRICES 2010 TO 2014

(AVERAGE MONTHLY PRICES)



Industry-specific climate

During the first quarter of 2015, low oil prices lowered business expectations in the chemical sector.

Germany’s third-biggest industry expects sales to decline slightly during the current financial year. As recently as December, the Chemical Industry Association (VCI) had raised the prospect of a 1.5% increase in sales revenues. However, this decrease does not reflect the chemicals business, but instead is attributable exclusively to the price effect. The VCI expects chemical prices to drop by a projected 2.0% overall. By contrast, chemicals production should increase by 1.5% in 2015.

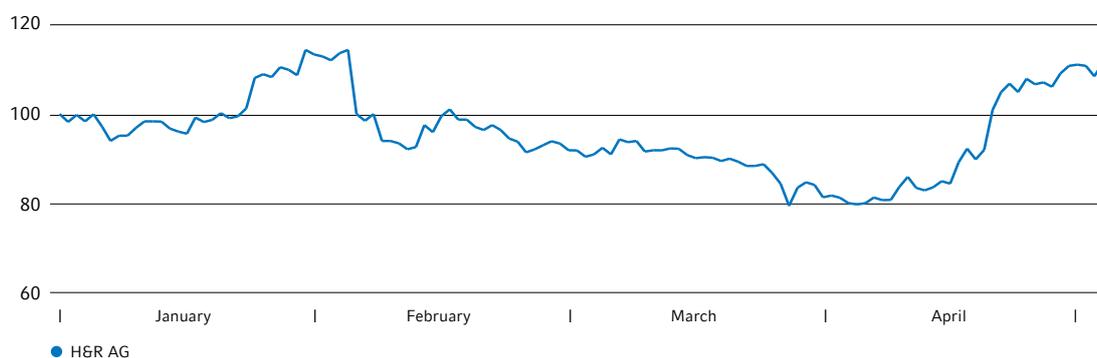
The share and share-price trend

At the end of 2014/beginning of 2015, investors initially took a wait-and-see approach; then, during the first quarter, European shares significantly outperformed U.S. equities. This was driven primarily by the European Central Bank's decision to launch its bond-buying program and by improved economic data from the Eurozone. The European share indices broke out of their 2014 sideways oscillation, reaching new multi-year highs. Germany's equity markets were among the best, with the DAX and MDAX both increasing by 22% to achieve new record-high levels. In mid-March, the DAX reached a high of over 12,200 points, ending the quarter just slightly below the 12,000 mark.

Initially, H&R's share continued to be unfazed by this good performance. The share price was unable to withstand the strong pressure following publication of the profit warning in December 2014, starting a downward trend from the level of €7.50 that only bottomed out at €5.85 in mid-March. The share price had recovered slightly by the end of the quarter and was trading at €5.95. The shares started the second quarter significantly stronger, climbing above the €7.00 mark and holding there. Trading was driven primarily by publication of the preliminary results for the first quarter of 2015, which pushed the closing price as high as €8.00.

PERFORMANCE OF THE H&R SHARE

(INDEX 2/1/2015=100)



Analysts' coverage of the H&R share in the spring of 2015 was mixed: On the one hand, analysts adhered to their „Hold” recommendation for H&R shares, but set a higher target price. Currently, two analysts have issued a clear “Buy” recommendation for H&R shares, with double-digit share-price targets.

In the first quarter of 2015, investors, analysts and private investors increasingly took advantage of the opportunity to learn more about H&R AG from Investor Relations by telephone and email. In addition, analysts and investors visited us at our refinery in Hamburg in order to get a first-hand impression of our biggest production facility.

KEY SHARE DATA

	1/1 to 31/3/2015	1/1 to 31/3/2014	Change in absolute terms
Number of shares on 31 March	35,820,154	29,973,112	5,847,042
Earnings per share in €	0.13	-0.04	0.17
Highest price for the year in € ¹⁾	7.94	9.37	-1.43
Lowest price for the year in € ¹⁾	5.86	7.66	-1.80
Price on 31 March in € ¹⁾	5.95	7.84	-1.89
Market capitalisation on 31 March in € Mio.¹⁾	213.2	235.0	-21.8

¹⁾ In each case XETRA closing price.

Results of operations, financial position and net assets

Results of operations

During the first three months of financial year 2015, our consolidated sales totaled €263.0 million, 6.9% lower than in the prior-year quarter (first quarter of 2014: €282.6 million). The decline was mainly attributable to lower raw-material costs.

By far the biggest contribution to sales revenues (94.2%) again came from our Chemical-Pharmaceutical division, which is composed of the Refining and Sales segments. Sales from the two segments amounted to €247.6 million. This year, the businesses in our Plastics division contributed a higher percentage of total sales (5.8%, or €15.3 million).

The regional focus of our business activities remains on Germany, where 58% of sales revenues were generated. This percentage includes transactions with our sales partner – the Hansen & Rosenthal Group – which in turn generates a large proportion of its sales abroad. The actual percentage of products purchased by foreign end customers is therefore higher than our statistics suggest.

Of the remaining 42% of sales revenues, other European countries account for 12 percentage points, while the rest of the world accounts for 30%.

In the first three months of financial year 2015, the H&R Group doubled its operating income (EBITDA) to €15.5 million (first quarter of 2014: €7.7 million). This was primarily due to a significant improvement in the price situation: H&R AG

managed to strengthen its competitive position across its entire product line. In the previous year, by-products came under pressure at the beginning of the year, negatively impacting first-quarter results.

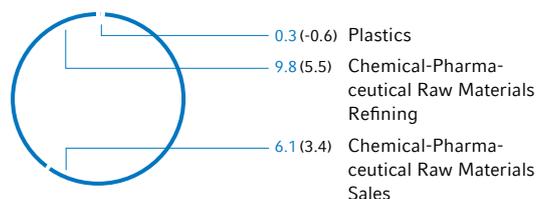
Consolidated earnings before interest and taxes and after depreciation and amortization (EBIT) improved to €8.1 million (first quarter of 2014: €2.1 million).

A stronger trend was also visible in earnings before taxes (EBT), which jumped by more than €6.6 million from €-1.6 million in the first three months of 2014 to €5.0 million in the first quarter of 2015.

After a consolidated net loss after minority interests of €-1.1 million in the first quarter of 2014, H&R AG posted positive net income of €4.8 million for the first quarter of 2015. Earnings per share recovered from €-0.04 in the first three months of 2014 to €0.13.

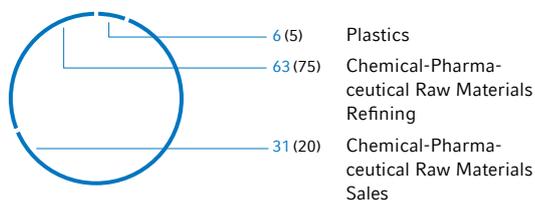
OPERATING RESULT BY SEGMENT IN 1ST QUARTER 2015

IN € MILLION (1ST QUARTER OF 2014)



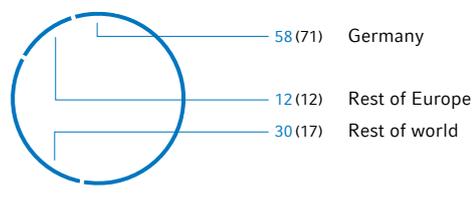
SALES BY SEGMENT IN 1ST QUARTER 2015

IN % (1ST QUARTER OF 2014)



SALES BY REGION IN 1ST QUARTER 2015

IN % (1ST QUARTER OF 2014)

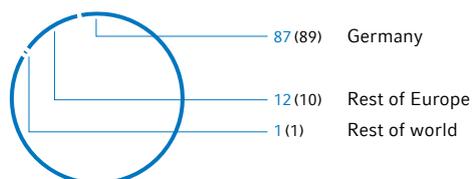


SALES AND EARNINGS DEVELOPMENT

IN € MILLION	1/1 to 31/3/2015	1/1 to 31/3/2014	Change in absolute terms
Sales	263.0	282.6	-19.6
Operating result (EBITDA)	15.5	7.7	7.8
EBIT	8.1	2.1	6.0
Earnings before taxes	5.0	-1.6	6.6
Net income after minority interests	4.8	-1.1	5.9
Consolidated earnings per share (basic, in €)	0.13	-0.04	0.17

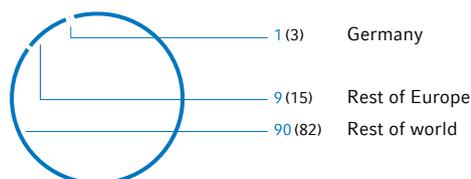
SALES BY REGION IN THE CHEMPHARM REFINING SEGMENT IN 1ST QUARTER 2015

IN % (1ST QUARTER OF 2014)



SALES BY REGION IN THE CHEMPHARM SALES SEGMENT IN 1ST QUARTER 2015

IN % (1ST QUARTER OF 2014)



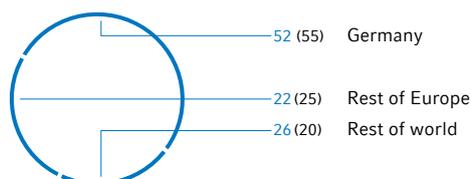
CHEMPHARM REFINING. Sales by the Group's biggest segment dropped 23.3% to €168.2 million in the first three months of 2015 (first quarter of 2014: €219.3 million). This decline was mainly attributable to lower prices for the raw materials we use. At the beginning of the year, the price of crude oil fell further, resulting in „windfall losses“ for the Hamburg refinery in the first quarter, as already described in detail in the Annual Report. Nevertheless, thanks to acceptable margins and noticeably better product prices, the segment's operating income (EBITDA) improved to €9.8 million (first quarter of 2014: €5.5 million). In particular, it gained substantial momentum in the second half of the quarter.

CHEMPHARM SALES. Sales in the international segment jumped 54.0% to €82.1 million (first quarter of 2014: €53.3 million) thanks to the take-over of the Chinese businesses effective September 2014. The Chinese businesses, which were not included at all in the first quarter 2014, have been contributing to sales and earnings since the first day of 2015. Overall, the Sales segment reported €6.1 million of operating income (EBITDA), compared to €3.4 million during the prior-year period. Although our subsidiaries' earnings contributions were mixed, overall the segment remained fully within our projected range.

Results of operations, financial position and net assets
Results of operations

SALES BY REGION IN THE PLASTICS SEGMENT
IN 1ST QUARTER 2015

IN % (1ST QUARTER OF 2014)



PLASTICS. The Plastics segment's contribution to sales (€15.3 million) was 8.5% higher than in the previous year (first quarter of 2014: €14.1 million). The increase was driven primarily by Germany. The segment's operating earnings (EBITDA) also recovered, replacing a loss of €-0.6 million in the first three months of financial year 2014 with €0.3 million of earnings in the first quarter of 2015. Here, too, the recovery was driven primarily by the contribution from the German businesses.

Orders trend

The Chemical-Pharmaceutical Raw Materials division reported a robust level of incoming orders in the first quarter of 2015.

In the Plastics division, we posted higher orders for the plastic parts and toolmaking business areas. By the end of the reporting period, the order book stood at €35.4, 8.3% higher than the comparable prior-year figure (31 March 2014: €32.7 million).

Trends in the main items on the income statement

As a result of the decline in sales revenues caused by the lower price of raw materials, our cost of materials dropped by 21.3% to €186.2 million during the first three months of financial year 2015 (first quarter of 2014: €236.6 million). The material expense ratio also declined slightly, from 85.2% in the prior-year period to 79.2%.

Thanks to the larger number of consolidated subsidiaries, personnel expenses increased 13.3% from €17.3 million in the first quarter of 2014 to €19.6 million in the first three months of financial year 2015. Depreciation and amortization increased from €5.6 million in the first three months of 2014 to €7.4 million during the period under review – also primarily because of the Chinese businesses.

With interest costs of €3.5 million, which were virtually identical to those of the same quarter of the previous year, and slightly improved financial results of €379 thousand (Q1 2014: €-218 thousand), interest income, at €-3.4 million, virtually reached the previous year's figure of €-3.5 million.

Overall, H&R AG posted consolidated net income after minority interests of €4.8 million, an improvement of €5.9 million over the result for the prior-year quarter (first quarter of 2014: €-1.1 million).

Net assets and financial position

Analysis of the cash flow statement

During the first three months of 2015, cash used in operating activities totaled €-3.0 million (first quarter of 2014: €-29.6 million). Depreciation increased in the course of China-related activities, from the previous year's €5.6 million to the current €7.4 million. Changes in Net Working Capital were due to our active management of raw material financing and involved a considerable reduction on the other hand, resulting in a total of €16.4 million at the end of Q1 2015 (31 March 2014: €33.4 million).

Just as in the first quarter of 2014, the period under review saw us invest mainly in minor modernization measures. On balance the outflows amounted to €5.9 million (Q1 2014: €2.9 million), attributable largely to project orders already awarded in the final quarter of 2014.

Free cash flow (the sum of cash flow from investing and operating activities) recovered somewhat as a result of improvements affecting operating activities, to reach €-8.8 million, after the €-32.5 million of Q1 2014.

Net cash used in financing activities was significantly higher, at €-10.9 million (first quarter of 2014: €-5.0 million). Higher repayments of financial liabilities were offset by incoming payments from newly contracted financial liabilities.

Based on a lower financing fund at the start of the period of €101.6 million (2014: €109.6 million), our liquidity was reduced to €89.5 million by the end of March 2015 (March 31 2014: €72.5 million).

The H&R Group's long-term liquidity continues to be guaranteed by the available cash and cash equivalents and the credit lines granted to us.

Balance-sheet analysis

The H&R Group's total assets decreased by 0.3% to €704.5 million at the end of the first quarter of 2015 (31 December 2014: €706.6 million).

On the assets side, cash and cash equivalents decreased 11.9% to €89.5 million from €101.6 million at the end of 2014. Trade receivables increased 17.4% to €124.0 million at the end of the reporting period; the figure at the end of the year primarily reflected the low level of business during the "short" December (31 December 2014: €105.6 million).

By contrast, inventories dropped by 13.6% to €115.9 million (31 December 2014: €134.2 million). Overall, current assets declined 3.2% to €342.6 million (31 December 2014: €353.9 million); as a proportion of total assets, they decreased from 50.1% to 48.6%.

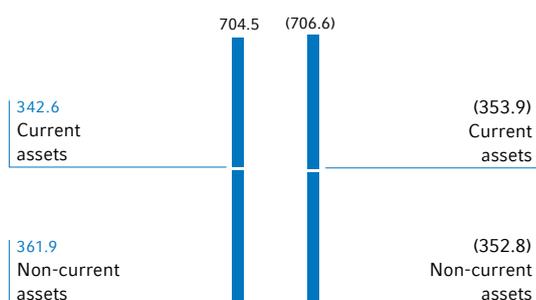
FINANCIAL POSITION

IN € MILLION	1/1 to 31/3/2015	1/3 to 31/3/2014
Cash flow from operating activities	-3.0	-29.6
Cash flow from investing activities	-5.9	-2.9
Free cash flow	-8.8	-32.5
Cash flow from financing activities	-10.9	-5.0
Financial resources as of 31/3	89.5	72.5

Results of operations, financial position and net assets
 Net assets and financial position

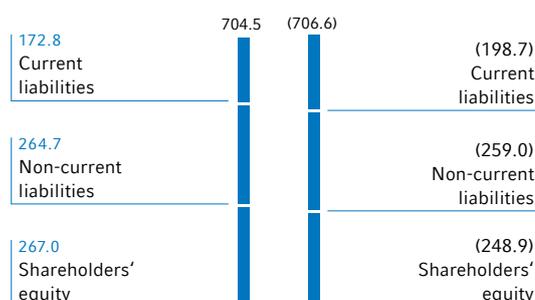
ASSETS 2015

IN € MILLION (1ST QUARTER OF 2014)



SHAREHOLDERS' EQUITY AND LIABILITIES 2015

IN € MILLION (1ST QUARTER OF 2014)



Non-current assets rose from €352.8 million at year-end to €361.9 million. As a percentage of total assets, they increased accordingly from 49.9% at 31 December 2014 to 51.4% at the end of the reporting period.

On the liabilities side of the balance sheet, current liabilities fell to €172.8 million (31 December 2014: €198.7 million) due to our active management of raw material financing. In addition to a €29.1 million drop in trade payables from €112.4 million at 31 December 2014 to €83.3 million at 31 March 2015, liabilities to banks (€49.9 million) and other financial liabilities (€10.6 million) were also lower (compared to €52.0 million and €12.8 million, respectively, at the end of 2014). As a percentage of total shareholders' equity and liabilities, current liabilities decreased from 28.1% at the end of 2014 to 24.5% at the end of the first quarter of 2015.

Non-current liabilities stood at €264.7 million, higher than the year-end figure (31 December 2014: €259.0 million). This represented an increase from 36.7% of total shareholders' equity and liabilities on 31 December 2014 to 37.6% on 31 March 2015.

Retained earnings, including consolidated net income, declined 2.3% to €72.1 million (31 December 2014: €73.8 million). By contrast, thanks to currency-translation effects following the weak Euro and totaling €15.5 million, shareholders' equity increased 7.3% (or €18.1 million) above the year-end 2014 level to €267.0 million. Despite the marginally lower total shareholders' equity and liabilities figure, this represents an increase in the equity ratio to 37.9% (31 December 2014: 35.2%).

There have been no material changes in off-balance-sheet assets since year-end 2014, nor have any new off-balance-sheet financing instruments been used. There were no acquisitions or disposals of companies in the reporting period.

Report on opportunities and risks

Please refer to page 92 of our 2014 Annual Report for a discussion of the potential opportunities of the H&R Group. A description of the opportunity-management system can be found on page 85 of the Annual Report. For a description of existing

risks and the risk-management system, please consult pages 83 to 92 of the 2014 Annual Report. In the Executive Board's view, there continue to be no risks of a magnitude that could jeopardize the existence of the company as a going concern.

Research and development

During the reporting period, our research and development (R&D) expenditures totaled €506 thousand (first quarter of 2014: €422 thousand). Despite lower sales revenues, the R&D ratio (the ratio of R&D expenditures to sales revenues) stood at 0.19% (first quarter of 2014: 0.15%).

Employees in our R&D department focused their work in the Chemical-Pharmaceutical business segment on further developments of paraffin,

plasticizer and white-oil products and other crude-oil-based specialty products. In addition, we continued our intensive research into processes that can increase added value in our production processes.

In the Plastics segment, we concentrated primarily on the development of innovative plastic parts for the automotive, medical-technology and other industries.

Key events following the balance-sheet date

Between 31 March 2015 and the editorial deadline for this Report, there were no events with a material impact on the net assets, financial position or results of operations.

Outlook

Global economic conditions have changed considerably. The main parameters affecting the economic trend have recently changed, as evidenced by the drop in the price of oil and significant shifts in exchange rates among the big advanced economies. Nevertheless, in recent quarters, the global economic trend has been in line with expectations, so experts at the Institute for the World Economy in Kiel (IfW) have reaffirmed their forecasts. They expect global output to increase from 3.5% in 2014 to 3.7% in 2015 and 4.0% in 2016. Higher growth rates are expected primarily in the advanced economies. Emerging economies should benefit from stronger demand in the advanced economies, but at the same time the general trend indicates that the expansion rate in China may continue to slow.

In the Eurozone, the economic situation has further improved in recent months. However, experts at the IfW give only a “moderate” rating to the recovery. They expect gross domestic product to increase by around 1.3% in 2015.

According to experts at the German Institute for Economic Research in Berlin (DIW), the German economy should also see strong growth during the first half. This is confirmed by the DIW’s “Economic Barometer”, which suggests that in both the first and second quarters, gross domestic product will be 0.6% higher than in the respec-

tive previous quarter. Over the course of the year, although the pace of growth will slow somewhat, it should continue on a moderate upward trend, despite ongoing risks such as the tensions in the Eurozone and the conflict involving Russia and Ukraine.

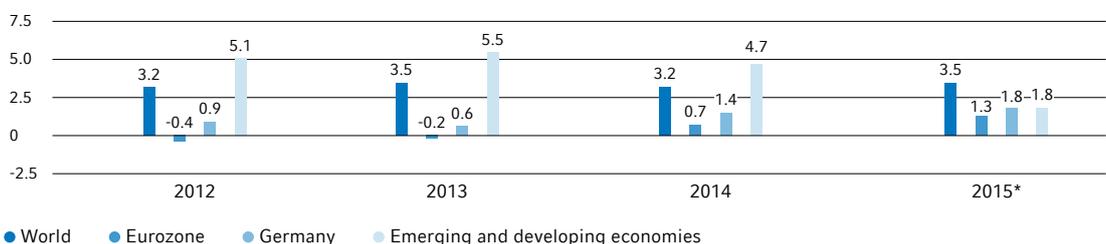
From an industry perspective, the Chemical Industry Association (VCI) anticipates a 1.5% increase in chemicals production. Because chemical prices will drop by 2%, the industry’s sales revenues will probably decline by 0.5% to €192.2 billion.

During the first quarter of 2015, crude-oil prices fluctuated from a low of USD 48.14 to a high of USD 62.18. The average price of USD 55.47 represented a 48% reduction compared to the average price during the first quarter of 2014 (USD 107.90). During April and May, the price of oil again held steady at a level significantly above the USD 60.00 mark.

Based on the good quarterly results, H&R Aktiengesellschaft expects the current trend to continue and therefore confirms its forecast for 2015. On the earnings side, assuming the oil price stabilizes, H&R AG still expects EBITDA to fall within a range of EUR 45 million to EUR 65 million.

GLOBAL ECONOMIC GROWTH FORECAST

IN %, SOURCE: IWF, IFW



Interim consolidated financial statements

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

16	Consolidated balance sheet
18	Consolidated income statement
19	Consolidated statement of comprehensive income
20	Consolidated statement of changes in shareholders' equity
21	Consolidated cash flow statement
22	Selected explanatory notes

Consolidated balance sheet

Consolidated balance sheet of H&R AG

as of 31 March 2015

ASSETS

€ THOUSAND	31/3/2015	31/12/2014
Current assets		
Cash and cash equivalents	89,483	101,558
Trade accounts receivables	124,014	105,598
Income tax claims	1,712	1,701
Inventories	115,890	134,202
Other financial assets	1,922	2,176
Other assets	9,616	8,630
Current assets	342,637	353,865
Non-current assets		
Property, plant and equipment	259,511	255,280
Goodwill	40,974	39,908
Other intangible assets	35,921	32,885
Shares in at-equity valued holdings	823	763
Other financial assets	5,993	5,382
Other assets	1,502	1,465
Deferred taxes	17,137	17,069
Non-current assets	361,861	352,752
Total assets	704,498	706,617

EQUITY AND LIABILITIES

IN T€	31/3/2015	31/12/2014
Current liabilities		
Liabilities to banks	49,853	52,018
Trade accounts payables	83,287	112,415
Income tax liabilities	2,361	2,230
Other provisions	10,374	9,298
Other financial liabilities	10,622	12,813
Other liabilities	16,301	9,948
Current liabilities	172,798	198,722
Non-current liabilities		
Liabilities to banks	154,242	156,051
Pension provisions	89,509	82,566
Other provisions	4,120	4,270
Other financial liabilities	4,235	4,712
Other liabilities	479	79
Deferred taxes	12,086	11,314
Non-current liabilities	264,671	258,992
Equity		
Subscribed capital	91,573	91,573
Capital reserve	42,583	43,329
Revaluation surplus	-2,262	-2,532
Retained earnings	72,069	73,773
Foreign currency translation adjustments	18,417	2,958
Equity of H&R AG shareholders	222,380	209,101
Non-controlling interests	44,649	39,802
Total equity	267,029	248,903
Total equity and liabilities	704,498	706,617

Consolidated income statement of H&R AG

Consolidated income statement of H&R AG

1 January 2015 to 31 March 2015

€ THOUSAND	1/1 to 31/3/2015	1/1 to 31/3/2014
Sales	262,953	282,640
Changes in inventories of finished goods and work in progress	-22,091	-4,137
Other operating income	7,628	4,234
Cost of material	-186,216	-236,572
a) Expenditure on raw materials, supplies and merchandise	-176,657	-226,853
b) Purchased services	-9,559	-9,719
Personnel expenses	-19,648	-17,343
a) Wages and salaries	-16,684	-14,688
b) Social security payments and expenses for pensions and for support	-2,964	-2,655
Depreciation, impairments and amortisation	-7,444	-5,607
Other operating expenses	-27,185	-21,053
Income from operations	7,997	2,162
Net interest result	-3,388	-3,458
a) Interest income	96	67
b) Interest expenses	-3,484	-3,525
Result of at-equity reported shareholdings	61	-73
Other financial result	379	-218
Earnings before taxes (EBT)	5,049	-1,587
Income taxes	-548	444
Income after taxes	4,501	-1,143
of which attributable to non-controlling interests	-249	5
of which attributable to H&R AG shareholders	4,750	-1,148
Earnings per share (undiluted), €	0.13	-0.04
Earnings per share (diluted), €	0.13	-0.04

Consolidated statement of comprehensive income of H&R AG

1 January 2015 to 31 March 2015

€ THOUSAND	1/1 to 31/3/2015	1/1 to 31/3/2014
Income after taxes	4,501	-1,143
of which attributable to non-controlling interests	-249	5
of which attributable to shareholders of H&R AG	4,750	-1,148
Positions that will not be reclassified into profit or loss		
Remeasurement of defined benefit pension plans	-6,454	-1,620
Income taxes	-	463
Change in the amount included in equity (remeasurement of defined benefit pension plans)	-6,454	-1,157
Positions that will subsequently possibly be reclassified into profit or loss		
Changes in the fair value of derivatives held for hedging purposes	-	-
Amount reclassified into profit and loss	237	237
Income taxes	-	-
Changes recognized outside profit and loss (cash flow hedges)	237	237
Changes in the fair value of financial assets available for sale	33	29
Income taxes	-	-8
Changes recognized outside profit and loss (financial assets available for sale)	33	21
Changes of the balancing item due to currency translation	20,555	735
Total other comprehensive income	14,371	-164
of which attributable to non-controlling interests	5,096	-10
of which attributable to shareholders of H&R AG	9,275	-154
Total comprehensive income	18,872	-1,307
of which attributable to non-controlling interests	4,847	-5
of which attributable to shareholders of H&R AG	14,025	-1,302

Consolidated statement of changes in shareholders' equity of H&R AG

Consolidated statement of changes in shareholders' equity of H&R AG

as of 31 March 2015

2015

IN € THOUSAND	Comprehensive income								Total
	Subscribed capital	Capital reserves	Retained earnings	Revaluation surplus		Foreign currency translation differences	Equity share attributable to H&R AG shareholders	Non-controlling shares	
				Market valuation of financial assets	Cash flow hedges				
1/1/2015	91,573	43,329	73,773	265	-2,797	2,958	209,101	39,802	248,903
Capital increase	-	-746	-	-	-	-	-746	-	-746
Dividends	-	-	-	-	-	-	-	-	-
Income after taxes	-	-	4,750	-	-	-	4,750	-249	4,501
Other comprehensive income	-	-	-6,454	33	237	15,459	9,275	5,096	14,371
Total comprehensive income	-	-	-1,704	33	237	15,459	14,025	4,847	18,872
31/3/2015	91,573	42,583	72,069	298	-2,560	18,417	222,380	44,649	267,029

2014

IN € THOUSAND	Comprehensive income								Total
	Subscribed capital	Capital reserves	Retained earnings	Revaluation surplus		Foreign currency translation differences	Equity share attributable to H&R AG shareholders	Non-controlling shares	
				Market valuation of financial assets	Cash flow hedges				
1/1/2014	76,625	18,599	102,833	131	-3,747	-5,200	189,241	-79	189,162
Dividends	-	-	-	-	-	-	-	-	-
Income after taxes	-	-	-1,148	-	-	-	-1,148	5	-1,143
Other comprehensive income	-	-	-1,157	21	237	745	-154	-10	-164
Total comprehensive income	-	-	-2,305	21	237	745	-1,302	-5	-1,307
31/3/2014	76,625	18,599	100,528	152	-3,510	-4,455	187,939	-84	187,855

Consolidated cash flow statement of H&R AG

1 January 2015 to 31 March 2015

IN € THOUSAND		1/1-31/3/2015	1/1-31/3/2014
1.	Income after taxes	4,501	-1,143
2.	Income taxes	548	-444
3.	Net interest result	3,388	3,458
4.	+/- Depreciation, impairment and amortization	7,444	5,607
5.	+/- Changes in non-current provisions	-117	103
6.	+ Interests received	96	67
7.	- Interests paid	-871	-1,871
8.	+/- Income taxes paid/received	276	1,206
9.	+/- Other non-cash expenses and income	-2,258	-553
10.	+/- Increase/decrease in current provisions	1,076	1,665
11.	-/+ Result from the disposal of fixed assets	-207	-5
12.	-/+ Changes in net working capital	-16,419	-33,356
13.	+/- Changes in remaining net assets / other non-cash items	-412	-4,324
14.	= Cash flow from operating activities (sum of 1 to 13)	-2,955	-29,589
15.	+ Proceeds from disposal of tangible fixed assets	308	5
16.	- Payments for investments in tangible fixed assets	-6,083	-2,767
17.	- Payments for investments in intangible assets	-76	-106
18.	= Cash flow from investing activities (sum of 15 to 17)	-5,851	-2,868
19.	Free cash flow (sum of lines 14 and 18)	-8,806	-32,457
20.	- Payments resulting from the settlement of financial debt	-18,725	-5,024
21.	+ Receipts from the taking up of financial debt	7,824	-
22.	= Cash flow from financing activities (Sum of 20 to 21)	-10,901	-5,024
23.	+/- Cash and cash equivalent changes in the financial resources fund (sum of lines 14, 18, 22)	-19,707	-37,481
24.	+ Cash and cash equivalents at the start of the period	101,558	109,624
25.	+/- Change in cash and cash equivalents due to changes of exchange rates	7,632	317
26.	= Cash and cash equivalents at the end of the period	89,483	72,460

Selected explanatory notes

as of 31 March 2015

Segment reporting

(for the period 1 January 2015 to 31 March 2015)

IN € THOUSAND	Chemical and Pharmaceutical Raw Materials			
	ChemPharm Refining		ChemPharm Sales	
	2015	2014	2015	2014
External sales	165,550	215,294	82,143	53,262
Intercompany sales	2,676	3,990	–	–
Sales by segment	168,226	219,284	82,143	53,262
EBIT	4,944	934	4,002	3,016
EBITDA	9,754	5,525	6,053	3,366
Investments in property, plant and equipment	1,655	3,192	468	49

RECONCILIATION OF THE OPERATING RESULT TO THE CONSOLIDATED INCOME AFTER TAXES

IN € THOUSAND	2015	2014
Operating result of segments (EBITDA)	16,114	8,302
Reconciliation/Consolidation	-612	-606
Operating result of H&R AG (EBITDA)	15,502	7,696
Depreciation	-7,444	-5,607
Financial result	-3,009	-3,676
Income taxes	-548	444
Income after taxes	4,501	-1,143

Principles and methods

The interim consolidated financial statements of H&R Aktiengesellschaft as of 31 March 2015 have been published in accordance with the International Financial Reporting Standards (IFRS) applicable and mandatory on the reporting date, as were the annual consolidated financial statements for 31 December 2014; in particular the regulations of IAS 34 on interim reporting were applied. The quarterly report submitted here and the associated interim consolidated management report have not been reviewed or checked in accordance with Article 317 of the German Commercial Code (Handelsgesetzbuch).

All interim financial statements of the companies included in the interim consolidated financial statements were drawn up on the basis of uniform balancing and valuation principles, which were also used as the basis for the annual consolidated financial statements of 31 December 2014.

Taking into consideration the meaning and purpose of the interim reporting as an informative instrument based on the consolidated financial statements, we refer to the appendix to the annual consolidated financial statements. The balancing, valuation and consolidation methods used, and the exercise of the voting rights contained in the IFRS, are comprehensively explained.

Standards and interpretations to be applied in the current financial year

The accounting and consolidations methods described in the 2014 Annual Report were extended to include the accounting standards endorsed by the EU and required to be applied for reporting periods beginning on or after 1 January 2015. None of these changes had a material impact on the earnings, financial and net worth position of H&R AG as described in this report.

Plastics		Others		Reconciliation		Total	
2015	2014	2015	2014	2015	2014	2015	2014
15,260	14,084	–	–	–	–	262,953	282,640
–	–	–	–	-2,676	-3,990	–	–
15,260	14,084	–	–	-2,676	-3,990	262,953	282,640
-180	-1,125	-738	-797	30	61	8,058	2,089
307	-589	-642	-667	30	61	15,502	7,696
190	69	3	9	–	–	2,316	3,319

Changes in core parameters

Changes in the underlying core parameters primarily involve exchange rates and the interest rate used to calculate pension commitments.

The table below shows the exchange rates used for translating selected foreign currencies into Euros:

EXCHANGE RATES FOR THE MAIN CURRENCIES

1€ /	Exchange rate on the balance sheet date 31/3/2015	Exchange rate on the balance sheet date 31/3/2014	Exchange rate on the balance sheet date 31/12/2014	Average rate Q1 2015	Average rate Q1 2014
U. S. dollar	1.0759	1.3788	1.2141	1.127	1.3697
British pound	0.72730	0.8282	0.77890	0.74363	0.82785
Australian dollar	1.4154	1.4941	1.4829	1.4322	1.5272
South African rand	13.1324	14.5875	14.0353	13.2295	14.8892
Thai baht	35.018	44.709	39.910	36.791	44.718
Chinese yuan	6.6710	8.5754	7.5358	7.0284	8.3587

The discount rate for determining the present value of pension commitments changed from 2.0% on 31 December 2014 to 1.5% on 31 March 2015.

Seasonal and business cycle influences

Seasonal and business cycle influences are described in detail in the sections of the interim management report entitled “Economic environment” and “Earnings, financial and net worth position”.

Consolidated group

There were, during the first quarter of 2015, no changes to H&R Aktiengesellschaft’s consolidated group, which therefore continues to be comprised, as of 31 March 2015, of 35 companies in total, consisting in turn of 18 domestic companies and 17 based outside Germany.

Earnings per share

Pursuant to IAS 33, the earnings per share figure is determined by dividing net income by the weighted-average number of shares outstanding during the reporting period. H&R Aktiengesellschaft’s share capital is divided into 35,820,154 no-par-value shares, all of which are ordinary shares. The average number of shares totaled 29,973,112 during the previous period. The difference reflects the September 2014 contribution of the Chinese businesses by the Hansen & Rosenthal Group as part of an increase in capital through a contribution-in-kind. For further details, please consult the Annual Report dated 31 December 2014. The earnings per share figures are shown at the bottom of the income statement. The diluted earnings per share ratio is equal to the basic earnings per share ratio, because H&R Aktiengesellschaft has not issued any potentially dilutive ordinary shares.

Income statement, balance sheet and statement of cash flows

Detailed explanatory notes on the income statement, balance sheet and statement of cash flows can be found in the sections of the interim management report entitled “Earnings position” and “Net worth and financial position”.

Events after the reporting date

Between 31 March 2015 and the close of publication for this report there were no events having a material impact on H&R’s profit, financial and net worth position.

Employees

As of March 31 2015, the group’s total workforce consisted of 1,561 (31 March 2014: 1,393) employees, of whom 567 (31 March 2014: 418) work for Group companies outside Germany.

Details on H&R Aktiengesellschaft

H&R Aktiengesellschaft has no operating business of its own. As a holding company, it is responsible for strategic management of the Group companies that are organized into the various business segments and it decides how to efficiently allocate funds within the Group. The holding company also provides centralized administrative services and makes management resources available to the Group companies. As of 31 March 2015, H&R Aktiengesellschaft had nine employees (31 March 2014: ten employees).

Disclosures of relationships with related parties

Transactions with related parties were carried out on arm's-length terms.

The following goods and services have been rendered for related companies and persons who might exercise a significant degree of influence, or utilised by them:

TRANSACTIONS WITH HANSEN & ROSENTHAL

IN € THOUSAND	Transactions to Hansen & Rosenthal		Transactions from Hansen & Rosenthal	
	2015	2014	2015	2014
Supplies of chemical-pharmaceutical products	84,194	108,886	20,315	25,840
Ancillary costs from delivery transactions (freight costs, road tolls, etc.)	–	–	1,119	1,288
Commission fees	35	124	351	481
Other services and passed-through third party related costs (e.g. EDP services and personnel costs)	18,249	17,972	524	690

All companies of the majority shareholder Nils Hansen, including H&R Beteiligung GmbH as the controlling company, are pooled under Hansen & Rosenthal (H&R). During the current year, there were no business transactions involving H&R Beteiligung GmbH.

The supply relationships and commission business are based on contractual agreements that define delivery terms as well as settlement procedures. On 31 March 2015, the following receivables and liabilities were outstanding:

RECEIVABLES AND LIABILITIES DUE TO HANSEN & ROSENTHAL

IN € THOUSAND	Receivables from Hansen & Rosenthal		Liabilities to Hansen & Rosenthal	
	31/3/2015	31/12/2014	31/3/2015	31/12/2014
Goods and services	29,958	16,004	8,042	14,831
Other services	31,738	28,574	3,602	6,033
Total	61,696	44,578	11,644	20,864

Other services concern receivables from the commission business, where Hansen & Rosenthal, as commission agent, receives payments from customers and forwards them to H&R AG.

Selected explanatory notes

The following goods and services were provided for and/or received from joint ventures:

TRANSACTIONS WITH JOINT VENTURES

IN € THOUSAND	Provided to joint ventures		Received from joint ventures	
	1/1 to 31/3/2015	1/1 to 31/3/2014	1/1 to 31/3/2015	1/1 to 31/3/2014
Purchase of hydrogen and steam	–	–	455	363
Interest income	4	1	–	–
Rental income	12	10	–	–
Services	338	501	1,096	1,061
Total	354	512	1,551	1,424

On 31 March 2015, the following receivables and liabilities were outstanding:

RECEIVABLES AND LIABILITIES DUE TO JOINT VENTURES

IN € THOUSAND	Receivables from joint ventures		Liabilities owed to joint ventures	
	31/3/2015	31/12/2014	31/3/2015	31/12/2014
Goods and services	253	488	192	205
Other services	625	375	–	–
Total	878	863	192	205

Within the framework of consultancy contracts an amount of €45 thousand (previous year: €45 thousand) was paid to members of organs of H&R AG, Liabilities to members of organs of H&R AG amounting to €401 thousand (31 December 2014: €321 thousand) at reporting date and are mainly due to the action of the supervisory board,

Contingent liabilities

On 31 March 2015, the following contingent liabilities were outstanding:

IN € THOUSAND	31/3/2015	31/12/2014
Deposits for guarantees	–	1,187
Joint liability for pensions	61	61
Total	61	1,248

Deposits for guarantees are associated with Westfalen Chemie GmbH & Co, KG,

Other financial obligations

Financial obligations resulting from non-current rental and lease contracts, and other obligations over multiple years are presented in the following table:

IN € THOUSAND	31/3/2015	31/12/2014
Due within one year	8,989	8,363
Due > 1 year and < 5 years	13,316	10,939
Due > 5 years	21,056	22,456
Total	43,361	41,758

Order commitments

Investment expenses for which contractual obligations exist on the reporting date but which have not yet been incurred amount to:

IN € THOUSAND	31/3/2015	31/12/2014
Fixed assets	4,140	1,712
Intangible assets	–	–
Total	4,140	1,712

Attestation by the legal representatives

We affirm that, based on the applicable accounting principles for interim financial statements and to the best of our knowledge, these consolidated financial statements convey a fair and accurate view of the Group's assets, financial position and earnings; that the business performance data, including the company's earnings and the financial position of the Group, are presented in the Group interim management report in a manner that presents a fair and accurate picture of the factual situation; and that the significant opportunities and risks pertaining to the prospective development of the Group in the remainder of the financial year have been set forth,

Salzbergen, May 2015

The Executive Board

Financial calendar

Our Financial calendar is updated continuously. Please visit our website www.hur.com in the Investor Relations section for the latest events.

19 May 2015	Annual Shareholders' Meeting Hamburg
14 August 2015	Publication of Q2 Report 2015
13 November 2015	Publication of Q3 Report 2015

Contact

In the case of further questions concerning our company or if you would like to sign up for the company mailing list, please contact our Investor Relations Team:

H&R AG

Investor Relations
Am Sandtorkai 50
20457 Hamburg
Germany
www.hur.com

Ties Kaiser

Phone: +49 (0) 40-43218-321
Fax: +49 (0) 40-43218-390
Email: ties.kaiser@hur.com

Tanja Passlack

Phone: +49 (0) 40-43218-301
Fax: +49 (0) 40-43218-390
Email: tanja.passlack@hur.com

Forward-looking statements

This report contains forward-looking statements. These statements are based on current estimates and currently available information. They are not guarantees of future performance, involve certain risks and uncertainties that are difficult to predict and are based upon assumptions as to future events that may not prove to be accurate. Many factors could cause the actual results, performance or achievements of H&R AG to be materially different from those that may be expressed or implied by such statements. We do not assume any obligation to update the forward-looking statements contained in this report.

Imprint

Published by:

H&R AG

Neuenkirchener Straße 8
48499 Salzbergen
Germany

Concept/Design:

Berichtsmanufaktur GmbH, Hamburg, Germany

This interim report was published
on 15 May 2015.

H&R AG

Neuenkirchener Straße 8
48499 Salzbergen
Germany

Phone: +49 (0)59 76-9 45-0
Fax: +49 (0)59 76-9 45-308

Email: info@hur.com
Internet: www.hur.com