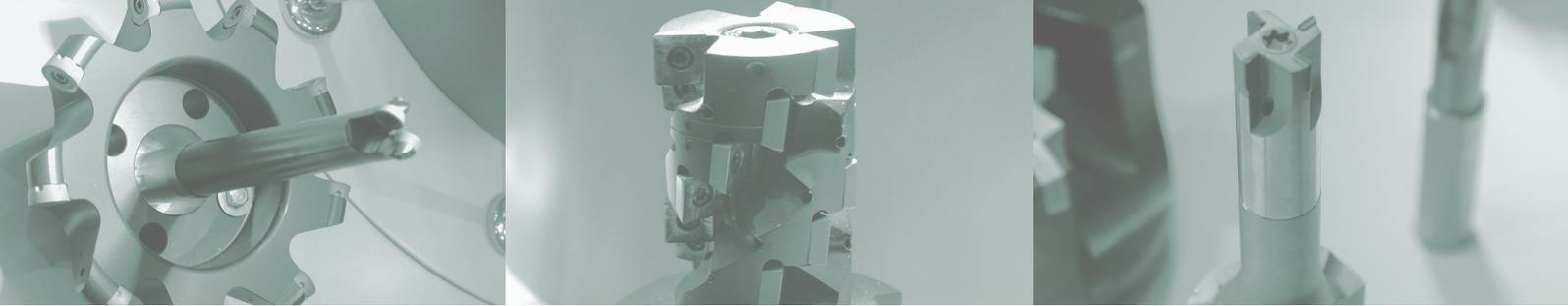




## **9-month report 2014 / 2015**



## Key figures at a glance (IFRS)

	9 months 2014/2015 (01/07/14 – 31/03/2015)	Comparable period (01/07/13 – 31/03/2014)
Net revenues	46,688	45,407
Profit from operations (EBIT)	100	703
Pre-tax earnings (EBT)	-103	494
Group profit or loss	-416	153
Number of shares in fiscal year	4,124,900	4,124,900
Earnings per share in EUR	-0.10	0.04
Equity ratio in %	59.8	62.4
Cash flow from operating activities	726	438
Cash flow from investing activities	-322	-131
Cash flow from financing activities	-75	-75
Employees at end of period (excluding Managing Board)	151	128

In EUR thousand (unless otherwise stated)

## Financial calendar

September 16, 2015	2014/2015 Annual Report
November 23-25, 2015	Analyst and investor conference at German Equity Forum in Frankfurt/Main
December 9, 2015	Annual shareholders' meeting in Hamburg

## Business model

- KROMI Logistik offers companies in the manufacturing sector end-to-end outsourcing of precision machining tools through fully automated tool dispensing (KTCs), as well as IT-based tool management (tool management)
- Main focus: machining tools for metalworking and plastics (for example, drills)
- Securing a 24 / 7 supply of tools for customers
- Optimising tool consumption with consulting and control services
- KROMI Logistik is manufacturer-independent
- Four facilities in Germany and four abroad (Slovakia, the Czech Republic, Brazil, Spain); and active in six other European countries
- Currently focusing on the sectors of general mechanical engineering, automotive suppliers, aerospace and marine engine construction

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# Interim Group management report

## Basis of the Group

### I. Group business model

KROMI Logistik offers manufacturing companies an end-to-end outsourcing concept to supply them with precision machining tools. Along with the classic supplies delivered by KTC dispensers at customer sites, this concept comprises inventory optimisation and warehouse management, consumption controlling, and optimisation of tool deployment in customer production facilities based on inventory and consumption data.

### II. Company structure

As of the March 31, 2015 reporting date, KROMI Logistik was present at four locations in Germany: along with its headquarters in Hamburg, the Group operates branches in Magdeburg, Erkrath near Düsseldorf, and Eislingen near Stuttgart. The company also operates subsidiaries in the Czech Republic, Slovakia, Spain and Brazil. In addition, KROMI Logistik supplies customers in Denmark, Poland, Romania, Austria, Belgium and France with tools. The activities in Italy were discontinued as of March 31, 2015.

### III. Segments

The corporate purpose of KROMI Logistik is trading with, and the distribution of, machining tools and associated services. The Managing Board believes that it is not pertinent to segment based on products or product groups, as these are homogeneous. In consequence, KROMI Logistik delineates its operating segments according to its sales markets, applying its customers' headquarter locations accordingly.

### IV. Services

Along with supplying its customers, and related stock monitoring and filling of KTC dispensers, KROMI Logistik focuses particularly on optimising tool deployment and customer processes. Here, the KEP (KROMI Engineering Process) engineering service rendered by KROMI Logistik is deployed. The optimisation of the machining process (KVP – continuous improvement process) allows improvement potentials to be constantly disclosed to customers, thereby generating savings.

### V. Employees

At the end of the first nine months of the 2014/2015 fiscal year, KROMI Logistik (excluding its Managing Board) employed 151 staff (March 31, 2014: 128). These figures also include one trainee in machining engineering, and two students who are pursuing logistics management studies in cooperation with KROMI Logistik.

## VI. Corporate strategy and target

The core of the medium-term strategy of KROMI Logistik is to continuously expand its customer base through acquiring new customers, and through tapping and developing new markets. In the case of existing customers, the optimisation and efficiency enhancement of machining processes, and the reduction of manufacturing and administration costs, form the focus of their cooperation with KROMI Logistik. Customer loyalty is also being further intensified through constant innovations of the supply concept, accompanied by further and consistent orientation to customers' requirements.

Along with the expansion of its core market in Germany, the tapping and further penetration of new markets and the acquisition of internationally operating large-scale machining operations, remain critical aspects of the growth strategy. The company is also constantly examining options to supply its existing customers at further locations.

Above and beyond this, all foreign investments are continuously examined with regard to their economic and financial efficiency in order to see whether the capacity exists to respond adequately to changes in market conditions where required. This continues to ensure that resources are focused where they can be deployed the most efficiently for the Group.

## Business report

### I. Macroeconomic conditions

The global economy continues to report moderate growth, according to the International Monetary Fund (IMF). For this reason, the IMF warns of an ongoing worldwide economic crisis. Although its experts anticipate stronger growth this year in the United Kingdom (+2.7%) and the USA (+3.1%), as well as newly identifying better prospects for the Eurozone (+1.5%), they nevertheless see numerous problems in many developing and emerging economies. The IMF forecasts a further economic growth slowdown in Brazil, for example, with gross domestic product set to fall by 1.0% in 2015. The IMF has also cut its forecast for China by -0.6 percentage points to 7.4%, and for Russia by -4.4 percentage points to -3.8%. To boost the economy in these countries, the IMF is advising structural reforms and measures to enhance innovation and productivity.<sup>1</sup>

In January 2015, the European Central Bank (ECB) announced expanded buying of government bonds to stabilise prices. This support, amounting to EUR 60 billion per month, is planned to continue until September 2016<sup>2</sup>. A current forecast by the European Commission suggests deflation of 0.1% in the Eurozone this year, although the Commission's 1.3% growth outlook is 0.2 percentage points lower than the IMF's.<sup>3</sup> Growth of 2.1% is predicted for Germany, according to a joint forecast published by the leading German economic research institutes.<sup>4</sup>

Industrial production was up further during the last months of 2015, with January production outstripping that of the last quarter by 1.0%.<sup>5</sup>

### II. Sector-related conditions

#### a. Mechanical engineering / Precision tools

KROMI Logistik is a tool manager and consequently an outsourcing partner for industrial companies, with the company's core competence focusing on machining tools for the processing of metals and plastics. Although KROMI Logistik is not directly assignable to one of the target sectors on the basis of its business model, trends in the mechanical and plant engineering sector nevertheless provide a good indicator for developments in various customer segments.

February 2015 new order intake in the German mechanical and plant engineering sector fell by 3% year-on-year. The German Engineering Federation (VDMA) reports new orders for mechanical engineering products down by 7% from Germany, and foreign orders stagnating. In a three-month comparison of December 2014 to February 2015, the sector's general order book position was less affected by short-term fluctuations, registering +4% higher new order intake year-on-year (no change

<sup>1</sup> International Monetary Fund (IMF), World Economic Outlook, April 2015 | <sup>2</sup> ECB, press release, January 22, 2015 |

<sup>3</sup> European Commission, press release, Winter Economic Forecast, February 5, 2015 | <sup>4</sup> CESifo Group Munich, press release, April 16, 2015 | <sup>5</sup> Bundesbank, March 2015 Monthly Report

in domestic orders, foreign orders unchanged +6%).<sup>6</sup> For the current year, the German Engineering Federation (VDMA) anticipates that production will grow by 2% in real terms, equivalent to a new record level of EUR 205 billion.<sup>7</sup>

In 2014, the VDMA Precision Tools Association recorded a production volume of EUR 9.1 billion (2013: EUR 8.7 billion). The association continues to identify an improvement in the business situation, driven mainly by mechanical engineering and the automotive sector, and forecasts 3% production growth for 2015.<sup>8</sup>

### **b. Aircraft construction and aerospace industry**

Global passenger kilometres grew by 6.2 % between February 2014 and February 2015.<sup>9</sup> The German Aerospace Industries Association (BDLI) reported a positive trend in the aerospace industry in 2014. Sector sales revenue reported a marked increase of 4.9 % to an all-time high of EUR 32.1 billion. Civilian aerospace remains the most important segment within this sector, with EUR 23.0 billion of sales volumes. It accounts for more than 70 % of overall sector sales revenue, and has performed extraordinarily well, also as a result of global fleet renewals. The BDLI sees worldwide aircraft demand doubling by 2030, representing average annual growth of around 5 %.<sup>10</sup>

### **c. Automotive supply industry**

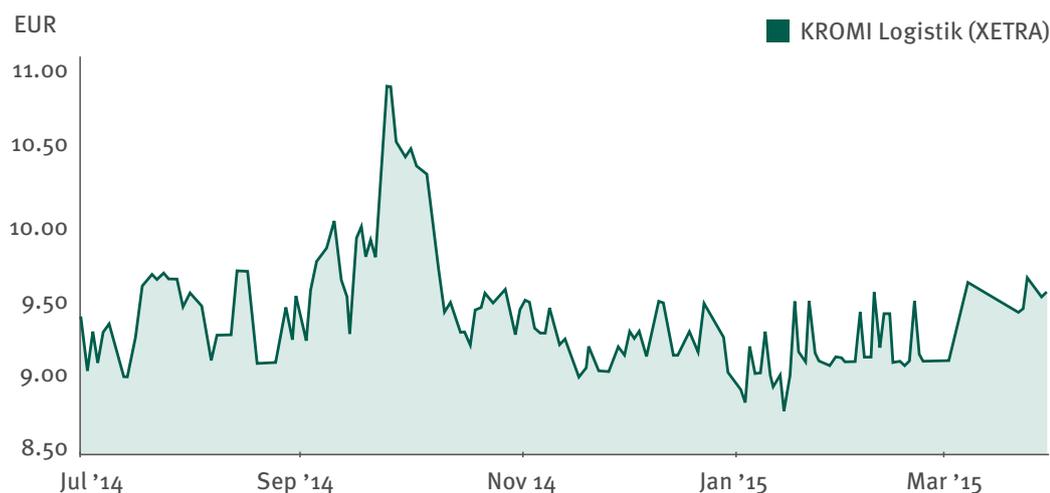
For the Western European car market, March 2015 was the strongest month for five years, with 1.56 million new cars being sold, reflecting 11% growth. The German car market registered 9% year-on-year growth. The German Automotive Industry Association (VDA) identifies this strong growth as deriving from catch-up demand for new cars existing in many countries, and identifies this as a good signal for the full 2015 year.<sup>11</sup>

<sup>6</sup> VDMA, press release, April 1, 2015 | <sup>7</sup> VDMA, press release, December 18, 2014 | <sup>8</sup> VDMA, press release, January 14, 2015 |

<sup>9</sup> IATA Air Passenger Market Analysis, November 2014 | <sup>10</sup> German Aerospace Industries Association (BDLI), press release, April 28, 2015 | <sup>11</sup> German Automotive Industry Association (VDA), press release, April 16, 2015

### III. Business trends – KROMI Logistik during the first nine months of the 2014/2015 fiscal year

#### Share price performance (July 1, 2014 – March 31, 2015)



#### Important key data

German Securities Identification Number (WKN)	AoKFUJ
ISIN	DE000AoKFUJ5
Ticker symbol	K1R
Trading segment	Regulated Market (Prime Standard)
Share type	No par ordinary bearer shares (no-par shares)
Share capital	4,124,900
Share capital	March 8, 2007
Designated Sponsor	M.M. Warburg & CO KG aA
Share price at start of reporting period (July 1, 2014)*	EUR 9.40
Share price at end of reporting period (December 30, 2014)* (March 31, 2015)*	EUR 9.60
Percentage change	+2.1 %
52-week high**	EUR 10.90
52-week low**	EUR 8.85

\* Closing price, XETRA trading system of Deutsche Börse AG

\*\* Intraday

The share of KROMI Logistik registered a slightly positive trend during the first nine months of its 2014/2015 fiscal year. The stock initially appreciated significantly, closing for its high for the year of EUR 10.90 on September 24 and 25, 2014. Selling pressure nevertheless then increased, so that the low for the observation period of EUR 9.00 was reached on January 16, 2015. The share closed on March 26, 2015 at EUR 9.60. The market capitalisation of KROMI Logistik amounted to EUR 39.6 million on this final trading day during the period under review. In overall terms, KROMI Logistik consequently reported a slight share price gain of 2.1 % between July 2014 and March 2015.

## IV. Financial position and performance

### a. Results of operations

The business of KROMI Logistik performed very well during the first nine months of its 2014/2015 fiscal year – despite some challenges. A high level of investments placed a burden on profits, however. Although KROMI Logistik separated itself from one customer during the 2013/2014 fiscal year, and significant production relocation occurred at another customer, both of these factors were fully offset, even allowing revenues to report slight year-on-year growth. Accordingly, the Group grew its **revenues** by 2.8% to EUR 46,688 thousand (prior-year period: EUR 45,407 thousand). This positive trend was underpinned by the third quarter, which proved to be the strongest of the current fiscal year in terms of sales revenues. In March 2015, more than EUR 6,000 thousand was turned over within one month for the first time, reflecting the clear trend toward successively rising sales revenue figures.

KROMI Logistik continues to benefit from its well-balanced customer structure that is diversified across several sectors and regions. While revenue reported further growth abroad, revenues in Germany during the first time months of the 2014/2015 fiscal year were below the previous year's level.

The aforementioned revenue declines with individual existing customers were offset by stronger new customer acquisition. This nevertheless also entailed typically higher investments during the implementation phase. The same applies for the Brazilian subsidiary. The decline in revenue among existing customers due to Brazil's weak economic situation has largely been offset to date by new customers. The strategy here is to drive ahead on an unchanged basis with new client acquisition in order to compensate for further economic setbacks. The continued low exchange rate of Brazil's currency, the real, only has relevance for Group figures as far as currency translation is concerned. These expenses relate exclusively to unrealised, and consequently non-cash, exchange rate losses.

With regard to the trend observed in the previous fiscal year, whereby KROMI Logistik customers were relocating production to locations and to suppliers that are not, or not yet, integrated into the KROMI Logistik system, negotiations continued to run during the third quarter of our fiscal year concerning a resumption of supplies, or new supplies. Further progress was achieved, and shortfalls in supplies were largely offset by expansion at other sites. The growing trend toward relocating production to foreign sites that KROMI does not yet serve nevertheless continues.

The **cost of materials** was reduced in relation to revenue growth. In absolute terms, it recorded only a slight year-on-year increase from EUR 34,599 thousand to EUR 35,324 thousand. Accordingly, the **cost of materials ratio** also reported improvement, amounting to 75.7%, clearly below the previous year's 76.2%. In line with this development, the **gross profit margin** rose from 23.8 % to 24.3 %. This performance indicator increased a little further compared with the full 2013/2014 fiscal year as well, when the gross profit margin also amounted to 23.8 %. This reflected the consistent implementation of continuous margin optimisation projects, and the separation from a lower-margin customer.

**Staff costs** rose year-on-year from EUR 5,929 thousand to EUR 6,748 thousand. **The staff cost ratio** amounts to 14.5%, a marked increase compared with the prior-year period (13.1%). This was due to hiring for customers that are in the preparatory or start-up phase of supply, and consequently do not yet make a contribution to sales revenue.

**Depreciation and amortisation** reduced to EUR 566 thousand, compared with EUR 627 thousand during the first nine months of 2013/2014. **Other operating expenses** of EUR 4,569 thousand were up compared with the previous year's level (EUR 4,108 thousand). Among other items, this position includes unrealised currency translation differences of EUR 670 thousand (previous year: EUR 222 thousand) arising from the depreciation of the Brazilian real in relation to the euro.

As a consequence, the Group reported EUR 100 thousand of **earnings before interest and tax (EBIT)** for the first nine months of 2014/2015 (previous year: EUR 703 thousand). When adjusted for expenses arising from unrealised valuation losses, pure operating earnings stood at EUR 770 thousand (previous year: EUR 925 thousand). The Group reported a **consolidated net result** of EUR -416 thousand after deducting finance costs, other income, and taxes to be paid, which are based on the profit or loss of the separate parent entity. KROMI reported a consolidated net profit of EUR 153 thousand in the comparable 2013/2014 period.

## b. Net assets

As of the March 31, 2015 balance sheet date, the **total assets** of KROMI Logistik AG stood at EUR 38,365 thousand, thereby above the level as of June 30, 2014 (EUR 36,957 thousand).

On the **assets side** of the balance sheet, **non-current assets** reported a slight reduction from EUR 6,083 thousand as of June 30, 2014 to currently EUR 5,955 thousand. Within **current assets**, inventories were up by 5.5 % to EUR 16,017 thousand (June 30, 2014: EUR 15,187 thousand). **Trade receivables** increased correspondingly, standing at EUR 14,946 as of March 31, 2015 (June 30, 2014: EUR 14,472 thousand). **Liquid assets** rose to EUR 761 thousand as of March 31, 2015 (June 30, 2014: EUR 253 thousand).

On the **equity and liabilities** side, the balance sheet comprised a slight reduction in equity compared with June 30, 2014, amounting to EUR 22,955 thousand as of March 31, 2015 (June 30, 2014: EUR 23,043 thousand). This reflected the consolidated net loss was incurred. The **equity ratio** fell from 62.4% on June 30, 2014 to currently 59.8%.

**Liabilities** – comprising both provisions and liabilities in this case – as reported by KROMI Logistik were up from EUR 13,914 thousand, as of June 30, 2014, to a current level of EUR 15,410 thousand. Of this amount, EUR 3,405 thousand (previous year: EUR 3,342 thousand) was attributable to an almost unchanged level of **non-current** liabilities, and EUR 12,005 thousand (June 30, 2014: EUR 10,572 thousand) was attributable to current liabilities. The increase in current liabilities is primarily attributable to a rise in **trade payables** deriving from effects related to the reporting date. At EUR 6,505 thousand, these stood at EUR 1,980 thousand above the level as of June 30, 2014

(EUR 4,525 thousand). **Other current interest-bearing borrowings**, by contrast, fell, also due to effects related to the reporting date, decreasing from EUR 4,631 thousand as of June 30, 2014 to a current EUR 4,308 thousand.

### c. Financial position

**Cash flow from operating activities** amounted to EUR 726 thousand in the period under review. A cash inflow of EUR 438 thousand was recorded in the previous year. This trend is particularly due to a positive change in net current assets.

**Cash flow from investing activities** stood at EUR -322 thousand in the first nine months of the 2014/2015 fiscal year (previous year: EUR -131 thousand), and **cash flow from financing activities** generated a cash outflow of EUR 75 thousand, as in the previous year. Financing funds amounted to EUR 761 thousand at the end of the reporting period, compared with EUR 480 thousand in the comparable period.

At EUR 20,405 thousand (June 30, 2014: EUR 20,302 thousand), a slightly higher level of **working capital** (current assets less current liabilities) continues to provide a strong and stable basis for the Group's targeted, profitable growth.

## V. Overall statement on the company's financial position

The Managing Board looks back on a challenging first nine months of its 2014/2015 fiscal year. Business is progressing well, and sales revenues generated with existing customers remain stable at a high level, reflecting the robust economic situation. The relocation of production facilities, the discontinuation of a supply contract in the previous year, and extremely long realisation periods for complex new customers are proving burdensome. Although revenue reported a slight increase of 2.8%, EBIT was down. This chiefly reflected the high level of investments that have already been realised for the forecast new customers. Increasingly more complex organisational and decision-making structures at major multinational groups play an important role for such new customers. In part, the conclusion and start-up of new contracts falls significantly short of the KROMI schedule for this reason. The gaps in revenue that this has created for the 2014/2015 fiscal year can now be filled only in the final quarter of the fiscal year.

The weakness of the Brazilian real also burdened EBIT. Unrealised measurement losses amounted to EUR 670 thousand (previous year: EUR 222 thousand). When adjusted for these unrealised valuation losses, pure operating earnings stood at EUR 770 thousand, reflecting further growth compared with EUR 457 thousand in the first half of 2014/2015. The gross profit margin also increased from the previous year's 23.8% to currently 24.3%, with this rising key indicator confirming the substantiality of the business model.

KROMI Logistik continues to be able to build on a largely stable foundation among its broad customer base both in Germany and abroad. The economic situation in Brazil is currently difficult, by contrast. KROMI has already launched a cost reduction programme here. Assuming a strong fourth quarter, KROMI Logistik remains within the range of its internal annual planning in terms of both revenue and EBIT.

## *Report on events after the balance sheet date*

No events of particular significance occurred after the end of the period under review.

## *Report on outlook, risks, and opportunities*

### I. Outlook

#### **a. Managing Board's overall statement on the development of the Group in the 2014/2015 fiscal year**

As a result of the investments that have been made already in new supply customers and markets (or are planned), as well as the acquisitions that have been realised, the Managing Board of KROMI Logistik regards the Group as generally well positioned for the current 2014/2015 fiscal year. KROMI Logistik enjoys a healthy equity capital base, sufficient liquidity reserves and a clearly focused corporate strategy.

For example, the Managing Board plans to continue to further internationalise the company in the future, to consolidate markets, and to consistently further develop the business model in the process with the aim of building up additional USPs. All activities are oriented to profitable growth. Organic growth is to be achieved primarily at existing locations, while new markets are to be tapped principally by way of accompanying existing customers, in order to then expand them locally. The careful weighing and consideration of opportunities and risks will continue to play a central role in this context in the future.

#### **b. Expected the market environment trends**

KROMI Logistik's customers operate on global growth markets. Although local and global downturns exert negative medium-term effects on sector trends, the engineering, aerospace and the automotive supply industries, in particular, enjoy prospects of robust and rising long-term growth rates.

Not least, further globalisation and strong demand growth in emerging economies such as China and India will ensure full order books for German industry. In addition, engineers and automotive suppliers are benefiting from long-term global trends such as energy efficiency and climate protection, and the intermeshing and networking of production plants and locations. The aviation sector, too, anticipates constant growth in passenger numbers, and consequently growing demand for aircraft and their components. The Airbus Group, for example, an important customer for KROMI Logistik, forecasts that passenger volumes will grow by an average of 4.7 % per year over the next two decades.<sup>12</sup>

Given this, KROMI Logistik, with its diversified customer structure, regards itself as well positioned to participate in these sectors' trends and growth.

<sup>12</sup> Airbus Group, Annual Report 2014

### c. Expected trend for KROMI Logistik

Demand for KROMI Logistik services continues to gather momentum over the course of the year. Given this, the Managing Board continues to assume that sales revenue will grow in the upper single-digit percentage range in the 2014/2015 fiscal year. A strong fourth quarter at the upper end of the internal planning range nevertheless comprises the precondition for this result. As a consequence, the Group budget lies above the VDMA's 3% forecast for the precision tools segment in the calendar year 2015, and also above the 5% production growth that the sector achieved over the full course of 2014.

EBIT is being burdened by delayed sales dynamism with new business, which is also accompanied by a high level of investment. KROMI nevertheless expects a continuous improvement in its operating earnings. In particular, the economy, and consequently production levels at customers of KROMI Logistik, will comprise decisive factors for earnings trends. Particular significance is attributable in this context to the currently difficult economic situation in Brazil, as well as the delayed start-up process for various new customers. If these factors develop positively, the Management Board aims for growth in earnings before interest and tax (EBIT) as part of its gradual and profitable growth strategy.

## II. Report on opportunities and risks

As no new information has since come to light, no significant changes have occurred compared with the detailed information presented in the management report as of June 30, 2014, about the risks and opportunities pertaining to KROMI Logistik.

Hamburg, April 30, 2015

Managing Board of KROMI Logistik AG



Jörg Schubert



Uwe Pfeiffer



Bernd Paulini



Axel Schubert

## Condensed IFRS consolidated balance sheet as of March 31, 2015 and June 30, 2014 (unaudited)

<b>Assets</b>	<b>31.3.2015</b>	<b>30.6.2014</b>
<b>Non-current assets</b>		
Intangible assets	225	217
Property, plant and equipment	3,950	4,202
Other non-current receivables	1,359	1,263
Deferred taxes	421	401
<b>Total non-current assets</b>	<b>5,955</b>	<b>6,083</b>
<b>Current assets</b>		
Inventories	16,017	15,187
Trade receivables	14,946	14,472
Other current assets	7	962
Income tax claims	679	0
Cash and cash equivalents	761	253
<b>Total current assets</b>	<b>32,410</b>	<b>30,874</b>
	<b>38,365</b>	<b>36,957</b>
<b>Equity and liabilities</b>	<b>31.3.2015</b>	<b>30.6.2014</b>
<b>Equity</b>		
Subscribed share capital	4,125	4,125
Share premium account	15,999	15,999
Retained earnings	1,007	1,007
Other reserves	546	218
Net retained profit	1,315	1,721
Non-controlling interests	-37	-27
<b>Total equity</b>	<b>22,955</b>	<b>23,043</b>
<b>Non-current liabilities</b>		
Pension provisions	2,016	1,911
Non-current interest-bearing loans	1,125	1,200
Other non-current liabilities	238	207
Deferred taxes	26	24
<b>Total non-current liabilities</b>	<b>3,405</b>	<b>3,342</b>
<b>Current liabilities</b>		
Liabilities from income taxes	120	631
Other current interest-bearing borrowings	4,308	4,631
Trade payables	6,505	4,525
Other current liabilities	1,072	785
<b>Total current liabilities</b>	<b>12,005</b>	<b>10,572</b>
	<b>38,365</b>	<b>36,957</b>

In EUR thousand (unless otherwise stated)

*Condensed IFRS consolidated income statement for the period from January 1, 2015 until March 31, 2015, and from January 1, 2014 until March 31, 2014, and from July 1, 2014 until March 31, 2015, and from July 1, 2013 until March 31, 2014 (unaudited)*

	1.1.15 – 31.3.15	1.1.14 – 31.3.14	1.7.14 – 31.3.15	1.7.13 – 31.3.14
<b>Net revenues</b>	<b>16,832</b>	<b>16,349</b>	<b>46,688</b>	<b>45,407</b>
Other operating income	194	175	619	559
Cost of materials	12,908	12,619	35,324	34,599
Staff costs	2,333	2,126	6,748	5,929
Depreciation / amortisation	189	181	566	627
Other operating expenses	1,625	980	4,569	4,108
<b>Profit from operations</b>	<b>-29</b>	<b>618</b>	<b>100</b>	<b>703</b>
Financial expenses	70	69	215	222
Other financial income	3	5	12	13
<b>Profit/loss after tax</b>	<b>-96</b>	<b>554</b>	<b>-103</b>	<b>494</b>
Income taxes	126	177	313	341
<b>Group profit or loss</b>	<b>-222</b>	<b>377</b>	<b>-416</b>	<b>153</b>
Group profit or loss attributable to parent company owners	-217	378	-406	159
Non-controlling interests	-5	-1	-10	-6

<b>Earnings per share</b>	1.7.14 – 31.3.15	1.7.13 – 31.3.14
<b>Group profit or loss</b>	<b>-416</b>	<b>153</b>
<b>Number of shares in fiscal year</b>	<b>4,124,900</b>	<b>4,124,900</b>
<b>Earnings per share (basic, in EUR)</b>	<b>-0.10</b>	<b>0.04</b>

In EUR thousand (unless otherwise stated)

Diluted earnings per share correspond to the basic earnings per share.

*Condensed IFRS consolidated statement of comprehensive income for the period from January 1, 2015 until March 31, 2015, and from January 1, 2014 until March 31, 2014, and from July 1, 2014 until March 31, 2015, and from July 1, 2013 until March 31, 2014 (restated)*

	1.1.15 until 31.3.15	1.1.14 until 31.3.14	1.7.14 until 31.3.15	1.7.14 until 31.3.15
<b>Group profit or loss</b>	<b>-222</b>	<b>377</b>	<b>-416</b>	<b>153</b>
<b>Changes in components that are not recycled to profit or loss in the future:</b>				
Remeasurement of pension provisions*				
of which deferred tax				
<b>Changes in components that might be recycled to profit or loss in the future:</b>				
Currency translation	179	-85	348	49
Changes in cash flow hedge reserve	-7	-49	-30	-54
of which deferred tax	2	16	10	18
<b>Other comprehensive income after tax</b>	<b>174</b>	<b>-118</b>	<b>328</b>	<b>13</b>
<b>Consolidated total comprehensive income</b>	<b>-48</b>	<b>259</b>	<b>-88</b>	<b>166</b>
of which attributable to shareholders of KROMI Aktiengesellschaft	-43	260	-78	172
Non-controlling interests	-5	-1	-10	-6

In EUR thousand (unless otherwise stated)

\* A valuation survey to remeasure the pension provision was not prepared during the course of the year. Revaluation occurs at the end of the fiscal year.

*Condensed consolidated cash flow statements for the periods from July 1, 2014 until March 31, 2015, and from July 1, 2013 until March 31, 2014 (unaudited)*

	1.7.14 – 31.3.15	1.7.13 – 31.3.14
<b>Cash flow from operating activities</b>		
Consolidated earnings before interest and taxes (profit from operations)	100	703
Adjustments for:		
+ Depreciation / amortisation	566	627
– Increase in other non-current receivables	-96	-59
+ Increase in pension provisions	105	59
+/- Change in net current assets	567	-545
+ Interest received	12	13
– Interest paid	-215	-222
+/- Income taxes paid	-313	-138
<b>Net cash from operating activities</b>	<b>726</b>	<b>438</b>
<b>Cash flow from investing activities</b>		
Cash outflows to acquire non-current assets	-322	-131
<b>Net cash used in investing activities</b>	<b>-322</b>	<b>-131</b>
<b>Cash flow from financing activities</b>		
Cash outflows to repay borrowings	-75	-75
<b>Net cash used in financing activities</b>	<b>-75</b>	<b>-75</b>
Net increase/decrease in cash and cash equivalents	329	232
+/- Currency translation	179	49
+ Cash and cash equivalents – start of period	253	199
<b>Cash and cash equivalents – end of period</b>	<b>761</b>	<b>480</b>

In EUR thousand (unless otherwise stated)

*Condensed consolidated statement of changes in equity  
for the period is from July 1, 2013 until March 31, 2014,  
and from July 1, 2014 until March 31, 2015 (unaudited)*

	Subscribed share capital	Share premium account	Retained earnings	Other reserves	Net retained profit	Sub- total	Non-con- trolling interests	Equity capital
<b>1.7.2013</b>	<b>4,125</b>	<b>15,999</b>	<b>1,007</b>	<b>294</b>	<b>1,196</b>	<b>22,621</b>	<b>-22</b>	<b>22,599</b>
Consolidated net income	-	-	-	-	159	159	-6	153
Other comprehensive income	+/-	-	-	13	-	13	-	13
Consolidated total com- prehensive income	0	0	0	13	159	172	-6	166
<b>31.3.2014</b>	<b>4,125</b>	<b>15,999</b>	<b>1,007</b>	<b>307</b>	<b>1,355</b>	<b>22,793</b>	<b>-28</b>	<b>22,765</b>
<b>1.7.2014</b>	<b>4,125</b>	<b>15,999</b>	<b>1,007</b>	<b>218</b>	<b>1,721</b>	<b>23,070</b>	<b>-27</b>	<b>23,043</b>
Consolidated net income	-	-	-	-	-406	-406	-10	-416
Other comprehensive income	-	-	-	328	-	328	-	328
Consolidated total com- prehensive income	0	0	0	328	-406	-78	-10	-88
<b>31.3.2015</b>	<b>4,125</b>	<b>15,999</b>	<b>1,007</b>	<b>546</b>	<b>1,315</b>	<b>22,992</b>	<b>-37</b>	<b>22,955</b>

In EUR thousand (unless otherwise stated)

## *Notes to the condensed IFRS interim financial statements as of March 31, 2015 (unaudited)*

### 1. Introduction

KROMI Logistik AG, hereinafter also referred to as the „Company“, operates in the wholesaling/retailing and sale of machining tools and associated services. The Company mostly focuses on customers in the machining metal-working segment that have a high requirement for tools. These include, in particular, automotive suppliers, companies in the aerospace sector, and companies in the general engineering segment.

The Company has its registered office at Tarpenring 11, 22419 Hamburg, Germany.

### 2. Accounting policies

The condensed interim financial statements for the period July 1, 2014 until March 31, 2015 of KROMI Logistik AG were prepared on the basis of IFRS accounting standards, insofar as published by the EU. These condensed interim financial statements were prepared in accordance with IAS 34 “Interim Financial Reporting”.

The same accounting policies as in the consolidated financial statements as of June 30, 2014, were applied when preparing these interim financial statements as of March 31, 2015. The notes to the consolidated financial statements for the fiscal year from July 1, 2013 until June 30, 2014, contain a detailed description of these policies.

Standards and interpretations that require mandatory first-time application in the 2013/2014 fiscal year have no effect on the Group’s accounting policies. Due to the first-time application of the revised version of IAS 1 “Presentation of Financial Statements”, the interim consolidated financial statements were augmented to include a statement of comprehensive income that replaces the income and expenses that were previously reported directly in equity.

On April 30, 2015, the Managing Board approved the condensed interim financial statement for publication.

### 3. Notes to the consolidated balance sheet

#### **Non-current assets, investments**

Other non-current receivables include the valuation as of the reporting date of reinsurance policies concluded to finance pension commitments.

### 4. Segment reporting

The Company forms its segments on the basis of its sales markets. The figures are based on customers’ locations in Germany and abroad as the markets that the Company currently supplies.

The foreign markets include, in particular, Slovakia, Spain, the Czech Republic, Brazil, Italy (until March 31, 2014), Denmark, Poland and Austria, which account for the bulk of sales with foreign customers. The other countries to which deliveries are made (Romania, France and Belgium) continue to play a subordinate role during the current fiscal year. Almost all revenue is invoiced in euros – only in Brazil are all business transactions processed in Brazilian reals (BRL) – as a consequence of which there are no currency risks to report.

Where it proves impossible to assign individual items to the segment reporting according to the above (primary) criteria, the Company makes reasonable assumptions for the distribution of key assets. If it proved impossible to make any plausible or reasoned assumptions that were very likely to lead to the results similar to those actually obtained, the respective item was not included in the segment reporting, and was shown only in the reconciliation statement.

Segment earnings comprise revenues less the cost of materials, and less depreciation/amortisation.

In EUR thousand	Germany		Abroad		Total	
	1/15 to 3/15	1/14 to 3/14	1/15 to 3/15	1/14 to 3/14	1/15 to 3/15	1/14 to 3/14
Revenue (from external customers)	13,317	10,300	3,515	6,049	16,832	16,349
Segment profit/loss	2,968	2,509	767	1,040	3,735	3,549
Plus: Other operating income					194	175
Less: Staff costs					-2,333	-2,126
Less: Other operating expenses					-1,625	-980
Plus/less: Financial result					-67	-64
Less: Income taxes					-126	-177
Group profit or loss					-222	377

In EUR thousand	Germany		Abroad		Total	
	7/14 to 3/15	7/13 to 3/14	7/14 to 3/15	7/13 to 3/14	7/14 to 3/15	7/13 to 3/14
Revenue (from external customers)	32,723	28,726	13,965	16,681	46,688	45,407
Segment profit/loss	7,821	6,855	2,977	3,326	10,798	10,181
Plus: Other operating income					619	559
Less: Staff costs					-6,748	-5,929
Less: Other operating expenses					-4,569	-4,108
Plus/less: Financial result					-203	-209
Less: Income taxes					-313	-341
Group profit or loss					-416	-153

## 5. Significant events after the balance sheet date

No events that require reporting occurred in the period between the March 31, 2015 reporting date and the date when these interim financial statements were prepared.

## 6. Contingent liabilities and other financial commitments

No significant changes occurred to existing contingent liabilities.

## 7. Earnings per share

Basic (undiluted) earnings per share are calculated as follows:

In EUR thousand	1.7.-31.3.2015	1.7.-31.3.2014
Net income for the period	-416	-153
Number of shares in fiscal year	4,124,900	4,124,900
Earnings per share (basic)	-0.10	-0.04

Diluted earnings per share correspond to the basic earnings per share.

The Managing Board is authorised, with the approval of the Supervisory Board, to increase the Company's share capital by up to a total of EUR 2,062 thousand (Authorised Capital). This authorised capital can lead to diluted earnings per share in future as soon as the Managing Board avails itself of this authorization.

No dividends were paid in the period from July 1 until March 31, 2015.

## 8. Transactions with related parties

Merchandise supply relationships existed in the period July 1 until March 31, 2015 with the sister company Krollmann & Mittelstädt Hamburg GmbH in a (net) amount of EUR 4,448 thousand (previous year: EUR 4,255 thousand), and a service agreement for IT, other equipment, cleaning and maintenance, accounting and central HR management, which generated revenue of EUR 153 thousand (previous year: EUR 148 thousand). KROMI Logistik AG also received rental income of EUR 34 thousand (previous year: EUR 34 thousand). Receivables of EUR 780 thousand (previous year: EUR 601 thousand) were due from, and no liabilities were due to, Krollmann & Mittelstädt Hamburg GmbH as of March 31, 2015.

A service agreement for management, IT, other equipment, cleaning and maintenance, accounting and central HR management existed with sister company Krollmann & Mittelstädt Magdeburg GmbH, which resulted in income totalling EUR 87 thousand (previous year: EUR 83 thousand) for the Company. Receivables of EUR 53 thousand (previous year: EUR 3 thousand) were due from, and no liabilities were due to, Krollmann & Mittelstädt Magdeburg GmbH as of March 31, 2015.

Hamburg, April 30, 2015

Managing Board of KROMI Logistik AG



Jörg Schubert



Uwe Pfeiffer



Bernd Paulini



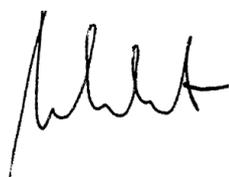
Axel Schubert

## *Responsibility statement (pursuant to Section 37w (3) No. 2 of the German Securities Trading Act [WpHG])*

To the best of our knowledge, we declare that, according to the applicable principles of interim reporting, the interim consolidated financial statements provide a true and fair view of the Group's financial position and performance, that the interim Group management report presents the Group's business including the results and the Group's position such as to provide a true and fair view, and that the major opportunities and risks of the Group's anticipated growth for the remainder of the fiscal year are described.

Hamburg, April 30, 2015

KROMI Logistik AG



Jörg Schubert



Uwe Pfeiffer



Bernd Paulini



Axel Schubert

## *Auditor's review (disclosure pursuant to Section 37w (5) Clause 6 of the German Securities Trading Act [WpHG])*

The interim consolidated financial statements and the interim Group management report have not been reviewed by an auditor, nor have they been audited pursuant to Section 317 of the German Commercial Code (HGB).

## *Publication details*

### **Published by**

KROMI Logistik AG  
Tarpenring 11  
22419 Hamburg  
Telephone: 040 / 53 71 51-0  
Telefax: 040 / 53 71 51-99  
Email: info@kromi.de  
Internet: www.kromi.de

### **Concept, Text and Design**

cometis AG  
Unter den Eichen 7  
65195 Wiesbaden  
Telephone: 0611 / 20 58 55-0  
Telefax: 0611 / 20 58 55-66  
Email: info@cometis.de

This report includes forward-looking statements which reflect the current views of KROMI Logistik AG's management with regard to future events. As a rule, these are shown by the use of "should", "expect", "assume", "anticipate", "intend", "estimate", "aim", "have the aim of", "forecast", "will be", "desire", "outlook" and similar expressions, and generally include information based on current forecasts, estimates or expectations. They are subject to risks and insecurities that are difficult to assess and not in KROMI Logistik AG's control.

These also include factors that have an impact on the development of costs and income, for example regulatory requirements, competition that is more intense than expected, changes in technology, litigation and developments under supervisory law. If these or other risks and insecurities should occur, or if the assumptions on which the statements in this report are based should prove to be incorrect, the actual results of KROMI Logistik AG could differ greatly from the results that are expressed or implied in these statements. KROMI Logistik AG does not assume any guarantee that the forward-looking expectations and assumptions will actually occur. In addition, KROMI Logistik AG declines all responsibility for updating forward-looking statements by taking into account new information or future events.

**KROMI Logistik AG**

Tarpenring 11  
22419 Hamburg  
Deutschland

Tel.: 040 / 53 71 51-0  
Fax: 040 / 53 71 51-99