

FISCAL 2016/2017

REPORT ON THE 1ST QUARTER
1 OCTOBER TO 31 DECEMBER 2016

THE FIRST QUARTER AT A GLANCE

TABLE 01

Income statement, Cash flow statement, Balance sheet, Share, Employees

IFRS	01/10/16– 31/12/16	Changes in %	01/10/15– 31/12/15
Income statement			
Revenues (EUR million)	245.837	1.1	243.169
Operating profit (EUR million)	17.623	-26.9	24.121
Profit from ordinary activity (EUR million)	17.054	-28.6	23.874
Earnings after income tax (EUR million)	11.600	-29.8	16.534
Cash flow statement			
Cash flow from operating activities (EUR million)	23.154	-45.4	42.405
Cash flow from investing activities (EUR million)	-9.927	-60.8	-25.341
Free cash flow (EUR million)	13.227	-22.5	17.064
Capital spending (EUR million)	10.912	-60.4	27.543
Balance sheet			
Equity (EUR million)	369.744	9.7	337.042
Equity ratio (%)	48.2	5.0	45.9
Total assets (EUR million)	766.311	4.3	734.832
Share			
Earnings per share (EUR)	1.15	-29.9	1.64
Share price on 31 December (EUR) ¹	96.68	-13.1	111.25
Share price, high (EUR) ²	106.75	-7.2	115.00
Share price, low (EUR) ²	93.24	-0.5	93.73
Shares outstanding on 31 December (number)	10,143,240	-	10,143,240
Market capitalisation on 31 December (EUR million)	980.6	-13.1	1,128.4
Employees			
Number of employees at Bertrandt Group on 31 December	13,061	4.3	12,520

¹Closing price in Xetra trading.²In Xetra trading.

OVERVIEW

The automotive sector is working intensively on the mobility of the future. Climate protection and the digital transformation are key innovation drivers. The aerospace sector is concentrating its development activities on improving the existing range of models and reducing emissions and noise pollution. The energy, medical technology, electrical engineering as well as machinery and plant engineering sectors are being influenced by the increasing digitalisation of production processes. The dynamism of markets combined with the associated megatrends and technological requirements pose challenges and, at the same time, present opportunities. Owing to the diversity of products and services which we offer, the size of the Company and its strong market position, we are well positioned to continue taking our company forward both with regard to current and future topics.

The Company's performance in the first quarter of Bertrandt's fiscal year 2016/2017 met management expectations and was in line with the forecast for the year. Business performance in the period under review was influenced by two important influencing factors. The first of these was the fact that the first quarter was two working days shorter than the same quarter of the previous year. This had an effect on the revenue and earnings potential in the period under review. Secondly, as outlined in the risk report pressure on prices in the industry has not let up since the past fiscal year. Against this backdrop, the Company's key performance indicators developed as follows in the first three months of fiscal 2016/2017:

- In the first quarter of fiscal 2016/2017 revenues rose by 1.1 percent to EUR 245.837 million over the same period in the previous year (EUR 243.169 million).
- Operating profit also increased, rising to EUR 17.623 million in the first quarter (previous year EUR 24.121 million), which corresponds to a margin of 7.2 percent (previous year 9.9 percent).
- In the period under review, Bertrandt recorded post-tax earnings of EUR 11.600 million (previous year EUR 16.534 million).
- Earnings per share were EUR 1.15 in the first quarter (previous year EUR 1.64).
- The number of employees rose by 541 to 13,061 employees.

Bertrandt's comprehensive range of services provides each customer with customised and all-in solutions along the entire product engineering process. As one of Europe's leading engineering specialists, Bertrandt is a reliable partner when it comes to meeting current and future challenges across all engineering project stages. All the expertise of the entire Bertrandt Group is available to customers through their local Bertrandt subsidiary, because Bertrandt's Competence Centre structure is replicated throughout the Group.

Q1

QUARTERLY REPORT

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WE RECRUITED MORE PERSONNEL in the last quarter of the year with the aim of expanding and deepening in automotive trends.

13,061

**BERTRANDT PEOPLE
FULFIL OUR PROMISE OF
PERFORMANCE TO THE
CUSTOMER, DAY IN, DAY
OUT.**

GROUP MANAGEMENT REPORT

THE GROUP – GENERAL INFORMATION

Business model and strategy

As one of Europe's leading engineering partners, Bertrandt has been devising specific and tailored solutions with customers at 53 locations in Europe, Asia and the United States for over 40 years now. Our services for the automotive and aerospace industries include all process steps in the project phases of conceptual design, CAD, development, design modelling, tool production, vehicle construction and production planning right through to start of production and production support. Furthermore, the individual development steps are validated by simulation, prototype building and testing. At our technology centres in the immediate vicinity of our customers, we maintain dedicated design studios, electronics labs as well as testing facilities where projects of different sizes are managed in cooperation with our customers. Our customer base comprises nearly all European manufacturers as well as important system suppliers. We also provide technological services outside the mobility industry in such forward-looking sectors as energy, medical technology, electrical engineering as well as machinery and plant engineering throughout Germany. Consistency, reliability and capital expenditure on infrastructure and technical equipment enable our customer relationships to thrive and are key success factors for Bertrandt.

We consider ourselves an active contributor to the development of the future of mobility, and are consequently constantly adapting our range of services to customer needs as well as to changing market conditions. Bertrandt's particular strength

1.9

was the growth rate of Germany's gross domestic product in 2016, according to the Federal Statistical Office.

lies in the linking up and further development of know-how, and this makes us one of the leading European partners on the market for engineering services. The engineering expertise Bertrandt has built up over many years of activity in the mobility industries provides a firm foundation upon which the Company can realise and take forward customised development solutions in new sectors.

Foreign operations

With its 13 non-domestic branches in Europe, the United States and Asia, Bertrandt pursues a strategy of ensuring the sharpest possible focus on the customer by diversifying its locations on a project-specific basis. This, and the close organisational link-up with its branches in Germany, enables Bertrandt to offer its customers the complete range of its services and thereby to rapidly and efficiently devise solutions worldwide.

REPORT ON ECONOMIC POSITION

Economic development

According to the ifo Institute (Leibniz Institute for Economic Research) at the University of Munich, the advanced and emerging economies contributed in largely equal measure to the upturn in the global economy. This can be ascribed to continuing moderate commodity prices and the stimulus packages provided by governments worldwide in conjunction with the continued loose monetary policy pursued by central banks. Despite volatile economic conditions, the German economy grew again at a solid and steady pace in 2016. According to the German Federal Statistical Office, Germany's gross domestic product rose year on year by an average of 1.9 percent in 2016. Thus, the long-term average value for the last ten years (1.4 percent) was clearly exceeded.

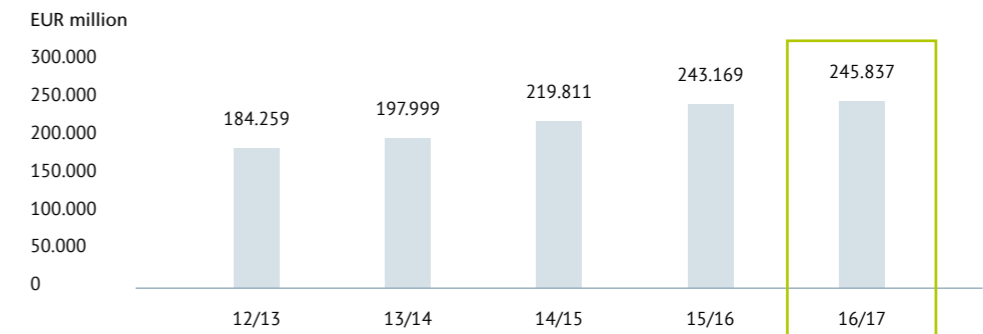
Sector trends

The automotive industry is facing huge technological changes that are mainly spurred by the growing importance of alternative drive systems and digitalisation. The industry is pursuing the development of e-mobility technology, for example, with great commitment because new drive technologies are needed to meet climate protection and mobility requirements. At the same time, technologies for various automated driving applications are being developed that will help enhance both safety and comfort. According to the German Association of the Automotive Industry

CHART 02

Bertrandt increased its revenues in the period under review.

Consolidated revenues (1st quarter)



(VDA), global new car sales grew by 4 percent in 2016 to about 81.6 million passenger cars, exceeding the 80-million mark for the first time. The VDA's statistics also show that sales in the United States increased year on year by 0.4 percent to 17.5 million light vehicles – a new record. A growth rate of 18 percent made China the biggest single market again: at 23.7 million newly registered passenger cars a new all-time high was recorded. Europe, too, continued on its growth path with a plus of 6.5 percent and 15.1 million new car registrations in the past year.

The Industry 4.0 trend is the challenging environment in which technological solutions must be devised to ensure and increase global competitiveness. In the energy, medical technology, electrical engineering as well as machinery and plant engineering industries, the Company performed well, with positive end-of-year figures. The business climate index published by the ifo Institute for the manufacturing industries increased yet again towards the end of the year: the expectations of industrial companies were markedly higher, the current business situation is evaluated as being the best since February 2012. The outlook for the first half of 2017 was also slightly more optimistic.

Civil aviation is benefitting from the growing numbers of passengers and the need to modernise older generations of aircraft. Against this background the German Aerospace Industries Association (BDLI) expects continuing demand for engineering in this market segment to enable the existing model range to meet the new requirements regarding environmental protection, efficiency and comfort.

81.6

million new vehicles were sold in 2016 worldwide. For the first time the 80 million mark was exceeded.

BUSINESS PERFORMANCE

Earnings situation

As mentioned earlier, the effect of two missing working days and the price pressure in the industry influenced the business performance in the first three months of fiscal 2016/2017.

Total revenues

In the period under review Bertrandt generated revenues of EUR 245.837 million (previous year EUR 243.169 million). This is equivalent to an increase of 1.1 percent. All of the Group's divisions – Digital Engineering, Physical Engineering and Electrical Systems/Electronics – achieved growth over the previous year. Total revenues increased year on year by EUR 2.735 million to EUR 246.010 million.

CHART 02

Operating profit (1st quarter)

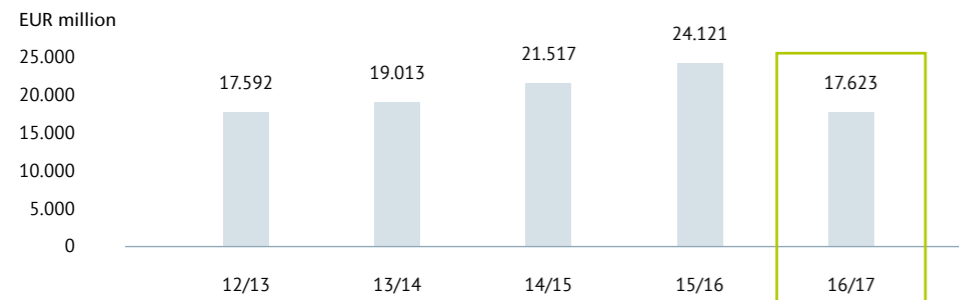


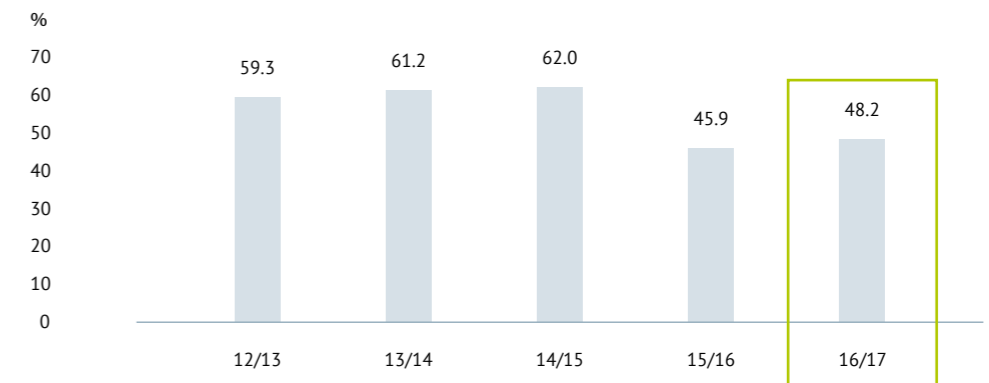
CHART 03

The effect of two missing working days and the price pressure in the industry influenced the business performance.

CHART 04

The equity ratio rose to 48.2 percent compared to FY 2015/2016.

Equity ratio (on 31 December)



Key expenditure figures

Expenses increased compared to the first quarter of the previous year due to the greater volume of business. The cost of materials was EUR 26.140 million and thus slightly above the previous year's figure (EUR 25.315 million). The workforce continued to grow and as a result personnel expenses in the period under review rose to EUR 170.921 million (previous year EUR 165.826 million). The staff cost ratio was 69.5 percent (previous year 68.2 percent). Other operating expenses increased to EUR 25.449 million (previous year EUR 23.709 million).

Operating profit

In the first quarter of fiscal 2016/2017, Bertrandt's operating profit was EUR 17.623 million (previous year EUR 24.121 million), which corresponds to a margin of 7.2 percent (previous year 9.9 percent). At EUR -0.569 million (previous year EUR -0.247 million), net finance income was negative. Profit from ordinary activities in the period under review was EUR 17.054 million (previous year EUR 23.874 million). Based on a tax rate of 30 percent (previous year 29.5 percent), the Company generated post-tax earnings of EUR 11.600 million (previous year EUR 16.534 million).

CHART 03

Financial position

As at 31 December 2016 total assets were up by EUR 2.997 million to EUR 766.311 million (EUR 763.314 million as at 30 September 2016) as a result of the growth of the Company. Non-current assets were valued at EUR 276.432 million at the balance sheet date (EUR 271.790 million as at 30

September 2016). Current assets amounted to EUR 489.879 million (EUR 491.524 million as at 30 September 2016). Current liabilities were at EUR 158.739 million (EUR 167.594 million as at 30 September 2016). Non-current liabilities slightly increased to EUR 237.828 million (EUR 237.784 million as at 30 September 2016). Equity rose to EUR 369.744 million in the first three months of fiscal 2016/2017 (EUR 357.936 million as at 30 September 2016). The equity ratio increased compared to the end of fiscal 2015/2016 to 48.2 percent (46.9 percent at 30 September 2016).

CHART 04

Cash flow from operating activities was EUR 23.154 million (previous year EUR 42.405 million) in the first quarter of the current 2016/2017 fiscal year. This was primarily due to the lower operating profit and optimisations in working capital. Given the reduced level of capital expenditure compared to the first quarter of fiscal 2015/2016, net cash outflow from investing activities was down by EUR -9.927 million, amounting to EUR -25.341 million. Free cash flow at the end of the first quarter was EUR 13.227 million (previous year EUR 17.064 million).

CHART 05

Responding to demand, the Company invested EUR 10.912 million in buildings and technical equipment in the first three months of the current fiscal year (previous year EUR 27.543 million). In this way, Bertrandt will continue to focus its investment activities in building up and expanding its infrastructure with the aim of continually optimising its range of services.

CHART 06

CHART 05

At the end of the first quarter, free cash flow amounted to EUR 13.227 million.

Free cash flow (1st quarter)

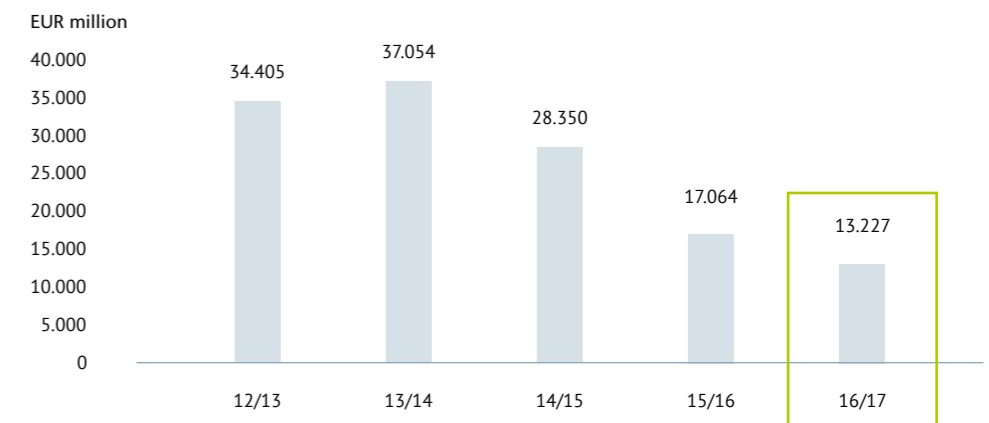
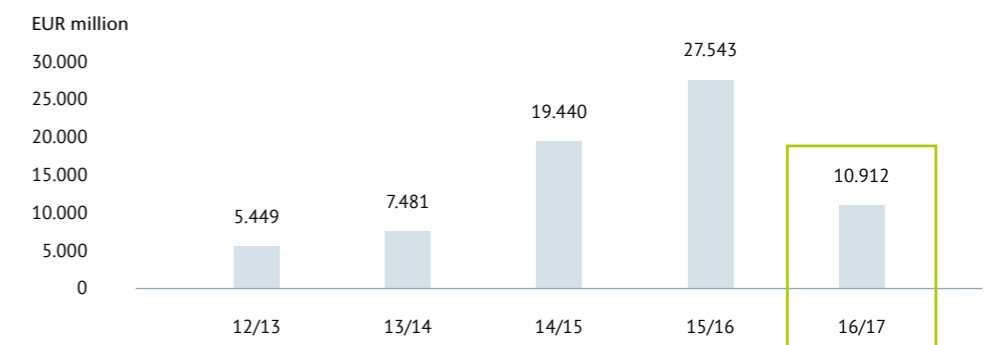


CHART 06

As forecast, the capex declined in comparison with the same period last year.

Capital spending (1st quarter)



Employees (on 31 December)

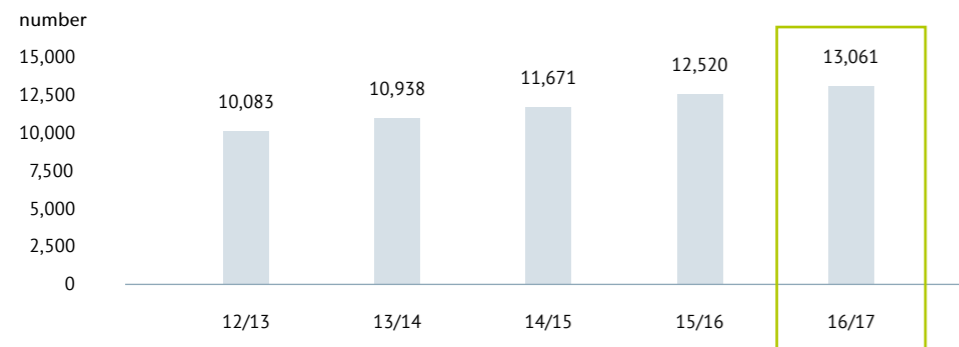


CHART 07

Compared to the previous year the workforce expanded by 541.

13,061

employees worked for Bertrandt on the reporting date.

Human resources

Bertrandt continued to recruit new employees in the first quarter of fiscal 2016/2017. As at 31 December 2016 the Group had 13,061 employees, an increase of 541 on the same period last year (12,520 employees as at 31 December 2015). Compared with the end of fiscal 2015/2016, the workforce increased by 149 (12,912 employees as at 30 September 2016). The latest information on our human resources management can be found in the "Careers" section of Bertrandt's website at www.bertrandt.com.

GRAFIK 07

Risk report

As an engineering service provider operating on an international scale, the Bertrandt Group is exposed to a wide variety of risks. All the pertinent facts were comprehensively reported in the fiscal 2015/2016 annual report. As outlined in the annu-

al report, the current outlook for fiscal 2016/2017 reflects developments in the automotive sector, the outcomes of which cannot be wholly predicted at the present juncture. In view of the strategic change in the domain of drive technologies, carmakers and system providers are stepping up their efforts to develop e-mobility technologies. These technological developments are crucial to the future market positions of our customers and have long-term effects on their business processes and the priorities in their development budgets. It takes a lot of time to reach these important decisions and delays in project awards can arise as a result. Furthermore prices have come under increasing pressure in the markets since the first quarter. It is also difficult to predict ongoing geopolitical developments, for example the progress of the Brexit negotiations and the economic repercussions of the change of government in the United States. Both countries are important production and sales markets for our customers and trade barriers, if they are erected, could adversely affect their business performance. Bertrandt is closely observing these developments. From the point of view of management, the probability of the risks identified in the fiscal 2015/2016 annual report materialising for Bertrandt in the next three to six months has increased in the first three months of fiscal 2016/2017. However, the medium-term prospects of Bertrandt's core industries and the technology trends on which they are based are still intact. A broad strategic alignment and a solid financial base will continue to provide a stable foundation for the business growth of the Bertrandt Group in the future.

Potentials

Bertrandt is confident that the increasingly demanding mobility needs of consumers, ever more stringent legislation and a growing diversity of variants and models will also offer further potential for the company to secure and enhance its market position as an engineering service provider and technology group in the years to come. This is also reflected in actual and planned capital expenditure in infrastructure and technical equipment of our technology centres.

Forecast and outlook

In their autumn reports, leading German economic research institutes forecast continued global economic growth. According to experts world output is set to grow by 2.7 percent this year. However, specialists emphasise that economic conditions will remain volatile. In the view of the ifo Institute the robust upswing experienced by the German economy since 2013 will continue, although in 2017 the growth rate will probably be 1.5 percent lower than in the previous year. However, this is merely the effect of fewer working days compared to the previous year.

According to the VDA, the number of different electric vehicle models offered by German OEMs will more than triple by 2020 from currently 30 to almost 100 models. As early as 2019, electric drives will be built into more or less all series, either as plug-in hybrids or battery-powered electric drives. Up to 2020, German OEMs will invest more than EUR 40 billion in the development of alternative drive technologies. Besides working on e-mobility, carmakers are optimising conventional engines. The VDA expects these optimised drives to reduce fuel consumption by 10 to 15 percent. For the passenger car market growth to 91 million new cars by 2020 is anticipated.

A survey of 46 German trade associations conducted by the Cologne Institute for Economic Research (IW) showed that 28 associations expect their sector to produce more in 2017 than in the previous year. Most of these were associations in the key industries in which Bertrandt operates. However, uncertainty remains, bearing in mind German industry's strong focus on exports, the uncertain outcome of the Brexit negotiations and the new US administration in particular.

Assuming that underlying economic conditions do not deteriorate, that OEMs make sustained investments in research and development for new technologies and models, engineering work continues to be contracted out and qualified human resour-

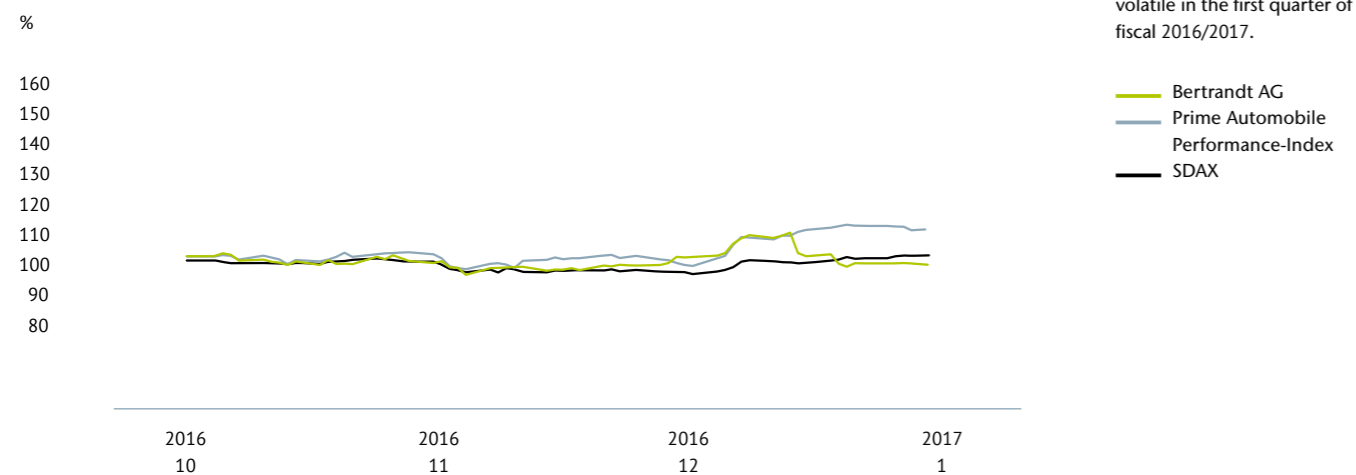
2.7

percent is the rate at which the global economy is predicted by the ifo Institute to grow in 2017.

ces are available, Bertrandt expects the Company to develop positively in fiscal 2016/2017. In the management's view Bertrandt is well positioned to achieve dynamic revenue growth*. In view of the challenges discussed here management anticipates a modest increase* in operating profit compared to the previous year. Temporary differences in specific quarters do not cast doubt on this management assessment. The volatility caused by calendar or invoicing effects is inherent to Bertrandt's business model. Hence, management's forecast always refers to the fiscal year as a whole and not to individual quarters.

The market continues to offer business opportunities in 2017. As a result, Bertrandt will continue to focus its investment activities in building up and expanding its infrastructure with the aim of continually optimising its range of services bearing in mind that the technological developments of tomorrow will require state-of-the-art technology. However, the Company expects a lower volume of capital spending in fiscal 2016/2017 than in the previous year. For the next year overall, Bertrandt anticipates a positive cash flow from operating activities, which, however, is likely to shrink compared to fiscal 2015/2016 because no substantial positive or negative effects such as in the fiscal years 2014/2015 and 2015/2016 are expected.

*See Bertrandt Full Year Report 2015/2016, p. 87.

Share price in comparison (1st quarter)

The Bertrandt share

The DAX started the first quarter of fiscal 2016/2017 on 4 October 2016 opening at 10,493 points and climbing to 11,481 points as of the last day of trading. The SDAX started at 9,283 points to climb to 9,519 points by the end of the same period. The Prime Automobile Performance Index moved back and forth between 1,357 and 1,506 points.

The Bertrandt share started the first quarter of the fiscal year 2016/2017 by opening in Xetra trading at EUR 97.50. After hitting a low for the period under review of EUR 93.24 on the same day, it reached its high for the period of EUR 106.75 on 14 December 2016 and closed at EUR 96.68 in Xetra trading on the last day of trading. The average daily trading volume in the first three months of fiscal 2016/2017 was 16,542 shares.

Analysts' ratings of the Bertrandt share and information on our Company can be found at www.bertrandt.com under Investor Relations.

96.68

EUR was the closing price of the Bertrandt share on the last trading day 2016.

CHART 08

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

TABLE 09

Consolidated income statement and statement of comprehensive income

EUR million	2016/2017	2015/2016
01/10 to 31/12		
I. Income statement		
Revenues	245.837	243.169
Other internally generated assets	0.173	0.106
Total revenues	246.010	243.275
Other operating income	2.489	2.634
Raw materials and consumables used	-26.140	-25.315
Personnel expenses	-170.921	-165.826
Depreciation	-8.366	-6.938
Other operating expenses	-25.449	-23.709
Operating profit	17.623	24.121
Income from investments accounted for using the equity method	0.097	-0.009
Interest income/expense	-0.735	-0.331
Attributable to minority interests	-0.019	0
Other financial result	0.088	0.093
Net finance income	-0.569	-0.247
Profit from ordinary activities	17.054	23.874
Other taxes	-0.480	-0.425
Earnings after income tax	16.574	23.449
Income taxes	-4.974	-6.915
Earnings after income tax	11.600	16.534
– attributable to minority interest	0	0.029
– attributable to shareholders of Bertrandt AG	11.600	16.505
Number of shares (million) – diluted/basic, average weighting	10.091	10.083
Earnings per share (EUR) – diluted/basic	1.15	1.64
II. Statement of comprehensive income		
Earnings after income tax	11.600	16.534
Exchange differences ¹	0.414	0.209
Revaluation of pension obligations	-0.294	-0.010
Tax effects of revaluation of pension obligations	0.088	0.003
Other earnings after taxes	0.208	0.202
Total comprehensive income	11.808	16.736
– attributable to minority interest	0	0.029
– attributable to shareholders of Bertrandt AG	11.808	16.707

¹Components of Other earnings after taxes which will be recycled in the Income statements of the future quarterly and annual reports.

CONSOLIDATED BALANCE SHEET

TABLE 10

Consolidated balance sheet		
EUR million	31/12/2016	30/09/2016
Assets		
Intangible assets	17.222	17.480
Property, plant and equipment	240.646	235.800
Investment properties	1.524	1.540
Investments accounted for using the equity method	5.174	5.077
Other financial assets	2.148	2.729
Receivables and other assets	7.050	6.691
Deferred taxes	2.668	2.473
Non-current assets	276.432	271.790
Inventories	1.208	0.889
Future receivables from construction contracts	115.188	114.130
Receivables and other assets	197.967	214.851
Income tax assets	2.207	1.833
Cash and cash equivalents	173.309	159.821
Current assets	489.879	491.524
Total assets	766.311	763.314
Equity and liabilities		
Issued capital	10.143	10.143
Capital reserve	29.374	29.374
Retained earnings and other comprehensive income	279.233	279.025
Consolidated distributable profit	50.994	39.394
Equity	369.744	357.936
Provisions	17.169	16.927
Borrowings	199.714	199.701
Other liabilities	0.238	0.246
Deferred taxes	20.707	20.910
Non-current liabilities	237.828	237.784
Tax provisions	7.640	7.548
Other provisions	22.869	46.586
Borrowings	0.253	2.367
Trade payables	15.680	15.066
Other liabilities	112.297	96.027
Current liabilities	158.739	167.594
Total equity and liabilities	766.311	763.314

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TABLE 11

Consolidated statement of changes in equity										
EUR million	Issued capital	Capital reserve	Retained earnings and other comprehensive income			Consolidated distributable profit	Equity attributable to shareholders of Bertrandt AG	Minority interests	Total	
			Non-distributed earnings	Currency translation reserve	Revaluation of pension obligations	Total				
Value on 01/10/2016	10.143	29.374	282.737	-1.096	-2.616	279.025	39.394	357.936	0	357.936
Earnings after income tax							11.600	11.600	0	11.600
Other earnings				0.414 ¹	-0.206	0.208		0.208		0.208
Total comprehensive income				0.414	-0.206	0.208	11.600	11.808	0	11.808
Value on 31/12/2016	10.143	29.374	282.737	-0.682	-2.822	279.233	50.994	369.744	0	369.744
Previous year										
Value on 01/10/2015	10.143	28.595	249.144	-0.554	-1.791	246.799	34.083	319.620	0.686	320.306
Earnings after income tax							16.505	16.505	0.029	16.534
Other earnings				0.209 ¹	-0.007	0.202		0.202		0.202
Total comprehensive income				0.209	-0.007	0.202	16.505	16.707	0.029	16.736
Value on 31/12/2015	10.143	28.595	249.144	-0.345	-1.798	247.001	50.588	336.327	0.715	337.042

¹Components of Other earnings after taxes which will be recycled in the Income statements of the future quarterly and annual reports.

CONSOLIDATED CASH FLOW STATEMENT

TABLE 12

Consolidated cash flow statement		
EUR million		
01/10 to 31/12	2016/2017	2015/2016
1. Net profit for the period (including minority interests) before exceptionals	11.600	16.534
2. Income taxes	4.974	6.915
3. Interest income/expense	0.735	0.331
4. Other net financial result	-0.069	-0.093
5. Income from investments accounted for using the equity method	-0.097	0.009
6. Depreciation of non-current assets	8.366	6.938
7. Increase/decrease in provisions	-25.725	-23.672
8. Other non-cash income/expense	-0.275	0.142
9. Profit/loss from disposal of non-current assets	-0.053	-0.086
10. Increase/decrease in inventories, future receivables from construction contracts, receivables and other assets as well as other assets not assigned to investing or financing activities	14.562	23.756
11. Increase/decrease in trade payables and other liabilities not assigned to investing or financing activities	16.919	16.626
12. Income tax received/paid	-5.658	-4.998
13. Interest paid	-2.804	-0.065
14. Interest received	0.679	0.068
15. Cash flows from operating activities (1.–14.)	23.154	42.405
16. Payments received from disposal of property, plant and equipment	0.237	1.167
17. Payments received from the disposal of financial assets	0.748	1.035
18. Payments made for capital expenditure on property, plant and equipment	-9.536	-23.443
19. Payments made for investments in intangible assets	-1.206	-3.029
20. Payments made for investments in financial assets	-0.170	-1.071
21. Cash flows from investing activities (16.–20.)	-9.927	-25.341
22. Payment received from the sale of treasury shares	0	0
23. Payments made to shareholders and minority shareholders	0	0
24. Payments received from issue of debt instruments and raising of loans	0	199.600
25. Payments made for discharging debt instruments and repaying loans	0	-39.642
26. Cash flows from financing activities (22.–25.)	0	159.958
27. Changes in cash and cash equivalents (15.+21.+26.)	13.227	177.022
28. Effect of exchange rate changes on cash and cash equivalents	0.261	0.094
29. Cash and cash equivalents at beginning of period	159.821	13.068
30. Cash and cash equivalents at end of period (27.–29.)	173.309	190.184

TABLE 13

Consolidated segment report								
EUR million	Digital Engineering		Physical Engineering		Electrical Systems/ Electronics		Total of all divisions	
01/10 to 31/12	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016
Revenues	150.218	143.276	55.588	52.224	53.077	51.277	258.883	246.777
Transfer between segments	7.282	1.335	3.076	1.291	2.688	0.982	13.046	3.608
Consolidated revenues	142.936	141.941	52.512	50.933	50.389	50.295	245.837	243.169
Operating profit	8.406	12.983	4.410	5.391	4.807	5.747	17.623	24.121

TABLE 14

Shares owned by members of the Management and Supervisory Boards		
number	Shares	Shares
	Balance at 31/12/2016	Balance at 30/09/2016
Management Board		
Dietmar Bichler	400,000	400,000
Hans-Gerd Claus	0	0
Michael Lücke	0	0
Markus Ruf	0	0
Supervisory Board		
Dr Klaus Bleyer	0	0
Maximilian Wölfle	0	0
Horst Binnig	0	0
Prof. Dr-Ing. Wilfried Sihm	0	0
Stefanie Blumenauer	0	0
Astrid Fleischer	98	98
Total	400,098	400,098

Options are not disclosed here as there is currently no option programme.

CONDENSED CONSOLIDATED NOTES

BASIC INFORMATION

The consolidated financial statements of Bertrandt Aktiengesellschaft, registered at Birkensee 1, 71139 Ehningen, Germany (register number HRB 245259, commercial register of the local court of Stuttgart), for the year ending 30 September 2016 were prepared using the International Financial Reporting Standards (IFRS) effective at the reporting date and as endorsed by the European Union (EU).

The presented consolidated interim financial statements as at 31 December 2016 were prepared based on International Accounting Standard (IAS) 34 Interim Financial Reporting, in principle applying the same reporting methods as in the consolidated financial statements for fiscal 2015/2016. The provisions of Section 315a (1) German Commercial Code (HGB) as well as all the standards and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), which are subject to mandatory application in fiscal 2016/2017, have been considered.

A detailed description of these methods is published in the Notes to the Consolidated Financial Statements of the Annual Report for fiscal 2015/2016. The Annual Report is also accessible on the internet at www.bertrandt.com.

These interim consolidated financial statements were compiled in euros. Unless stated otherwise, all amounts are shown in millions of euros (EUR million).

International Financial Reporting Standards and Interpretations that are subject to mandatory application as of fiscal 2016/2017

The following table sets out the International Financial Reporting Standards and Interpretations that are subject to mandatory application as of fiscal 2016/2017.

TABLE 15

Standard/ Interpretation		Compulsory application ¹	Expected effects
IFRS 11	Amendments to IFRS 11: Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations	01/01/2016	None
IFRS 10, IFRS 12 and IAS 28	Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception	01/01/2016	None
IAS 1	Amendments to IAS 1: Presentation of Financial Statements – Disclosure Initiative	01/01/2016	None
IAS 16 and IAS 38	Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation	01/01/2016	None
IAS 16 and IAS 41	Amendments to IAS 16 and IAS 41 – Agriculture: Bearer Plants	01/01/2016	None
IAS 27	Amendments to IAS 27: Separate Financial Statements – Equity Method in Separate Financial Statements	01/01/2016	None
Improvements of IFRS	Adoption of Annual Improvements to IFRS Cycle 2012-2014	01/01/2016	Single-case audit

¹Financial years beginning on or after the specified date.

International Financial Reporting Standards and Interpretations that have been published but are not yet mandatory

The following standards and interpretations have already been adopted by the International Accounting Standards Board (IASB) and to some degree approved by the EU but they were not yet mandatory in fiscal 2016/2017. Bertrandt will apply them for the accounting period for which they become mandatory.

TABLE 16

Standard/ Interpretation		Compulsory application ¹	Expected effects
IFRS 2²	Classification and Measurement of Share-based Payment Transactions	01/01/2018	None
IFRS 4²	Amendments to IFRS 4: Insurance Contracts – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	01/01/2018	Currently under examination
IFRS 9	Financial Instruments	01/01/2018	No substantial effects, more detailed disclosures in the Notes
IFRS 10 and IAS 28³	Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	not specified	None
IFRS 15⁴	Revenue from Contracts with Customers	01/01/2018	No substantial effects, more detailed disclosures in the Notes
IFRS 15^{2,4}	Amendments to IFRS 15	01/01/2018	No substantial effects, more detailed disclosures in the Notes
IFRS 16²	Leasing	01/01/2019	Lessee is required to recognise a right-of-use asset and a lease liability in the balance sheet for all leases. More detailed disclosures in the Notes
IAS 7²	Amendments to IAS 7: Statement of Cash Flows – Disclosure Initiative	01/01/2017	None
IAS 12²	Amendments to IAS 12: Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses	01/01/2017	None
IAS 40²	Amendments to IAS 40: Transfers of Investment Property	01/01/2018	Currently under examination
Improvements of IFRS	Adoption of Annual Improvements to IFRS Cycle 2014-2016	01/01/2017/ 01/01/2018	Single-case audit
IFRIC 22	IFRIC Interpretation 22: Foreign Currency Transactions and Advance Considerations	01/01/2018	Currently under examination

¹Fiscal years beginning on or after the specified date.

²Not yet endorsed by the EU.

³Postponed to a date to be determined by the IASB.

⁴A group-wide, centrally managed project was set up in early 2016; a final evaluation is planned for the upcoming financial year.

GROUP OF CONSOLIDATED COMPANIES

The group of consolidated companies includes all operating subsidiaries under the legal and constructive control of Bertrandt AG. This specifically entails the following German companies: Bertrandt Ingenieurbüro GmbHs in Gaimersheim, Ginsheim-Gustavsburg, Hamburg, Cologne, Munich, Neckar-sulm and Tappenbeck as well as Bertrandt Fahrerprobung Süd GmbH in Nufringen, Bertrandt Projektgesellschaft mbH, Bertrandt Services GmbH, Bertrandt Technikum GmbH in Ehningen and Bertrandt Technologie GmbHs in Immendingen, Mönsheim and Sassenburg, Bertrandt Ehningen GmbH in Ehningen, Bertrandt GmbH in Hamburg, Bertrandt Verwaltungs GmbH in Mönsheim, Bertrandt Automotive GmbH & Co. KG, Bertrandt Immobilien GmbH & Co. KG and Bertrandt Grundbesitz GmbH & Co. KG, each located in Pullach i. Isartal, as well as Bertrandt Energie GmbH in Mönsheim, Bertrandt Munich GmbH in Munich and Bertrandt Tappenbeck GmbH in Tappenbeck. Moreover, the entities newly incorporated in the year under review, Bertrandt Beteiligungen GmbH and Bertrandt Solutions GmbH each located in Ehningen were included for the first time in the consolidated financial statements.

The consolidated companies additionally include the foreign entities Bertrandt Engineering Shanghai Co., Ltd. in Shanghai, Bertrandt Engineering Technologies Romania SRL in Sibiu, Bertrandt France S.A., Bertrandt S.A.S. each located in Paris/Bièvres, Bertrandt Otomotiv Mühendislik Hizmetleri Ticaret Limited Sirketi in Istanbul, Bertrandt Technologie GmbH in Steyr, Bertrandt UK Limited in Dunton, and Bertrandt US Inc. in Detroit.

Associates, i.e. entities which are not controlled by Bertrandt but over which the Company has significant influence are accounted for in the interim financial statements using the equity method. The following companies are associates: aucip. automotive cluster investment platform GmbH & Co. KG, Bertrandt Entwicklungen AG & Co. OHG, each located in Pullach i. Isartal, as well as indirect investments in aucip. automotive cluster investment platform Beteiligungs GmbH, MOLLIS automotive GmbH, NAMENU tool GmbH, and, for the first time MCIP tool GmbH, all of them located in Pullach i. Isartal. In addition, Bertrandt Campus GmbH, Ehningen, a joint venture of which Bertrandt has joint control, is also accounted for in the consolidated financial statements under the equity method.

FOREIGN CURRENCY TRANSLATION

The interim consolidated financial statements of subsidiaries using a functional currency other than the euro are translated according to IAS 21. The subsidiaries carry out their business independently for financial, commercial and organisational purposes. The functional currency is therefore identical to the currency of the country in which they are based.

Accordingly, for the interim financial statements these companies' assets and liabilities were translated at the mean closing rate at the date of the statement of financial position, and income and expenses were translated at the average exchange rate for the period. All resulting exchange differences including differences resulting from the translation of amounts brought forward from the previous year are recognised directly in equity.

Foreign currency transactions are recorded by translating the foreign currency amount into the functional currency amount at the exchange rate prevailing on the date of the transaction. Gains and losses arising from the settlement of such transactions as well as from the translation at the reporting date of monetary assets and liabilities held in foreign currencies are recognised in profit or loss.

The parities of the key currencies relative to one euro were as follows:

TABLE 17

Currency translation		Average rate on balance sheet date		Average rate Q1	
relative to one euro					
		31/12/2016	31/12/2015	2016/2017	2015/2016
China	CNY	7.3252	7.0728	7.3636	6.9990
United Kingdom	GBP	0.8586	0.7351	0.8654	0.7219
Romania	RON	4.5415	4.5225	4.5017	4.4575
Turkey	TRY	3.7269	3.1826	3.5396	3.1862
Hungary	HUF	309.7500	315.3000	309.4510	312.5000
United States	USD	1.0560	1.0892	1.0793	1.0955

FAIR VALUE DISCLOSURES

The principles and methods used for fair value measurement have remained unchanged compared to fiscal 2015/2016.

Because of the short maturities of the Company's financial assets and financial liabilities, it is assumed that their fair value is equal to their carrying amount. The fair values of the non-current financial liabilities amount to EUR 204.116 million (previous year EUR 199.605 million) on account of the movement in interest rates in the reporting period up to 31 December 2016.

The financial assets and financial liabilities at fair value through profit or loss generally comprise derivatives to hedge foreign exchange and interest risks.

The derivatives' fair values are determined with generally accepted methods of financial mathematics, using mid-market pricing. All derivatives with a positive fair value are disclosed as derivative assets, while all derivatives with a negative fair value are disclosed as derivative liabilities.

As at 31 December 2016 the fair value of all balance sheet items valued at their fair value was EUR 0 million (EUR 0 million as at 30 September 2016). In the period under review, no foreign exchange forward contract or interest rate hedging contract was outstanding.

The fair value hierarchy established by IFRS 13 defines three levels of inputs to valuation techniques which depend on the availability of observable market prices in an active market. Level one input is input available for financial instruments that are measured at quoted prices in active markets for identical assets or liabilities. Financial instruments that are measured using Level two inputs are measured on the basis of inputs other than quoted prices included within Level one, which are observable either directly or indirectly. Level three input refers to market data for the measurement of financial instruments that are unobservable. Interest rate derivatives and foreign exchange forward contracts are categorised as Level two, other derivatives as Level three. Non-current financial liabilities are categorised as Level two. As in the previous year, there were no transfers between the three levels of the fair value hierarchy. A sensitivity analysis is performed every year, analysing and evaluating internal and external information and conditions for their probability of occurrence and the resulting financial burdens. As in the previous year, the sensitivity analysis carried out in the first quarter of fiscal 2015/2016 for derivatives measured according to Level three of the fair value hierarchy did not lead to any change in the carrying amount.

MATERIAL EVENTS AFTER THE REPORTING PERIOD

There were no material events after the reporting period of 1 October 2016 to 31 December 2016.

GERMAN CORPORATE GOVERNANCE CODE

The declarations of compliance with the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG) by the Management and Supervisory Boards of Bertrandt AG are accessible on the internet at www.bertrandt.com.

QUARTERLY SURVEY

TABLE 18

Consolidated income statement

EUR million	Q1 16/17	Q4 15/16	Q3 15/16	Q2 15/16	Q1 15/16
Revenues	245.837	264.110	243.119	241.623	243.169
Other internally generated assets	0.173	0.258	0.159	0.149	0.106
Total revenues	246.010	264.368	243.278	241.772	243.275
Other operating income	2.489	1.330	3.416	4.091	2.634
Raw materials and consumables used	-26.140	-25.595	-23.970	-23.217	-25.315
Personnel expenses	-170.921	-181.622	-172.624	-175.609	-165.826
Depreciation	-8.366	-7.677	-7.702	-7.408	-6.938
Other operating expenses	-25.449	-20.185	-22.358	-21.544	-23.709
Operating profit	17.623	30.619	20.040	18.085	24.121
Net finance income	-0.569	-0.116	-0.585	-0.430	-0.247
Profit from ordinary activities	17.054	30.503	19.455	17.655	23.874
Other taxes	-0.480	-0.401	-0.504	-0.344	-0.425
Earnings before tax	16.574	30.102	18.951	17.311	23.449
Income taxes	-4.974	-8.336	-5.968	-4.986	-6.915
Earnings after income tax	11.600	21.766	12.983	12.325	16.534
– attributable to minority interest	0	0	0.012	0.013	0.029
– attributable to shareholders of Bertrandt AG	11.600	21.766	12.971	12.312	16.505
Number of shares (million) – diluted/basic, average weighting	10.091	10.091	10.091	10.083	10.083
Earnings per share (EUR) – diluted/basic	1.15	2.16	1.28	1.22	1.64

FINANCIAL CALENDAR

ROADSHOWS AND CONFERENCES

CREDITS

Annual General Meeting

23 February 2017
 10:30 Uhr
 City Hall Sindelfingen

Report on the 2nd quarter 2016/2017

31 May 2017

12th Capital Market Day

31 May 2017

Report on the 3rd quarter 2016/2017

30 August 2017

Annual report 2016/2017 Annual press and analysts' conference

14 December 2017

Annual General Meeting

21 February 2018
 10:30
 City Hall Sindelfingen



Dates

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