

Q/3

BALDA AG

SIGNIFICANT SALES REVENUE GROWTH – EBIT BURDENED BY EXTRAORDINARY ITEMS

- › Sales revenues up by EUR 10.9 million to EUR 61.9 million
- › EBITDA (EUR 2.8 million) and EBIT (EUR –0.8 million) burdened by EUR 2.4 million of extraordinary items
- › Group full-year sales revenue forecast raised to between EUR 80 and 82 million, accompanied by EBIT growth before extraordinary items

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KEY FIGURES

BALDA GROUP

KEY FIGURES FOR THE GROUP AT A GLANCE (PURSUANT TO IFRS)

IN EUR MILLION	9 MONTHS 01.07.2014 - 31.03.2015	9 MONTHS 01.07.2013 - 31.03.2014
Sales revenues	61.9	51.0
of which Europe	27.8	21.9
of which America	34.0	29.2
Total operating revenue	61.4	51.8
EBITDA	2.8	1.3
of which Europe	1.9	-0.3
of which America	1.2	1.7
of which other	-0.3	-0.1
EBITDA-margin in %	4.6	2.5
EBIT	-0.8	-2.4
EBIT-margin in %	-1.2	-3.9
Net fixed income	7.2	11.7
Earnings before taxes	6.4	9.3
Consolidated net income	4.5	10.4
Earnings per share in EUR	0.08	0.18
KEY FIGURES FINANCIAL POSITION	31.03.2015	30.06.2014
Total assets	274.8	263.3
Equity	248.5	241.8
Equity ratio in %	90.4	91.8
Employees (Number at reporting date)	809	786

EUR **61.9** MILLION EUR **2.8** MILLION EUR **4.5** MILLION

SALES REVENUES

EBITDA

CONSOLIDATED NET INCOME

PROFILE

BALDA GROUP

As a system developer and producer, Balda is a supplier of premium-quality, sophisticated plastic solutions for the healthcare, eyewear, automotive and entertainment electronics sectors. The company is distinguished by superior engineering services and high product quality, matched by fast, flexible and tailored customer services. The core expertise lies in the design, development and production of assemblies, systems and packaging in accordance with the individual specifications of Balda's customers in and outside Germany.

Balda operates in Europe and America, operating state-of-the-art production facilities at its headquarters in Bad Oeynhausen, Germany, as well as in the USA. In Europe, the company develops and produces high-quality plastic solutions for the medical technology, pharmaceutical and diagnostics markets. In America, Balda produces high-precision injection-molded plastic solutions for medical technology product manufacturers, as well as for the industry and eyewear sectors.

The success of the Balda Group is based on the deployment of leading-edge, cost-effective technologies, coupled with close and trust-based collaboration with customers. Balda's long-term strategy is focused on generating added value for its business partners, sustainable growth, a strong international presence, the continuous enhancement of the company's value, and consequently attractive returns on its shareholders' investments.

LETTER TO SHAREHOLDERS

DEAR SHAREHOLDERS,

For Balda AG, the third quarter of 2014/2015 was characterized by two countervailing trends: while sales revenues grew very agreeably, rising by around 33% to EUR 21.4 million, various one-time extraordinary effects placed a burden on earnings before interest and taxes (EBIT). Operating earnings before extraordinary items, when viewed in isolation, improved from EUR –1.9 million in the previous year to a profit of EUR 1.6 million in the year under review, however. Including the negative extraordinary items, Balda AG generated EUR 61.9 million of sales revenues after the first nine months (+21.4%) and, including burdening extraordinary items of EUR –2.4 million, a slight EBIT loss of EUR –0.8 million.

These extraordinary items are attributable mainly to known legal disputes. They arose in particular from provisions for ongoing management costs and an increase in the risk provision for litigation costs.

Given the extraordinary items that have been incurred mainly in the third quarter, Balda AG will prospectively fail to meet its forecast of positive EBIT on a full-year basis. We take a positive view of sales revenue trends, on the other hand, where we have increased our full-year forecast from previously between EUR 73 and 78 million to between EUR 80 and 82 million.

Although Balda AG is reporting significant organic growth, we are sounding out the market intensively for opportunities to further bolster our market position through acquisitions, especially in medical technology. In this context, we acquired a dosing system for the intake of liquid medications. The acquisition comprises the patent for a precise graduated pipette with variable lockable dosing volumes, along with the corresponding production systems, tools and customer relationships. Balda is thereby supplementing its expertise in innovative systems for the precise dosing of medications, such as our mini-pill dispenser, to include products for viscous medications and juices. By way of specific inquiries, the market is confirming to us that we are making a significant contribution to the improvement of future medication with our platforms for the adjustable and controllable intake of solid or liquid medications.

We also continue to be on the lookout for an acquisition to strengthen our international business. After intensive examination of a potential new partner company as part of these efforts, the related transaction nevertheless failed to be realized due to differing risk assessments between the acquiring and selling parties. The corresponding costs arising from the M&A process have mainly been incurred in the third quarter.

This case shows that we are staying true to our line, and will make no overhasty purchases that might prove to be failed acquisitions. Instead, we continue to act with circumspection.

Yours sincerely



OLIVER OECHSLE BALDA AG MANAGEMENT BOARD

THE BALDA AG SHARE

PERFORMANCE OF EQUITY MARKETS AND BALDA SHARE

The positive trend in equity markets in 2014 continued during the first three months of 2015. The German equity index performed particularly well. The DAX index had already exceeded the 10,000 point level for the first time before the start of the current reporting period, for example. This index of leading German shares started our reporting period on 1 July 2014 at 9,854 points, and subsequently reached its low for the period during the course of trading on 16 October 2014 at 8,355 points. At the start of 2015, the DAX rose sharply, reaching the 11,000 point level for the first time in February 2015, before subsequently also breaching the 12,000 point level on 16 March 2015, which also marked the high for the reporting period at 12,219 points. The DAX appreciated by 21.4% overall over the period under review.

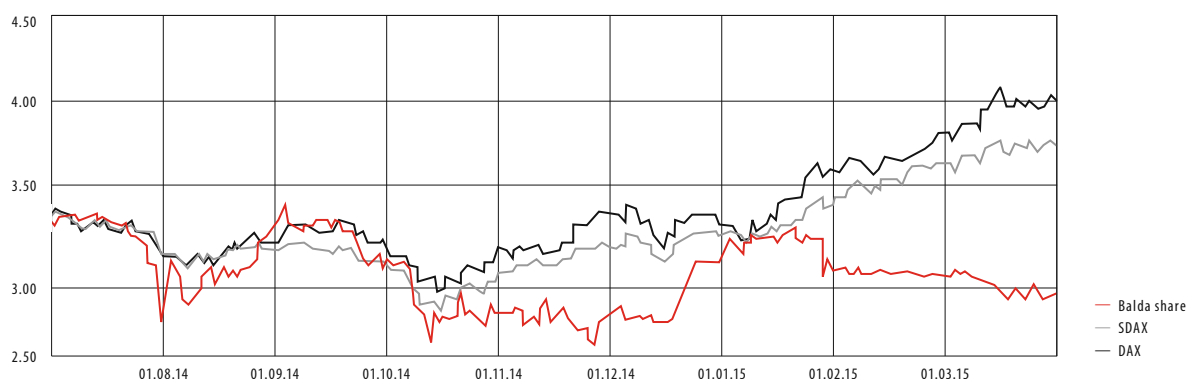
The SDAX also performed well: this index of second-line stocks reached its low for the reporting period of 6,088 points during trading on 16 October 2014. The SDAX also exceeded record levels, achieving 8,000 points for the first time in February 2015, and also achieving its high for the reporting period of 8,481 points during trading on 16 March 2015. Having continued to be in decline during the July to December period, the SDAX performed extremely well between January and March, allowing it to appreciate by a total of 13.7% over the reporting period.

Balda AG was unable to benefit from the markets' significant upswing in early 2015. Its share initially traded sideways around the EUR 3.00 level from the end of January 2015, as well as below it during March. The Balda share reached its low for the period under review of EUR 2.55 during trading on 26 November 2014, with its high for the period of EUR 3.37 being approached on 3 September 2014. The Balda share relinquished 14.2% of its value over the reporting period. The closing price of EUR 2.84 per share corresponds to a market capitalization of EUR 167.2 million.

On 3 September 2014, Deutsche Börse announced that Balda AG would no longer be listed in the SDAX index owing to its lower market capitalization. The index amendment entered into force with the start of trading on 22 September. In November 2014, Balda AG participated in the German Equity Capital Forum in Frankfurt/Main and delivered a presentation at this investor conference.

BALDA AG CONTINUOUSLY INFORMS ITS SHAREHOLDERS ABOUT CURRENT TOPICS ON THE DETAILED INVESTOR RELATIONS PAGES OF ITS WEBSITE.

BALDA AG SHARE COMPARED TO DAX AND SDAX (INDEXED SHARE PRICE PERFORMANCE FROM 1 JULY 2014 TO 31 MARCH 2015)



INTERIM MANAGEMENT REPORT

AS OF 31 MARCH 2015

1. MACROECONOMIC TRENDS

The International Monetary Fund (IMF) forecasts moderate growth for 2015 in its World Economic Outlook (WEO) published in April 2015. Compared with last year, the IMF assumes stronger growth in industrialized states, with somewhat weaker economic growth in emerging and growth economies.

Regarding global economic growth the IMF confirms its January forecast of 3.5 % for 2015. The IMF is now forecasting 3.8 % for 2016 (compared with 3.7 % in the WEO update in January).

The estimate for the Eurozone was upgraded by 0.3 percentage points, however. The IMF currently expects 1.5 % economic growth of 2015, followed by 1.6 % next year, reflecting a slight increase in the forecast of 0.2 percentage points.

As far as Germany is concerned, the IMF sees the economy growing by 1.6 % this year, which also comprises an upgrade of 0.3 percentage points. For 2016, the German economy is forecast to expand by 1.7 %, a 0.2 percentage point increase compared with the WEO January update.

The situation is different in the USA. Here, the IMF had first upgraded its forecast by 0.5 percentage points in January, although the WEO in April 2015 included a downgrade by the same amount. The IMF consequently expects 3.1 % growth for the USA this year, and also 3.1 % for 2016.

2. SECTOR TRENDS

The plastics market

With around EUR 800 billion of sales revenues worldwide, the plastics industry comprises one of the important factors in the economy. Global production amounted to 299 million tons in 2013.

In Europe alone, more than 1.45 million individuals are employed in more than 60,000 plastics sector operations, according to sector association PlasticsEurope. In the USA, approximately 0.9 million individuals work in the sector.

The European plastics industry generated sales revenues of around EUR 320 billion in 2013, with productive output of approximately 57 million tons, according to PlasticsEurope. Production grew by 2.6 % in 2013, with 1.5 % growth being forecast for 2014, and 1.0 % for 2015. No final figures are available for the 2014 year elapsed, according to the association.

In Germany, the sector performed well again in 2014, with the plastics processing industry reporting a total sales revenue growth of 2.6 % to a level of EUR 59 billion, according to the German Plastics Manufacturing Industry Association (GKV). The number of sector employees also grew, rising by 2.6 % to a level of around 311,000 individuals. Production volumes in 2014 were up by 3 % to 13.6 million tons. For 2015, the GKV assumes sales growth at the previous year's level.

FOR MORE INFORMATION ABOUT TRENDS IN SECTORS OF SPECIFIC RELEVANCE TO BALDA, PLEASE REFER TO THE "SECTOR TRENDS" SECTION OF THE 2013 / 2014 ANNUAL REPORT.

3. SIGNIFICANT EVENTS DURING THE FIRST NINE MONTHS OF 2014 / 2015

Changes to the Management Board

On 28 August 2014, the Supervisory Board announced that the interim management agreement with Dr. Dieter Brenken would expire at the end of October, as planned. In this regard, Mr. Oliver Oechsle was appointed for a further two years to the Management Board of Balda AG.

Counterclaim against former Management Board member

On 24 September 2014, the Supervisory Board of Balda AG passed a resolution to bring a lawsuit against a former Management Board member. The counterclaim concerns damage compensation proceedings by the company due to violation of duty during 2013.

Damage compensation claims against former directors

On 22 December 2014, the Supervisory Board of Balda AG approved the bringing of damage compensation claims by the company against former Supervisory Board members and the claim concerning the former sole Management Board member. The former directors are accused of violation of duties in relation to the intended disposal of shares in TPK Holding Co. in July 2011. Based on current estimations, the potential damages amount to a two-digit figure in the millions.

Sellers of Balda C. Brewer Inc. bring a claim against Balda subsidiary

The sellers of C. Brewer Inc., Anaheim/California, USA, brought an arbitration court claim against Balda Investments USA LLC on 31 December 2014 in the USA. The sellers accuse the company of creating a situation through certain activities which impaired the attainment of the parameters determined for the success-related purchase price adjustment (earn-out) agreed in the share purchase contract. The sellers are claiming damage compensation of USD 5 million, as well as the payment of punitive damages of a still undefined amount and have applied for the defendant company to bear the costs arising from the arbitration procedure. Balda AG deems the claim to be unsubstantiated.

Balda relieves managing directors in the USA

The Management Board and Supervisory Board of Balda AG resolved on 7 January 2015 to relieve with immediate effect the two managing directors of Balda C. Brewer and Balda Precision, Mr. Charles Brewer III (CEO) and Mr. Michael Brewer (COO), from their duties.

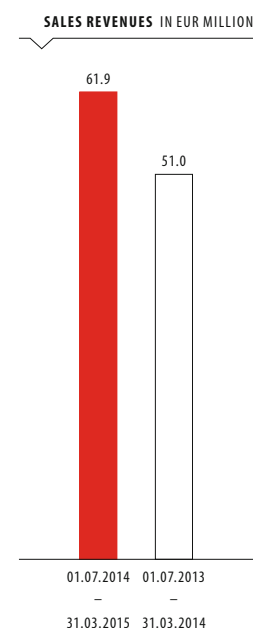
On 31 December 2014, the sellers of C. Brewer Inc. brought an arbitration claim against Balda Investments USA LLC for the payment of an earn-out sum as well as "punitive damages" and the assumption of the legal costs. On 26 January 2015, Balda Investments USA LLC brought a counterclaim for damages compensation of approximately USD 12 million, as well as "punitive damages" and the assumption of legal costs. The company accuses the sellers of withholding information relevant to the valuation of the company from Balda AG. This information has only become accessible, after the change of management in the USA.

4. EARNINGS POSITION

During the first nine months of its 2014/2015 financial year, the Balda Group generated EUR 61.9 million of **sales revenues**, compared with EUR 51.0 million in the prior-year period. This growth is primarily attributable to a higher level of customer orders for various projects, and currency exchange rate effects. The higher level of customer orders relates to both the Europe and America segments.

Other operating income fell from EUR 2.9 million in the previous year to EUR 2.0 million in the reporting period. The previous year included EUR 1.2 million of income relating to other accounting periods.

At EUR 23.6 million, the **cost of materials** during the first nine months of 2014/2015 was ahead of the previous year's level of EUR 18.8 million. This increase primarily reflected the sales revenue growth. The 2.2 percentage point rise in the cost of materials ratio to 38.4% is primarily due to a rise in materials-intensive articles sales in the Europe segment.



Personnel expenses of EUR 24.6 million were EUR 2.2 million during the period under review above the previous year's EUR 22.4 million, in absolute terms. The personnel expense ratio reduced from 43.2% to 40.0% due to sales growth in less labor-intensive articles in the healthcare area.

Other operating expenses of EUR 12.5 million in the reporting period were only slightly above the previous year's EUR 12.3 million. The increase reflects extraordinary charges of around EUR 1.5 million incurred in the third quarter (previous-year figure: EUR 0.3 million). Other operating expenses fell when adjusted to reflect extraordinary items. This reduction in the result is the outcome of cost-cutting measures introduced in the previous year, and covers both segments.

Earnings before interest and taxes (EBIT) and **earnings before interest, taxes, depreciation and amortization (EBITDA)** have been burdened by extraordinary items during the current financial year, especially in the third quarter, with key factors including expenses in connection with disputes with the former owners and managing directors of US companies, a customer reclamation, as well as higher acquisition costs. Overall, extraordinary items amounted to around EUR –2.4 million (prior-year figure: EUR –0.5 million).

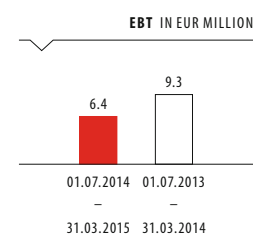
The following table clearly reflects the positive operating trends in results during the first nine months, both before and, in particular, after extraordinary charges:

EUR MILLIONS	BEFORE EXTRAORDINARY ITEMS		AFTER EXTRAORDINARY ITEMS	
	2014/2015	2013/2014	2014/2015	2013/2014
EBITDA	5.2	1.8	2.8	1.3
EBIT	1.6	–1.9	–0.8	–2.4

A lower level of currency profits were generated due to the fact that the functional currency of Balda Investments Singapore was converted from US dollars to euros at the end of the last financial year. As a consequence, **other finance income** fell to EUR 6.6 million in the reporting period, compared with EUR 10.4 million in the previous year.

The Balda Group generated **earnings before taxes (EBT)** of EUR 6.4 million (prior-year figure: EUR 9.3 million), which is attributable to the reduction in the net financial result.

After taxes, the overall Group achieved **consolidated net income** of EUR 4.5 million. Here, too, the result is below the previous year's level of EUR 10.4 million, and reflects the lower net financial result.



5. NET ASSETS

Due to the business expansion and exchange rate effects, the total assets of the Balda Group of EUR 274.8 million as of the 31 March 2015 balance sheet date were slightly above the figure at the end of the 2013/2014 financial year (EUR 263.3 million).

Non-current assets totaled EUR 66.5 million on the reporting date, compared with EUR 47.5 million at the end of the 2013/2014 financial year. The increase is mainly attributable to the first-time recognition of an investment (borrower's note loan) with a residual term of over 12 months and an exchange-rate-related increase in the goodwill. Depreciation and amortization were more than offset by investments and currency-related increases.

Current assets fell from EUR 215.8 million to EUR 208.4 million as of the reporting date. The main reason is the reclassification of the aforementioned borrower's loan note to non-current assets (EUR 15.0 million). The rise in business volumes resulted in a higher level of funds employed in working capital.

Group financing resources (consisting of cash and short- and long-term money deposits) increased by EUR 1.2 million to a total of EUR 194.6 million.

On the equity and liabilities side of the balance sheet, the Group reported EUR 248.5 million of **equity** as at 31 March 2015 compared with EUR 241.8 million as of the prior-year equivalent reporting date. As of the end of the third quarter of 2014/2015, the **equity ratio** fell by 1.4 percentage points to 90.4%.

90.4 %

EQUITY RATIO

Current liabilities were up by EUR 4.4 million to EUR 19.5 million as of the reporting date due to cost deferrals arising from the aforementioned extraordinary items, as well as a higher level of customer prepayments deriving from new business.

6. FINANCIAL POSITION

At the end of the third quarter of 2014/2015, the cash and cash equivalents position of the Balda Group stood at EUR 119.6 million, compared with EUR 160.5 million at the end of the 2013/2014 financial year.

The positive business volume growth trend was also reflected in operating cash inflows, with the Group reporting a positive level of EUR 1.6 million by the end of the third quarter (previous year: EUR 7.6 million). This comparatively lower figure was primarily due to a buildup of working capital, compared with a working capital reduction in the previous year. The Group also received EUR 1.1 million from the redemption of lease receivables.

The cash outflow from investing activities stood at EUR 43.5 million in the first nine months, compared with cash inflow of EUR 88.0 million in the previous year's reference period, which arose chiefly from the purchase of short-term bonds and borrower's note loans.

Cash outflows of EUR 0.1 million from financing activities relate to the repayment of bank borrowings (previous year: EUR 0.7 million). In the previous year's reference period, the Group also paid EUR 88.3 million of dividends to the shareholders.

With its existing liquidity (financing resources totaling EUR 194.6 million), the Balda Group is able to realize the projects planned for the current financial year from its own resources.

7. SEGMENT PERFORMANCE

7.1. America segment

In its America segment, Balda achieved a total of EUR 34.0 million of sales revenues during the first nine months of 2014/2015, following EUR 29.2 million in the previous-year period. Segment EBITDA of EUR 1.2 million was EUR 0.5 million below the amount generated in the equivalent period of the previous year. This reduction in earnings was attributable to the aforementioned extraordinary items. EBITDA of EUR 2.9 million before extraordinary items at the end of the first nine months of the current financial year reflects the positive operating business trend (previous year: EUR 1.2 million).

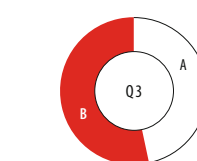
7.2. Europe segment

The Europe segment reported EUR 27.8 million of sales revenues for the period under review, a marked increase compared with the previous year's EUR 21.9 million. This growth is based on higher demand for articles in the medical area. This business expansion fed through to segment EBITDA of EUR 1.9 million after the first nine months, following EUR -0.3 million in the previous year. EBITDA adjusted for extraordinary items amounted to EUR 2.5 million in the period under review (prior-year period: EUR 0.7 million).

7.3. Other

Higher costs, including in connection with the closure of a subsidiary in Singapore, resulted in an EBITDA loss of EUR -0.3 million (prior-year period: EUR -0.1 million).

SEGMENT SALES REVENUES IN %



— A Europe 45 %
— B America 55 %

8. WORKFORCE

As at the reporting date of 31 March 2015, the Balda Group employed a total staff of 809 (30 June 2014: 786 staff). In the Balda America segment, a total staff of 599 (previous year: 582 staff) were employed at the end of the first nine months of 2014/2015, while a staff of 210 were employed in the Europe segment at the balance sheet date on 31 March 2015, compared to a staff of 204 as of the end of June 2014.

9. OVERALL STATEMENT ABOUT THE FIRST NINE MONTHS

The Balda Group reported growth in its core areas over the July 2014 to March 2015 period. Consolidated sales revenues registered a marked growth of EUR 10.9 million (21.4%) to EUR 61.9 million during the first nine months (previous year: EUR 51.0 million). This significant growth is due to higher product revenues in both segments, as a consequence of an increased level of customer orders for specific projects.



21.4 %

SALES REVENUE GROWTH

An overall improved business trend is reported that outperformed expectations. The positive business development is reflected primarily in sales revenue growth rates, and is also attributable to the success of intensified sales activities, among other factors. In terms of profitability, this positive trend was burdened by the aforementioned extraordinary effects in the third quarter.

This also impacts earnings. The Group posted total EBITDA of EUR 2.8 million in the period under review, compared with EUR 1.3 million in the prior-year period. The operating result (EBIT) was slightly negative during the first nine months of 2014/2015.

Owing also to a lower financial result, the Group reported net income after taxes of EUR 4.5 million during the first nine months of 2014/2015 (previous year: EUR 10.4 million).

The transformation and consolidation process that was largely concluded last year is evidencing its first significant successes: the efficiency measures that the company has introduced are taking effect, which is reflected in an improved personnel expenses ratio among other things. The strengthening of sales activities at the Balda Group is having also an impact. Among other effects, the Group is seeing greater demand for comprehensive products and complete solutions.

As a consequence, the Balda Group is being increasingly perceived on the market as an end-to-end supplier of high-quality integrated plastic solutions. This comprises an important result of the Group's growth and internationalization strategy, and offers prospects for both organic and acquisition-led growth in the future.

10. EVENTS AFTER THE REPORTING PERIOD

After the 31 March 2015 reporting date, no events occurred of major significance to the Group's net assets, results of operations and financial position.

11. REPORT ON OPPORTUNITIES AND RISKS

The consolidated financial statements as of 30 June 2014 include a detailed presentation of risk management within the Balda Group and a description and appraisal of all significant opportunities and risks. In addition, the following matters of major significance are also reported:

On 22 December 2014, the Supervisory Board of Balda AG approved and passed a resolution on the bringing of damage compensation claims by the company against former directors. The former directors are accused of violation of duties in relation to the intended disposal of shares in TPK Holding Co. in 2011. Based on current estimations, the potential damages amount to a two-digit figure in the millions. Further statements on the matter cannot be made at this point in time.

The information from the communication with the seller side of the US companies was confirmed on 31 December 2014. Despite indisputably failing to attain the contractually established earn-out target parameters, the seller-side brought an arbitration court claim against Balda Investments USA LLC. The sellers are claiming damage compensation of USD 5 million, as well as the payment of punitive damages of a still undefined amount and the assumption of legal costs. Balda Investments USA LLC has since brought a counterclaim for damage compensation, punitive damages and the assumption of legal costs. The seller side is accused of withholding information relevant to the due diligence process concerning C. Brewer Company during the purchase process. In view of the ongoing legal dispute and the further development of legal proceedings, the company is currently unable to make any further comment on the matter.

The Netherland tax authority raises questions regarding an existing Tax Ruling for the years from 2012 onwards. This requires a review of the availability of this Tax Ruling for the subsequent years. An evaluation of potential changes to the information on tax law risks cannot be provided at the moment.

Otherwise, the Group's opportunities and risk position has not changed significantly. Consequently, please refer to the opportunities and risk report in the consolidated financial statements as of 30 June 2014, which is published in the annual report and on the company's website.

12. OUTLOOK

In view of the business trends, the Management Board is modifying slightly the statements made in the 2013/2014 Annual Report.

Due to a higher level of customer orders for individual projects and exchange rate effects from the euro to US dollar currency relationship, the Management Board sees consolidated sales revenues for the current 2014/2015 financial year lying above the forecast range of EUR 73 to 78 million. Sales revenues of around between EUR 80 and 82 million are now anticipated for the full year between 1 July 2014 and 30 June 2015.

The situation is different in terms of earnings before interest and taxes (EBIT). The third quarter of the current financial year was affected by extraordinary items. Although this has resulted in charges during the current financial year, it will also feed through to future results improvements. It is unlikely that these unplanned one-time effects can be fully offset by earnings from additional business. Based on today's figures and the forecasts for the remainder of the financial year, Balda AG will prospectively not meet its forecast of positive EBIT in its full-year results.

This applies subject to the aforementioned risks and provided the macroeconomic conditions do not deteriorate significantly and no other currently unforeseeable negative events of major consequence to the Balda Group occur.

MORE DETAILS CAN BE FOUND IN THE
OUTLOOK THAT WAS PUBLISHED IN
THE 2013 / 2014 ANNUAL REPORT.

SELECTED NOTES TO THE FINANCIAL STATEMENTS

GENERAL INFORMATION

Balda Aktiengesellschaft has its registered office in Bad Oeynhausen, Germany.

The interim financial statements as of 31 March 2015 were prepared in accordance with International Financial Reporting Standards (IFRS) as applicable in the European Union (EU). The accounting methods applied are in accordance with EU guidelines for the preparation of consolidated financial statements.

Unless indicated otherwise, all figures are stated in thousands of euros (EUR thousand).

The financial statements of the companies included in the consolidated financial statements are based on uniform accounting policies that comply with IFRS.

SCOPE OF CONSOLIDATION

Along with Balda AG, the consolidated financial statements for the first nine months of the 2014/2015 financial year include four German and seven foreign subsidiaries on the basis of full consolidation.

ACCOUNTING POLICIES

In accordance with the provisions of IAS 34, a report format was selected that is shorter than the consolidated financial statements as of 30 June 2014. In preparing the interim consolidated financial statements, the same accounting, measurement and consolidation methods were applied as in the consolidated financial statements for the 2013/2014 financial year. These comply with the rules outlined in IAS 34 (Interim Financial Reporting).

The basic principles and methods underlying the estimates for the interim financial statements have not changed compared with prior periods (IAS 34.16 (d)). The accounting, consolidation and measurement methods are explained in detail in the notes to the financial statements for the period ended 30 June 2014. The utilization of the options included in IFRS is also explained there.

The exchange rates taken as the basis for the currency translation related to EUR 1.00 changed as follows:

EXCHANGE RATE

CURRENCIES	ISO-CODE	MID SPOT RATE ON BALANCE SHEET DATE		AVERAGE RATE	
		31.03.	30.06.	01.07. – 31.03.	
		2015	2014	2014/2015	2013/2014
US dollar	USD	1.0850	1.3644	1.2291	1.3241
Malaysian ringgit	MYR	4.0241	4.3821	4.1667	4.2767

SEGMENT REPORTING

The segment reporting (see pages 22 and 23) has been prepared according to the same principles as applied in the 2013/2014 annual financial statements.

Group planning, management and reporting are performed based on the geographic regions of America and Europe.

The America segment comprises all companies with headquarters in the USA. This segment focuses on manufacturing injection-molded articles made from plastic for highly varied products across the medical technology, eyewear, electronics, automotive, and turned parts sectors.

In the Europe segment, complex plastic products are developed on the basis of customer orders for the areas of medical technology, pharmaceuticals and diagnostics, as well as the equipment and tools needed for production. Such plastic products are made on the company's own injection-molding machines. This segment also provides strategic instructions and other support as part of the usual holding company functions.

The Other segment comprises the real estate company and financial holdings in Asia. They manage most of the Group's financing resources and the rented property in Ipoh, Malaysia.

Along with sales revenues, gross revenue also includes changes in inventories of finished goods and work in progress. The "Business performance" section (page 10) provides details of the performance of the Group segments' sales revenues and results of operations.

STATEMENT OF CASH FLOWS

Concerning the notes to the statement of cash flows, please refer to the remarks about cash flow in section 6. Financial position in this interim management report.

INCOME STATEMENT

The Balda Group generated EUR 61.9 million of consolidated sales revenues in the first nine months of 2014/2015, compared with EUR 51.0 million in the equivalent previous period.

Page 22 et. seq. of this interim report describes the individual segments' business performance including results of operations.

The other operating income of the previous year contained income relating to other accounting periods of EUR 1.2 million.

Amortization and impairment losses comprise amortization of the identified assets (intangible assets) and reversals of impairment losses due to the fair value measurement of property, plant and equipment in an amount of EUR 0.9 million. These effects result from the purchase price allocation of the acquisition of the US companies.

The Group reported total consolidated net income of EUR 4.5 million in the first nine months of the 2014/2015 year. A positive result of EUR 10.4 million was posted in the equivalent period of the previous year.

Other comprehensive income (EUR 2.3 million) in the consolidated statement of comprehensive income comprises foreign-currency translation gains/losses relating to the foreign subsidiaries' balance sheet and income statements.

BALANCE SHEET STRUCTURE

The total assets of the Balda Group of EUR 274.8 million as of 31 March 2015 are above the level on the equivalent previous balance sheet date of 30 June 2014 (EUR 263.3 million). This mainly reflects business expansion and exchange rate effects.

On the assets side of the balance sheet, non-current assets registered an increase of EUR 18.9 million. A borrower's note loan of EUR 15.0 million was booked under financial assets for the first time. The borrower's note loan has a total 24-month term and is subject to a deposit protection fund. The interest rate is 0.87%. Under property, plant and equipment and intangible assets, investments and positive currency effects offset depreciation and amortization.

Current assets of EUR 208.4 million were EUR 7.4 million below their level on 30 June 2014. This is attributable to the aforementioned reclassification of newly invested funds in a borrower's note loan with a term of over 12 months. Further short-term money deposits resulted in an increase in other current receivables of EUR 27.1 million. Liquid assets fell by EUR 40.9 million primarily as a result of these new investments.

The equity of the Balda Group (EUR 248.5 million) rose chiefly as a result of the profit generated during the reporting period and currency translation differences.

Current liabilities totaling EUR 19.5 million reflect an increase compared with the reference reporting date (30 June 2014: EUR 15.1 million). This growth is due to customer prepayments deriving from new business and a high level of cost deferrals.

RELATED PARTY DISCLOSURES

Along with the companies included in the consolidated financial statements, companies, individuals and individuals in key management positions exist that are related parties to the Balda Group in the meaning of IAS 24. Apart from compensation paid to the Management and Supervisory boards, no business relationships existed with such individuals or companies in the period under review.

OTHER FINANCIAL OBLIGATIONS

Other financial obligations, largely consisting of rental and lease obligations, and purchase order commitments for materials and investments, amounted to EUR 11.7 million as of 31 March in the current financial year.

PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

The consolidated statement of financial position, statement of comprehensive income, statement of cash flows, segment reporting, statement of changes in equity, the interim management report and the condensed notes to the financial statements prepared as of 31 March 2015 were neither audited nor reviewed by an auditor. They were prepared for this set of interim financial statements.

Forward-looking statements generally contain uncertainties. This interim report contains statements that relate to the future performance of Balda AG. Such statements are based on assumptions and estimates. Although the Management Board is confident that the forward-looking statements are realistic, this cannot be guaranteed. The assumptions contain risks and uncertainties that could result in actual events deviating from expected events.

RESPONSIBILITY STATEMENT

To the best of my knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the Group interim management report includes a fair review of the development and performance of the business and position of the Balda Group, together with a description of the material opportunities and risks associated with the expected development of the Group over the remaining months of the financial year.

Bad Oeynhausen, 12 May 2015

The Management Board



OLIVER OECHSLE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

OF BALDA AG AS OF 31 MARCH 2015

ASSETS	31.03.2015 EUR THOUSAND	30.06.2014 EUR THOUSAND
A. NON-CURRENT ASSETS		
I. Property, plant and equipment	20,084	19,377
1. Land and buildings	9,589	10,002
2. Machinery and equipment	8,718	7,986
3. Fixtures, furniture and office equipment	745	951
4. Advance payments and construction in progress	1,032	438
II. Goodwill	17,637	14,023
III. Intangible assets	7,423	6,680
IV. Financial assets	17,808	3,234
1. Financial investment	15,000	0
2. Other long-term loans	2,808	3,234
V. Deferred taxes	3,504	4,222
Non-current assets	66,456	47,536
B. CURRENT ASSETS		
I. Inventories	12,806	10,052
1. Raw materials and supplies	4,635	3,170
2. Work in progress and finished goods and merchandise	6,277	5,475
3. Advance payments made	1,894	1,407
II. Trade receivables	13,029	8,541
III. Other current assets	62,501	36,197
IV. Current tax assets	471	489
V. Cash	119,575	160,518
Current Assets	208,382	215,797
TOTAL ASSETS	274,838	263,333

OF BALDA AG AS OF 31 MARCH 2015

EQUITY AND LIABILITIES	31.03.2015 EUR THOUSAND	30.06.2014 EUR THOUSAND
A. EQUITY		
I. Subscribed capital	58,891	58,891
II. Reserves	33,226	30,964
III. Net retained profits	156,407	151,928
1. Consolidated net income	4,479	5,864
2. Retained profits brought forward	151,928	146,064
Equity, Group	248,523	241,783
B. NON-CURRENT LIABILITIES		
I. Bank loans	307	465
II. Deferred taxes	6,039	5,851
III. Non-current finance lease liabilities	460	147
Non-current liabilities	6,806	6,463
C. CURRENT LIABILITIES		
I. Trade payables	4,371	5,539
II. Other current financial / non-financial liabilities	6,560	4,065
III. Advance payments received	4,889	2,995
IV. Short-term bank borrowings and short-term loans	368	285
V. Income tax liabilities	1,983	799
VI. Current portion of finance lease liabilities	1,338	1,404
Current Liabilities	19,509	15,087
TOTAL EQUITY AND LIABILITIES	274,838	263,333

CONSOLIDATED INCOME STATEMENT

FOR THE PERIOD FROM 1 JULY 2014 – 31 MARCH 2015 OF BALDA AG

IN EUR THOUSAND	2015 (01.01.–31.03.)	2014 (01.01.–31.03.)	2014/2015 (01.07.–31.03.)	2013/2014 (01.07.–31.03.)
Sales revenues	21,424	16,094	61,862	51,024
Changes in inventories of finished goods and work in progress	176	278	-422	795
Total operating revenue	21,600	16,372	61,440	51,819
Other operating income	1,056	643	2,016	2,921
Cost of materials	8,621	5,695	23,563	18,765
Cost of materials ratio	39.9% ¹	34.8% ¹	38.4% ¹	36.2% ¹
Staff costs	9,190	7,104	24,583	22,407
Personnel expense ratio	42.5% ¹	43.4% ¹	40.0% ¹	43.2% ¹
Depreciation, amortization and impairment losses	1,230	1,060	3,567	3,695
Other operating expenses	4,773	4,045	12,509	12,270
Profit/loss from operations²	-1,158	-889	-766	-2,397
Net interest income/expense	197	342	585	1,341
Other finance income (net)	2,284	-505	6,628	10,371
Earnings before taxes	1,323	-1,052	6,447	9,315
Taxes on income	-608	1,775	-1,968	1,036
Consolidated net income	715	723	4,479	10,351
Earnings per share:				
Number of shares, diluted and basic (in thousands)	58,891	58,891	58,891	58,891
Earnings per share (EUR)—diluted and basic	0.012	0.012	0.076	0.176
¹ Based on gross revenue.				
² Profit/loss from operations before extraordinary items.	655	-1,009	1,584	-1,867

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1 JULY 2014 - 31 MARCH 2015 OF BALDA AG

IN EUR THOUSAND		2014/2015	2013/2014
1.	Consolidated net income	4,479	10,351
2.	Other comprehensive income	2,261	-12,321
2.1	Currency translation difference		
2.1.1	Items that will be reclassified to profit or loss	2,261	-12,321
3.	Comprehensive income for the period	6,740	-1,970

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 1 JULY 2014 – 31 MARCH 2015 OF BALDA AG

IN EUR THOUSAND	2014/2015	2013/2014
Net loss/income before income tax, net finance income and depreciation (EBITDA)	2,801	1,298
+ Interest received	393	497
- Interest paid	-39	-55
- Income taxes paid	-128	-243
+/- Other non-cash income/expenses	452	1,380
+ Cash receipts from finance lease receivables	1,125	773
- Increase/decrease in tax assets and tax liabilities	-291	-647
+/- Increase/decrease in provisions	247	0
+/- Increase/decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	-4,150	6,387
- Decrease in liabilities and other liabilities not attributable to investing or financing activities	1,203	-1,832
= Cash flow from operating activities	1,613	7,558
Cash flow from investing activities		
- Cash payments for property, plant and equipment and cash and cash equivalents	-1,457	-1,710
+ Cash receipts from secure bank guarantees	2,878	0
+/- Cash receipts/payments in line with cash forecast	-44,964	89,737
= Cash flow from investing activities	-43,544	88,027
Cash flow from financing activities		
- Cash payments for finance lease liabilities	-75	-678
- Cash payments of dividends	0	-88,336
= Cash flow from financing activities	-75	-89,014
Net change in cash and cash equivalents	-42,006	6,571
+ Cash and cash equivalents at the beginning of the first nine months	160,518	68,153
+/- Effects of changes in foreign exchange rates on cash held in foreign currencies	1,062	-1,278
= Cash and cash equivalents at the end of the third quarter	119,575	73,446
Composition of cash and cash equivalents at the end of the third quarter		
Cash and cash equivalents	119,575	73,446

CONSOLIDATED SEGMENT REPORTING

FINANCIAL YEAR 2014 / 2015 (1 JULY 2014 – 31 MARCH 2015)

IN EUR THOUSAND	EUROPE	AMERICA	TOTAL SEGMENTS	OTHER	INTER- SEGMENT CORREC- TIONS	GROUP
External sales revenues	27,842	34,020	61,862	0	0	61,862
Internal sales revenues	0	0	0	0	0	0
Sales revenues, total	27,842	34,020	61,862	0	0	61,862
Total operation revenue	27,185	34,255	61,440	0	0	61,440
EBITDA	1,873	1,222	3,095	-294	0	2,801
EBIT	456	-928	-472	-294	0	-766
Interest income	1,372	1	1,373	807	-1,555	625
Interest expenses	-467	-1,128	-1,595	0	1,555	-40
Other finance income (net)	415	5,557	5,972	656	0	6,628
EBT	1,776	3,502	5,278	1,169	0	6,447
Taxes on income						1,968
Consolidated net income						4,479
Investments	993	866	1,859	0	0	1,859
Segment assets ¹	438,766	52,725	491,491	31,243	-251,871	270,863
Number of employees an 31.03. ²	210	599	809	0	0	809

¹ Segment assets = Non-current assets plus current assets excluding deferred tax assets and current tax assets.

² Number of employees on reporting date = including temporary help workers and trainees.

FINANCIAL YEAR 2013 / 2014 (1 JULY 2013 – 31 MARCH 2014)

IN EUR THOUSAND	EUROPE	AMERICA	TOTAL SEGMENTS	OTHER	INTER- SEGMENT CORREC- TIONS	GROUP
External sales revenues	21,871	29,153	51,024	0	0	51,024
Internal sales revenues	0	0	0	0	0	0
Sales revenues, total	21,871	29,153	51,024	0	0	51,024
Total operation revenue	22,973	28,846	51,819	0	0	51,819
EBITDA	-266	1,693	1,427	-129	0	1,298
EBIT	-1,923	-345	-2,268	-129	0	-2,397
Interest income	1,529	10	1,539	1,177	-1,320	1,396
Interest expenses	-229	-1,146	-1,375	0	1,320	-55
Other finance income (net)	-26	-1,434	-1,460	11,831	0	10,371
EBT	-649	-2,915	-3,564	12,879	0	9,315
Taxes on income						-1,036
Consolidated net income						10,351
Investments	892	919	1,811	0	0	1,811
Segment assets ¹	331,181	39,917	371,098	195,061	-305,554	260,605
Number of employees an 31.03. ²	193	517	710	0	0	710

¹ Segment assets = Non-current assets plus current assets excluding deferred tax assets and current tax assets.

² Number of employees on reporting date = including temporary help workers and trainees.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 1 JULY 2014 – 31 MARCH 2015 OF BALDA AG

IN EUR THOUSAND	SUBSCRIBED CAPITAL	CAPITAL RESERVES	RETAINED EARNINGS	CURRENCY TRANS- LATION RESERVE	NET RETAINED PROFITS	EQUITY OF SHARE- HOLDERS OF BALDA AG
Balance on 01.07.2013	58,891	34,555	1,881	3,372	235,836	334,535
Consolidated net income	—	—	—	—	10,351	10,351
Other comprehensive income	—	—	—	-12,321	—	-12,321
Total comprehensive income	0	0	0	-12,321	10,351	-1,970
Distribution to shareholders	—	—	—	—	-88,336	-88,336
Balance on 31.03.2014	58,891	34,555	1,881	-8,949	157,851	244,229
Balance on 01.07.2014	58,891	34,555	1,881	-5,472	151,928	241,783
Consolidated net income	—	—	—	—	4,479	4,479
Other comprehensive income	—	—	—	2,261	—	2,261
Total comprehensive income	0	0	0	2,261	4,479	6,740
Balance on 31.03.2015	58,891	34,555	1,881	-3,211	156,407	248,523

DIRECTOR'S HOLDINGS

AS OF 31 MARCH 2015 OF BALDA AG

	31.03. 2015	30.06.2014	CHANGES
Share capital	58,890,636	58,890,636	
Dr. D. Brenken ²	—	0	—
O. Oechsle	6,000	0	6,000
Management Board, total	6,000	0	6,000
K. Rueth	0	0	0
Dr. T. van Aubel ¹	17,331,689	17,331,689	0
F. Vogler	100	100	0
Supervisory Board, total	17,331,789	17,331,789	0
Corporate bodies, total	17,337,789	17,331,789	6,000
in % of equity	29.44	29.43	

¹ Shareholding via Elector GmbH, Berlin.

² Member of Management Board until 31 October 2014.

FINANCIAL CALENDAR

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