Interim report as at 30 September 2014

1 January to 30 September 2014

STRONGLY POSITIONED THROUGH

PRODUCT INNOVATIONS

Key figures SHW Group (IFRS)

in K EUR	Q3 2014	Q3 2013	Change in %	9M 2014	9M 2013	Change in %
Sales	109,354	92,612	18.1%	321,426	268,976	19.5%
EBITDA	10,387	11,073	-6.2%	29,397	27,222	8.0%
as % of sales	9.5%	12.0%	-	9.1%	10.1%	-
EBIT	5,546	7,351	-24.6%	16,063	17,064	-5.9%
as % of sales	5.1%	7.9%	-	5.0%	6.3%	-
Net income for the period	3,790	4,888	-22.5%	10,987	11,488	-4.4%
Earnings per share[1]	0,65	0,84	-22.5%	1,88	1,96	-4.4%
Adjusted EBITDA	10,387	11,073	-6.2%	29,397	28,125	4.5%
as % of sales	9.5%	12.0%	-	9.1%	10.5%	-
Adjusted EBIT	5,584	7,388	-24.4%	16,176	18,080	-10.5%
as % of sales	5.1%	8.0%	-	5.0%	6.7%	-
Equity	-	-	-	87,755	80,131	9.5%
Equity ratio	-	-	-	40.1%	39.7%	-
Net debt / Net cash	-	-	-	-24,814	-19,000	30.6%
Capital expenditure[2]	6,728	9,261	-27.4%	24,729	26,480	-6.6%
as % of sales	6.2%	10.0%	-	7.7%	9.8%	-
Working Capital	-	-	-	48,790	54,824	-11.0%
as % of sales	-	-	-	11.7%	16.1%	-
Number of employees (average)[3]	-	-	-	1.145	1.051	8.9%

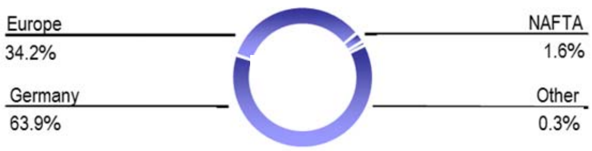
[1] Based on average of 5,851,100 shares.

[2] Additions to tangible and intangible assets.

[3] Excluding trainees and temporary workers.

Sales by segment
in %

Sales by region
in %



Company profile

By virtue of its product portfolio, the SHW Group benefits from the global megatrend towards CO_2 reduction. The growing global demand for mobility is up against regulatory requirements calling for a significant reduction in CO_2 emissions from motor vehicles.

SHW began early on to develop the appropriate products and today has a broad product portfolio consisting of fuel-optimised components for engine and transmission applications which increase the efficiency of combustion engines and their ancillary components. The portfolio also contains brake discs which greatly contribute to the reduction in vehicle weight.

As a pioneer in the achievement of strict CO_2 targets, we help our customers meet the requirements of today and tomorrow.

Contents

SHW Share

Geopolitical risk factors dominate stock markets

In the third quarter of 2014, the stock markets were weighed down by the Ukraine crisis, military conflicts in Iraq and Syria, the gradual reduction of monthly bond purchases by the U.S. Federal Reserve, weak economic data in the euro area, and a deteriorating economic outlook in China. The markets were supported, however, by the positive momentum from the ongoing expansionary monetary policy of the European Central Bank (ECB), the continued recovery in the U.S. economy, the devaluation of the euro, and robust M&A activity.

In Europe, the Euro Stoxx 50 ended the third quarter virtually unchanged at 3,226 points. The German DAX index, however, closed on 30 September 2014 at 9,474 points, or 359 points and 3.7 percent below its level at the end of June 2014. The SDAX index declined even more by about 533 points, or 7.2 percent to 6,853 points.

The U.S. benchmark index, the Dow Jones Industrial Average, still ended the third quarter slightly higher and rose 1.3 percent to 17,043 points. Given the continued devaluation of the Japanese currency, the Japanese Nikkei index recorded a quarterly gain of 6.7 percent to 16,174 points.

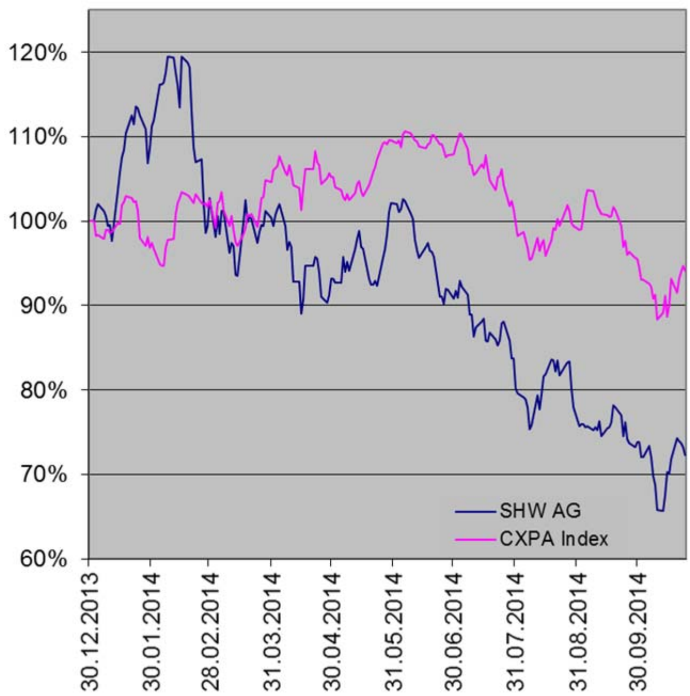
The DAXsector Automobile Performance Index declined 11.5 percent compared to the second quarter of 2014 to approximately 1,331 points despite an environment of continued stabilisation in production and in new vehicle registration figures in the European Union, as well as the continued positive performance of export markets (USA, China).

SHW share still in consolidation phase

The negative sentiment for automotive shares was also apparent in the performance of SHW shares which ended the third quarter of 2014 with an overall price decline of 18.7 percent to € 33.53. SHW shares are currently quoted at € 32.80 (status: 24 October 2014).

Performance of SHW share and DAXsector Automobile Performance Index (January 2014 – October 2014)

Closing price: 30 December 2013 = 100%

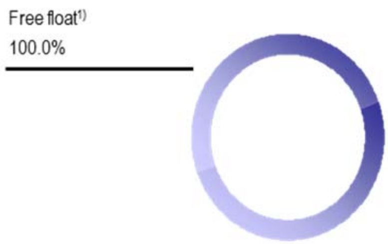


Shareholder structure unchanged

At the end of the third quarter of 2014, 100 percent of SHW AG's shares continued to be held in free float. Based on the currently available voting rights notifications, one shareholder holds more than 5 percent of the Company's share capital and a total of seven investment funds hold between 3 percent and five percent each.

Shareholder structure

in %



[1)] Free float as defined by Deutsche Börse AG. Thereof: Henderson Global (9.78%); J.P. Morgan Asset Management (4.74%); UBS (4.48%); Fidelity (4.42%); Union Investment (4.31%); Capital Group Companies (3.93%); F&C Asset Management (3.07%); Allianz Global Investors (3.04%)
(as of 17 October 2014)

Close Brothers Seydler initiates research coverage with a "buy" recommendation

Efforts to expand our research coverage have borne fruit. On 21 July 2014, Close Brothers Seydler Research AG initiated coverage of SHW shares with a “buy” recommendation and a share price target of € 50. We now have six banks and research houses covering the SHW share. Further banks have indicated that they may also be initiating coverage in the foreseeable future.

In the third quarter of 2014, we continued to meet the information needs of investors primarily through our participation in the Commerzbank Sector Conference Week in Frankfurt on 10 September and with our first participation in the Berenberg & Goldman Sachs German Corporate Conference held in Munich on 24 September. In mid-September, we also took part in a one-day investor roadshow in London with Berenberg Bank’s support. We encountered keen interest in our company at all events which allowed us to establish a number of new contacts. In the fourth quarter of 2014, we will be available to answer the questions of interested analysts and investors at the German Equity Forum on 25 and 26 November.

2013 Annual Report receives LACP Award in Gold

After receiving the Bronze Award in the prior year, SHW received the LACP Vision Award in Gold for its 2013 Annual Report titled "Strongly Positioned Through Product Innovations" in the category of Automobile & Components. This concerns one of the larger international competitions for annual reports and is held annually by the League of American Communications Professionals. This positive outcome was confirmed by attaining 5th place among all SDAX companies in the category of reporting (annual report, semi-annual financial report) in the Manager Magazin competition "Investors’ Darling 2014".

Share at a glance	
WKN	A1JBPV
ISIN	DE000A1JBPV9
Ticker symbol	SW1 GY
Type of shares	Ordinary no-par-value bearer shares
Number of shares	5.85 million
Share capital	€ 5.85 million
Market capitalisation[1)]	€ 196.2 million
Free float	100.0%
Stock exchange	Frankfurt Stock Exchange
Market segment	Regulated market (Prime Standard)
First listing	7 July 2011
Designated sponsor	Commerzbank AG

1 Based on the closing price of € 33.53 on 30 September 2014.

Interim Group Management Report

Business Activities and Economic Conditions

Business Activities and Group Structure

The SHW Group is a supplier to renowned automotive manufacturers, manufacturers of commercial, agricultural and construction vehicles, and other automotive suppliers.

The Company is divided into two business segments: the Pumps and Engine Components business segment and the Brake Discs business segment. The focus of the SHW Group's business activities is primarily on the development and production of products which contribute to a reduction in fuel consumption and hence, CO_2 emissions, in the automotive sector.

Leading European Manufacturer of Pumps and Engine Components

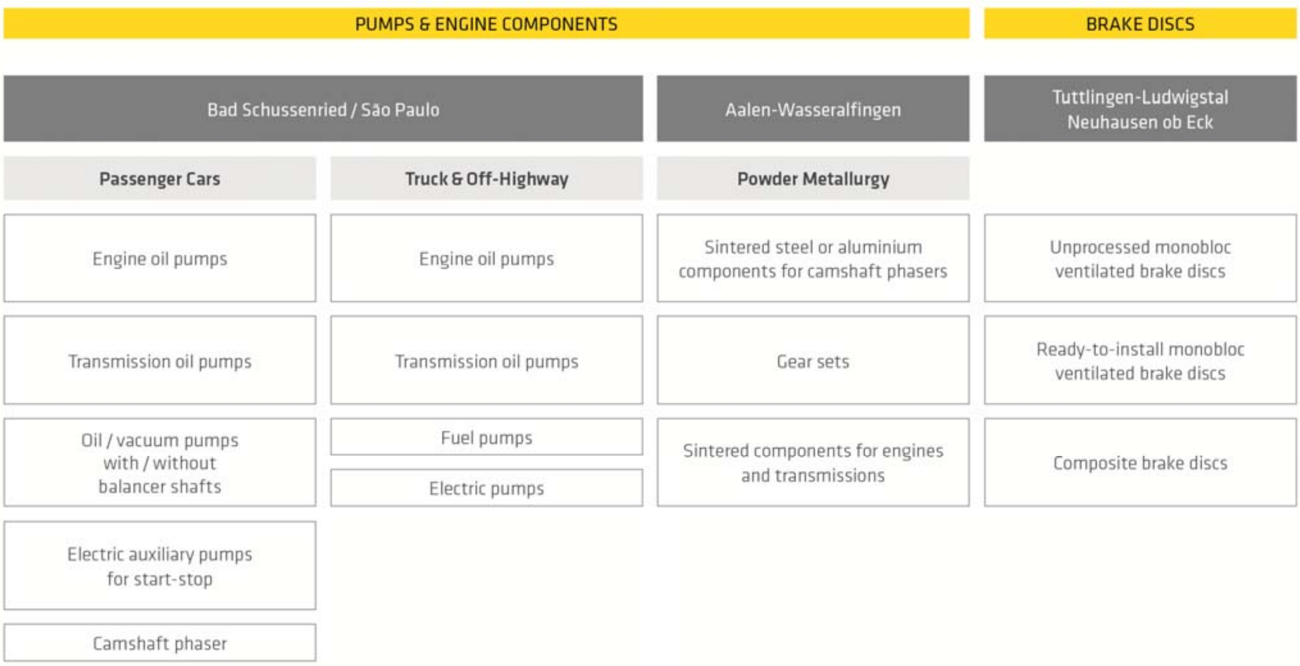
The Pumps and Engine Components business segment is the SHW Group's largest operating segment and currently has production facilities in Bad Schussenried, Aalen-Wasseralfingen, and Sao Paulo (Brazil) as well as a sales and development centre for the NAFTA region located in Toronto (Canada). The Passenger Car division in Bad Schussenried manufactures variable engine oil pumps, transmission oil pumps, electric auxiliary pumps for the start-stop function, oil/vacuum pumps with balancer shaft units, as well as camshaft phasers. For the time being, the location in Sao Paulo will only produce engine oil pumps. The Canadian subsidiary, SHW Pumps and Engine Components Inc., has commenced operations and will serve as the sales and development centre for oil and transmission pumps. This site is focused on acquiring new orders and on application engineering, particularly for US auto manufacturers.

The site of SHW Group's Truck & Off-Highway division in Bad Schussenried produces engine oil pumps and transmission oil pumps as well as fuel pumps used in trucks, agricultural and construction vehicles, stationary engines, and wind power stations.

Additionally, the SHW Group's Powder Metallurgy division manufactures engine components at its facility in Aalen-Wasseralfingen. The product range includes pump cogwheels, camshaft phasers, chain wheels, and rotors made of sintered aluminium.

Technological leader in the field of brake discs for high performance vehicles

The SHW Group is the technological leader in the production of brake discs for high-performance vehicles. The Brake Discs business segment develops and produces monobloc ventilated brake discs made of cast iron as well as lightweight brake discs, so-called composite brake discs, made of a combination of an iron friction ring with an aluminium pot. The production sites are located in Tuttlingen-Ludwigstal and Neuhausen ob Eck.



Economic Conditions

Mixed recovery of global economy continues

Mixed economic development continued in the third quarter of 2014 both within the advanced economies (EU-28, Switzerland, Norway, USA, Canada, Japan, South Korea, Taiwan, Hong Kong, and Singapore) as well as within the so-called emerging countries (Russia, China excluding Hong Kong, India, Indonesia, Thailand, Malaysia, the Philippines and Latin America).

The strong recovery in the U.S. economy continued following the weather-related slump at the start of the year. According to the preliminary calculations of the economic experts at Commerzbank (status: 14 October 2014), GDP is set to grow by 3.0 percent compared to the previous quarter. This is the result of the lower indebtedness of private households, a pick-up in construction activity after the normalisation of the inventories of unsold homes, and the noticeable recovery of the U.S. labour market.

In contrast, the euro's underlying economic momentum is still low with growth being hindered by the following factors:

a) Macroeconomic imbalances (bubbles in the real estate market, the excessive indebtedness of corporations and private households) in some core countries (especially France, the Netherlands, Belgium, and Finland) have not yet been corrected
b) Structural problems (e.g., inflexible labour markets) in many countries (especially France and Italy) impede higher potential growth
c) Weaker demand in emerging countries and the revaluation of the euro are curbing exports.

Thus, the euro area economy is estimated to have grown a mere 0.1 percent in the third quarter following the stagnation in the second quarter. Germany, formerly the growth engine, is losing further momentum. According to the experts at Commerzbank, after a decline of 0.2 percent in the second quarter of 2014, the German economy is estimated to have stagnated at best in the third quarter.

In Japan, the economic stimulus package, adopted in combination with the VAT increase, is expected to have had a stimulating effect in the third quarter. This package provides for public infrastructure projects, tax cuts, and reconstruction activities for the northeastern regions of the country following the devastation of the huge earthquake and tsunami. After a decline in GDP of 1.7 percent in the second quarter, economists at Commerzbank expect GDP growth in the third quarter of approximately 2.5 percent over the previous quarter.

There is also a mixed picture in the emerging markets. The Russian economy is still weak and Brazil has even entered into a recession. In China, the economy lost further momentum. According to government data, gross domestic product in the third quarter of 2014 grew just 7.3 percent compared to the same period of the previous year. What is starting to burden the market the most is the correction in the real estate market. Here, prices for flats in several cities have dropped in the recent months, with some prices falling significantly; huge satellite towns are vacant. A number of emerging countries continue to struggle with capital outflows and currency devaluations. The unresolved conflict between Russia and the Ukraine as well as the armed conflicts in Iraq and in Syria are also placing a burden on the economy.

All three large automotive markets still on growth track

All three of the major automotive markets – Western Europe, the USA, and China – saw a considerable increase in new registrations in the third quarter of 2014. In September, the number of new registrations in the European Union (EU-27) exceeded the level of the comparable month of the prior year for the thirteenth consecutive time. In the period from July to September 2014, new registrations increased 5.2 percent compared to the prior year's quarter to 2.95 million units. In the second quarter of 2014, the growth rate was only 4.6 percent.

The Spanish market benefited from a government scrappage scheme and grew 16.0 percent, showing the highest level of growth among the European volume markets, followed by Great Britain with 6.3 percent. Germany and Italy exceeded their previous year's levels with each country reporting growth of 4.1 percent. France was one of the poorest performers with registrations just 2.1 percent above previous year's figure.

With its broad product portfolio of fuel-optimised components for engine and transmission applications and brake discs, SHW has succeeded again in significantly outperforming the European passenger car market in the third quarter of 2014. SHW's sales increased 18.1 percent in the period from July to September 2014 compared to the same period in the prior year.

Between July and September, owing to increased consumer confidence, US sales of passenger cars and light trucks rose significantly by 7.8 percent compared to the prior year to 4.27 million units. The recession and tremendous slump in consumer confidence in Brazil led to a significant 11.7 percent drop in new vehicle registrations for light vehicles (passenger cars and light trucks) to a total of 0.82 million units. The Chinese passenger car market continued to develop positively during the third quarter of 2014. The number of passenger cars sold in the July to September period reached a level of 4.52 million units (+8.1 percent compared to the previous year). In Japan, new passenger car registrations dropped 4.7 percent to 1.10 million units resulting from the rise in the VAT rate from 5 percent to 8 percent which has been in effect since April 2014.

Results of Operations, Net Assets, and Financial Position of the SHW Group

Key figures - SHW Group

in K EUR	Q3 2014	Q3 2013	Change in %	9M 2014	9M 2013	Change in %
Sales	109,354	92,612	18.1%	321,426	268,976	19.5%
EBITDA	10,387	11,073	-6.2%	29,397	27,222	8.0%
as % of sales	9.5%	12.0%	-	9.1%	10.1%	-
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as % of sales	5.1%	7.9%	-	5.0%	6.3%	-
Net income for the period	3,790	4,888	-22.5%	10,987	11,488	-4.4%
Adjusted EBITDA	10,387	11,073	-6.2%	29,397	28,125	4.5%
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as % of sales	5.1%	8.0%	-	5.0%	6.7%	-
Equity	-	-	-	87,755	80,131	9.5%
Equity ratio	-	-	-	40.1%	39.7%	-
Working Capital	-	-	-	48,790	54,824	-11.0%
as % of sales	-	-	-	11.7%	16.1%	-

Results of Operations

Sales in the first nine months of 2014 increase 19.5 percent to € 321.4 million

Group sales in the period from January to September 2014 increased 19.5 percent from € 269.0 million in the first nine months of the previous year to € 321.4 million. In the reporting period, SHW Group succeeded once again in decoupling from the general market developments in Europe (new passenger car registrations in the European Union January to September 2014: +6.1 percent compared to the previous year period) as a result of higher customer call orders and successful new product launches.

Higher cost of sales ratio

Cost of sales increased by 21.7 percent from € 234.9 million to € 285.9 million in the reporting period causing the cost of sales ratio to rise from 87.3 percent to 88.9 percent. The main reasons for this were a change in the product mix, which resulted from the disproportionate growth in our pumps for passenger cars, and special production costs. In addition, capacity restraints at suppliers led to a loss of performance.

Despite higher business volumes, we were still able to trim our general administration expenses by 5.0 percent from € 7.5 million to € 7.1 million in the first nine months of 2014. This decline in comparison to the previous year mainly resulted from a disproportionately low rise in personnel and the non-recurrence of expenses for the SAP Post Go-Live Support.

Investments in research and development rise moderately

Research and development costs rose 19.1 percent in the first nine months of the reporting year compared to the corresponding previous year's period to € 7.5 million (previous year: € 6.3 million) as a result of numerous new customer projects with product innovations. In addition, a total of € 1.1 million in development costs were capitalised (previous year: € 2.4 million). As a result of the strong sales growth, the R&D ratio (including capitalised development costs) fell to 2.7 percent of sales (previous year: 3.2 percent). In the Pumps and Engine Components business segment, the focus was on the development of variable oil pumps, start-stop pumps, transmission pumps, oil/vacuum pumps with balance shaft units and camshaft adjusters. The activities of the Brake Discs business segment were focused on the further development of higher-value composite brake discs.

Reconciliation statement: SHW Group

in K EUR	Q3 2014	Q3 2013	9M 2014	9M 2013
Sales	109,354	92,612	321,426	268,976
Operating result (EBIT)	5,546	7,351	16,063	17,064
PPA[1] fixed assets	38	37	113	113
Consulting costs for SAP GoLive	-	-	-	180
Costs of changes in the Management Board	-	-	-	723
Adjusted EBIT	5,584	7,388	16,176	18,080
as % of sales	5.1%	8.0%	5.0%	6.7%
Other depreciation	4,803	3,685	13,221	10,045
as % of sales	4.4%	4.0%	4.1%	3.7%
Adjusted EBITDA	10,387	11,073	29,397	28,125
as % of sales	9.5%	12.0%	9.1%	10.5%

[1] Depreciation arising from purchase price allocation

EBITDA in the first nine months advances to € 29.4 million

In the period from January to September 2014, adjusted Group earnings before interest, taxes, depreciation and amortisation of tangible and intangible assets (adjusted EBITDA) increased 4.5 percent compared to the previous year and totalled € 29.4 million. The corresponding EBITDA margin declined from 10.5 percent to 9.1 percent.

The high level of customer call orders during the first nine months of 2014 led to noticeable logistical and operational pressures on the existing technical capacity at both our suppliers and in the Powder Metallurgy division at the Aalen-Wasseralfingen site. It also adversely affected the productivity of the pump production activities at the Bad Schussenried site, which is the main customer of the Powder Metallurgy division. In particular, an unforeseen rise in customer call orders for a large series product resulted in significant problems throughout the entire supply chain and to additional charges in the mid single-digit millions. Negotiations with the customer for suitable compensation payments are currently underway. To remedy the existing capacity constraints and further expand our manufacturing automation, a three-year investment programme for the Powder Metallurgy division was adopted in the second quarter of 2014.

Internationalisation had the expected impact on the Group's results in the first nine months of 2014. Our Brazilian subsidiary SHW do Brasil Ltda. delivered the first oil pumps to a U.S. automotive manufacturer in mid-July 2014 and already generated positive earnings in the third quarter of 2014.

Correction of extraordinary effects from the prior year

In the first nine months of fiscal year 2013, expenses of € 0.5 million related to a new product launches were adjusted at the Group level and at the level of the Pumps and Engine Components business segment. In preparing the 31 December 2013 consolidated financial statements, the adjustment of these launch costs was waived since we were able to offset these costs over time through compensation payments. Accordingly, a retrospective adjustment of the circumstances was performed.

Stable financial results

At € -1.0 million, the financial result (net) for the period January to September 2014 came in slightly below the previous year's level. Average financial debt increased slightly over the previous year.

Slightly lower tax rate

Income taxes declined by € 0.4 million to € 4.1 million in the first nine months of 2014 due to a deferred tax benefit. At 27.0 percent, the tax rate was slightly below the previous year's level of 28.2 percent.

Net income in the first nine months somewhat below the previous year's level

Net income in the first nine months of fiscal year 2014 declined 4.4 percent from € 11.5 million to € 11.0 million. Earnings per share for the period January to September 2014 reached € 1.88 compared to € 1.96 in the previous year. In both years, the weighted average number of shares used in the calculation of earnings per share amounted to 5,581,100 shares.

Business Segments

Development of the Pumps and Engine Components business segment

Sales at record level

In the period January to September 2014, the Pumps and Engine Components business segment achieved a 23.3 percent rise in sales to € 248.7 million (previous year: € 201.8 million). This represents the highest nine-month sales level in the Company's history.

Sales driven by increasing demand for start-stop pumps and new product launches of oil/vacuum pumps

Sales in the Passenger Car division grew 25.5 percent to € 201.4 million (1-9/2013: € 160.5 million). This growth was attributable to a high level of customer call orders, particularly for variable oil/vacuum pumps (tandem pumps), and to an expansion in capacity of an auxiliary pump for the start-stop function.

The Truck & Off-Highway division benefited from sustained high demand from agricultural and construction machinery manufacturers and generated sales of € 23.1 million (1-9/2013: € 21.0 million).

The Powder Metallurgy division was able to close the first nine months of 2014 with sales growth of 19.2 percent to € 24.2 million (1-9/2013: € 20.3 million) as a result of new product launches and an increase in customer call orders.

Key figures - Pumps and Engine Components

in K EUR	Q3 2014	Q3 2013	Change in %	9M 2014	9M 2013	Change in %
Sales	85,591	69,893	22.5%	248,720	201,800	23.3%
EBITDA	8,351	9,475	-11.9%	23,901	22,911	4.3%
as % of sales	9.8%	13.6%	-	9.6%	11.4%	-
EBIT	4,641	6,681	-30.5%	13,844	15,579	-11.1%
as % of sales	5.4%	9.6%	-	5.6%	7.7%	-
Adjusted EBITDA	8,351	9,475	-11.9%	23,901	23,074	3.6%
as % of sales	9.8%	13.6%	-	9.6%	11.4%	-
Adjusted EBIT	4,651	6,691	-30.5%	13,874	15,772	-12.0%
as % of sales	5.4%	9.6%	-	5.6%	7.8%	-

EBITDA in the first nine months above previous year's level

In the period January to September 2014, the Pumps and Engine Components business segment generated adjusted segment earnings before interest, taxes, depreciation and amortisation of tangible and intangible assets (adjusted EBITDA) of € 23.9 million (previous year: € 23.1 million). The corresponding EBITDA margin declined from 11.4 percent to 9.6 percent.

The high level of customer call orders during the first nine months of 2014 led to noticeable logistical and operational pressures on the existing technical capacity at both our suppliers and in the Powder Metallurgy division at the Aalen-Wasseralfingen site. It also adversely affected the productivity of the pump production activities at the Bad Schussenried site, which is the main customer of the Powder Metallurgy division. In particular, an unforeseen rise in customer call orders for a large series product resulted in significant problems throughout the entire supply chain and to additional charges in the mid single-digit millions. Negotiations with the customer for suitable compensation payments are currently underway. To remedy the existing capacity constraints and further expand our manufacturing automation, a three-year investment programme for the Powder Metallurgy division was adopted in the second quarter of 2014.

Internationalisation had the expected impact on segment earnings in the first nine months of 2014. Our Brazilian subsidiary SHW do Brasil Ltda. delivered its first oil pumps to a U.S. automotive manufacturer in mid-July 2014 and already generated positive earnings in the third quarter of 2014.

At € 13.9 million, adjusted segment earnings before interest and taxes (adjusted EBIT) in the first nine months of 2014 were € 1.9 million, or 12.0 percent below the comparable period of the prior year due to higher investment-related depreciation and amortisation.

Reconciliation statement: Pumps and Engine Components

in K EUR	Q3 2014	Q3 2013	9M 2014	9M 2013
Sales	85,591	69,893	248,720	201,800
Operating result (EBIT)	4,641	6,681	13,844	15,579
PPA[1] fixed assets	10	10	30	30
Consulting costs for SAP GoLive	-	-	-	163
Adjusted EBIT	4,651	6,691	13,874	15,772
as % of sales	5.4%	9.6%	5.6%	7.8%
Other depreciation	3,700	2,784	10,027	7,302
as % of sales	4.3%	4.0%	4.0%	3.6%
Adjusted EBITDA	8,351	9,475	23,901	23,074
as % of sales	9.8%	13.6%	9.6%	11.4%

[1] Depreciation arising from purchase price allocation

Development of the Brake Discs business segment

Key figures - Brake Discs

in K EUR	Q3 2014	Q3 2013	Change in %	9M 2014	9M 2013	Change in %
Sales	23,763	22,719	4.6%	72,706	67,176	8.2%
EBITDA	2,158	1,977	9.2%	6,410	6,038	6.2%
as % of sales	9.1%	8.7%	-	8.8%	9.0%	-
EBIT	1,094	1,138	-3.9%	3,340	3,417	-2.3%
as % of sales	4.6%	5.0%	-	4.6%	5.1%	-
Adjusted EBITDA	2,158	1,977	9.2%	6,410	6,055	5.9%
as % of sales	9.1%	8.7%	-	8.8%	9.0%	-
Adjusted EBIT	1,122	1,165	-3.7%	3,423	3,517	-2.7%
as % of sales	4.7%	5.1%	-	4.7%	5.2%	-

Volume-driven sales growth

On the back of increasing unit sales, the Brake Discs business segment generated sales growth of 8.2 percent in the first nine months of the fiscal year 2014, rising from € 67.2 million to € 72.7 million.

The total number of brake discs sold rose 11.1 percent from 2.95 million units to 3.27 million units in the January to September 2014 period compared to the previous year period. With an increase of 14.8 percent, sales of higher-value composite brake discs grew more than average compared to the prior year period.

EBITDA improves in the first nine months of 2014

In the first nine months of 2014, the adjusted segment earnings before interest, taxes, depreciation and amortisation of tangible and intangible assets (adjusted EBITDA) of the Brake Discs business segment increased 5.9 percent to € 6.4 million. The EBITDA margin declined from 9.0 percent to 8.8 percent. Here, it is important to note that the first quarter's earnings were burdened by additional costs for extra shifts and external processing as the result of a sustained high level of customer call orders and the delayed start of a new production line which was subsequently completed successfully in the second quarter of 2014. Third quarter results were also adversely impacted by a scheduled two-week closure in August of the Tuttlingen plant, during which extensive maintenance activities were performed.

An investment-driven increase in depreciation and amortisation led to adjusted earnings before interest and taxes (adjusted EBIT) of € 3.4 million (previous year: € 3.5 million) in the first nine months of 2014. The adjusted EBIT margin, based on sales, declined to 4.7 percent after 5.2 percent in the previous year.

Reconciliation statement: Brake Discs

in K EUR	Q3 2014	Q3 2013	9M 2014	9M 2013
Sales	23,763	22,719	72,706	67,176
Operating result (EBIT)	1,094	1,138	3,340	3,417
PPA[1] fixed assets	28	27	83	83
Consulting costs for SAP GoLive	-	-	-	17
Adjusted EBIT	1,122	1,165	3,423	3,517
as % of sales	4.7%	5.1%	4.7%	5.2%
Other depreciation	1,036	0,812	2,987	2,538
as % of sales	4.4%	3.6%	4.1%	3.8%
Adjusted EBITDA	2,158	1,977	6,410	6,055
as % of sales	9.1%	8.7%	8.8%	9.0%

[1] Depreciation arising from purchase price allocation

Net Assets and Financial Position

Equity ratio still above-average

In comparison to 30 September 2013, equity increased by € 7.6 million to € 87.8 million. This rise was largely the result of the net income for the period of the last twelve months, which totalled € 12.9 million less a dividend payment of € 5.9 million. The equity ratio improved from 39.7 percent as at 30 September 2013 to 40.1 percent.

Operating cash flow rises by € 3.8 million in the first nine months

In the period January to September 2014, the SHW Group generated € 11.6 million in cash flow from operating activities (previous year: € 7.8 million). This improvement resulted mainly from a marked reduction in working capital which followed stricter improvements within the entire logistics chain. The decline in cash flow from operating activities in the third quarter of 2014 is mainly due to the € 8.4 million rise in working capital as a result of greater business volume in September 2014.

Cash flow from investing activities totalled € -27.5 million in the first nine months of 2014 amounting to an increase of 16.7 percent compared to the prior year's level. This item contains the final payment of € 2.8 million for an assembly plant which was already included in the asset additions in fiscal year 2013. Of these asset additions, € 17.6 million is attributable to the Pumps and Engine Components business segment and € 7.0 million to the Brake Discs business segment.

Net bank liabilities affected by a reduction in working capital and by investments

As at 30 September 2014, the SHW Group's net bank liabilities totalled € 24.8 million. This represents a € 5.8 million rise compared to the level of 30 September 2013. The positive operating cash flow, which largely resulted from a reduction in working capital of € 6.0 million, was more than offset by continued high investment and a dividend payment of € 5.9 million.

Reconciliation statement: Change in net cash

in K EUR	Q3 2014	Q3 2013	9M 2014	9M 2013
Cash flow from operating activities	-485	7,540	11,581	7,799
Cash flow from investment activities	-6,774	-6,388	-27,490	-23,561
Free cash flow	**-7,259**	**1,152**	**-15,909**	**-15,762**
Other (esp. dividends)	-197	-7	-6,024	-22,867
Change in net cash	**-7,456**	**1,145**	**-21,933**	**-38,629**

Growth is reflected in tangible assets and receivables

Compared to 30 September 2013, total assets grew € 16.8 million to € 218.9 million. Tangible assets rose by € 15.0 million to € 86.9 million compared to the previous year due to investments in production facilities resulting from a number of new product launches. Inventories were lowered through targeted improvements in the entire logistics chain, despite the significant increase in business volume. In comparison to 30 September 2013, inventories declined by € 4.3 million to € 43.8 million. The increase in trade receivables of 15.9 percent to € 59.5 million was lower than the growth in sales of 19.5 percent generated in the first nine months of the reporting year. Trade payables grew by € 9.9 million to € 54.5 million.

Substantial improvement in working capital ratio

As at 30 September 2014, working capital could be brought down by 11.0 percent, or € 6.0 million, to € 48.8 million compared with the previous year. This was mainly due to the positive impact of improvement measures made throughout the entire logistics chain. Both trade receivables as well as trade payables have increased as a result of the rise in business volume. The working capital ratio, based on trailing twelve months Group’s sales, improved to 11.7 percent compared to 16.1 percent in the first nine months of the prior year.

in K EUR	9M 2014	9M 2013	Change abs.	Change in %
Inventories	43,776	48,061	-4,285	-8.9%
Trade receivables	59,477	51,303	8,174	15.9%
Trade payables	-54,463	-44,540	-9,923	22.3%
Working Capital	48,790	54,824	-6,034	-11.0%
as % of sales	11.7%	16.1%	-	-

Strong growth leads to higher number of employees in the Pumps and Engine Components business segment

At the Group level, the average number of employees in the first nine months of 2014 increased to 1,145 employees compared to a level of 1,051 employees in the same period of the previous year. Most of these increases took place at both of the Pumps and Engine Components business segment locations. These locations saw the average number of employees rise from 652 to 741.

Opportunities and Risks

In assessing the opportunities and risks for the SHW Group, there have been no significant changes in comparison to the statements related to opportunities and risks found in the Annual Report 2013 (pages 61– 68 and 72 – 73).

Outlook

Macroeconomic outlook

There has been no change to the growth forecasts (GDP: +3.1 percent) for the global economy given in mid-July 2014 by the economic experts at Commerzbank. These economists continue to expect growth to be driven mainly by the economic recovery in the so-called "advanced economies", while the pace of expansion in the emerging and developing countries, although still high, will continue to slow down in comparison to the previous year. The slowing pace of growth in China is having the greatest impact.

Due to the revision in second quarter 2014 GDP figures, the forecast for the USA was recently raised from +1.6 percent to +2.2 percent.

Although Commerzbank’s economists expect the euro area to continuing experiencing a recovery in economic performance, they have lowered their 2014 growth forecasts from +1.0 percent to +0.7 percent due to the weak second quarter and declining leading indicators. Italy is bringing up the rear, (GDP: -0.2 percent) following France (GDP: +0.3 percent) and the Netherlands (GDP: +0.5 percent). These countries have successively lost their price competitiveness due to their above-average increases in unit labour costs. In contrast Ireland (GDP: +5.2 percent), Spain (GDP: +1.4 percent), Greece and Portugal (GDP: each +1.0 percent) have been able to greatly improve their competitiveness since the outbreak of the global financial crisis through strong declines in unit labour costs and are now back on a growth path.

In terms of German GDP growth, analysts at Commerzbank have lowered their forecasts from +2.0 percent to +1.3 percent due to signs of weakness in the second half-year.

Economic experts at Commerzbank expect a continual slowing of growth in China in 2014 somewhat and total 7.3 percent (previous year: 7.7 percent). Economic reforms agreed in November 2013, which provide for the convertibility and flexibility of the Renminbi and restrictions on land sales by local authorities to provide budget financing, have had a particularly stagnating effect. Moreover, the structural transformation from heavy industry to the services and consumer goods sectors which has been introduced and the imbalances in the Chinese financial sector have all dampened the growth of the Chinese economy.

Despite the current risks, the economic outlook and rising disposable incomes in many emerging markets still provide a solid basis for a continued upturn in the global automotive business in the fourth quarter of 2014.

Industry outlook

In their latest update (October 2014), industry experts at PwC Autofacts have slightly raised their forecast for global light vehicle production (vehicles <6 t). PwC Autofacts now expects growth in 2014 of 4.0 percent (previously: 3.8 percent) for a total of 85.95 million vehicles.

For China, automotive experts are now expecting a rise in light vehicle production of 10.1 percent (previously: 9.3 percent) to 21.23 million vehicles for the whole of 2014.

The development of the North American region is also better than previously expected with PwC Autofacts now estimating growth of 5.1 percent (previously: 4.5 percent) to 17.0 million vehicles. PwC Autofacts also slightly raised its expectations given in July 2014 for the European Union. PwC Autofacts now expects an increase in production of 6.7 percent (previously: 5.4 percent) to 17.12 million vehicles. PwC experts raised their production forecasts for Spain and France as well as their forecasts for Germany. For Germany, they now expect a 6.5 percent rise in vehicle production (previously: 5.6 percent) to 6.05 million vehicles.

Negative adjustments mainly concern the South American and Eastern European regions. For the Brazilian automotive market, PwC Autofacts now expects a decline in vehicle production of 9.6 percent (previously: -1.4 percent) to 3.81 million units. The forecast for Russia was lowered significantly from 1.92 million units to 1.78 million units.

Group outlook

Based on the nine-month figures, the Management Board has left its outlook for 2014 unchanged. Assuming a continued stable order situation, SHW AG continues to expect Group sales in fiscal year 2014 to be in the range of € 390 million to € 415 million. Additionally planned product launches and a shift in the product mix towards more complex pumps should lead to sales in the Pumps and Engine Components business segment of between € 297 million and € 320 million. In the Brake Discs business segment, the target is to further increase the share of processed brake discs and higher-value composite brake discs and thus achieve sales in the order of € 93 million to € 95 million.

The Management Board's focus in the fourth quarter of 2014 will primarily be on acquiring new orders, further optimising logistical and operational business processes at all locations, and on establishing and expanding the business in Brazil, China, and North America. With the achievement of the sales growth planned, the Company continues to expect to reach adjusted Group earnings before interest, taxes, depreciation and amortisation (adjusted EBITDA) in the order of € 39.0 million to € 41.5 million in 2014.

Aalen, 28 October 2014

The SHW AG Management Board

Dr.-Ing. Thomas Buchholz	Sascha Rosengart	Andreas Rydzewski
Chief Executive Officer	Chief Financial Officer	Member of the Management Board

Interim Consolidated Financial Statements (IFRS) as at 30 September 2014

Consolidated Income Statement (unaudited)

K EUR	Q3 2014	Q3 2013	9M 2014	9M 2013
Sales	109,354	92,612	321,426	268,976
Cost of sales	-96,751	-79,247	-285,864	-234,860
Gross profit	12,603	13,365	35,562	34,116
Selling expenses	-1,473	-1,113	-4,005	-3,292
General administration expenses	-2,415	-2,157	-7,108	-7,483
Research and development costs	-3,069	-2,756	-7,466	-6,267
Other operating income	648	370	1,363	1,471
Other operating expenses	-748	-358	-2,283	-1,481
Operating result	5,546	7,351	16,063	17,064
Financial income	0	1	11	5
Financial expenses	-386	-453	-1,021	-1,073
Earnings before tax	5,160	6,899	15,053	15,996
Deferred taxes	-73	-618	225	-409
Current income taxes	-1,297	-1,393	-4,291	-4,099
Net income for the period	3,790	4,888	10,987	11,488
Earnings per share (in €)[1]	0,65	0,84	1,88	1,96

[1] Based on an average of 5,851,100 shares.

Consolidated Statement of Comprehensive Income (unaudited)

K EUR	Q3 2014	Q3 2013	9M 2014	9M 2013
Net income for the period	3,790	4,888	10,987	11,488
Items that will not be reclassified to profit and loss in future periods				
Currency translation reserve	-	-	-	-
Tax effect	-	-	-	-
Items that may be reclassified to profit and loss in future periods				
Currency translation reserve	-40	13	124	35
Tax effect	-	-	-	-
Other comprehensive income after tax	-40	13	124	35
Total comprehensive income after tax	3,750	4,901	11,111	11,523
Total comprehensive income attributable to shareholders of SHW AG	3,750	4,901	11,111	11,523

Consolidated Balance Sheet (unaudited)

K EUR	30.09.2014	31.12.2013	30.09.2013
Assets			
Goodwill	7,055	7,055	7,055
Other intangible assets	13,384	14,205	15,036
Tangible assets (property, plant, and equipment)	86,898	74,781	71,856
Deferred tax assets	3,165	2,988	3,453
Other financial assets	1,779	659	593
Non–current assets	112,281	99,688	97,993
Inventories	43,776	39,192	48,061
Trade receivables	59,477	42,101	51,303
Other financial assets	131	-	1,125
Other assets	2,256	3,490	1,563
Cash and cash equivalents	965	2,837	2,034
Current assets	106,605	87,620	104,086
Total assets	218,886	187,308	202,079

K EUR	30.09.2014	31.12.2013	30.09.2013
Equity and Liabilities			
Subscribed capital	5,851	5,851	5,851
Capital reserves	14,780	14,780	14,780
Revenue reserves	68,732	63,630	61,723
Other reserves	-1,608	-1,732	-2,223
Total equity	87,755	82,529	80,131
Pension accruals and similar obligations	24,162	24,488	25,681
Deferred tax liabilities	3,571	3,619	3,604
Other accruals	3,367	3,388	2,900
Other financial liabilities	160	206	90
Liabilities to banks	2,783	3,676	3,973
Non-current liabilities and accruals	34,043	35,377	36,248
Liabilities to banks	22,996	2,042	17,061
Trade payables	54,463	47,881	44,540
Other financial liabilities	5,835	7,027	9,818
Income tax liabilities	1,006	1,176	1,578
Other accruals	2,769	3,010	4,914
Other liabilities	10,019	8,266	7,789
Current liabilities and accruals	97,088	69,402	85,700
Total equity and liabilities	218,886	187,308	202,079

Consolidated Statement of Changes in Equity (unaudited)

K EUR	Subscribed capital	Capital reserves	Revenue reserves	Other reserves	Total equity
As at 1 January 2013 (as initially reported)	5,851	14,780	73,709	-	94,340
Changes in measurement methods	-	-	-47	-2,258	-2,305
As at 1 January 2013 (revised)	5,851	14,780	73,662	-2,258	92,035
Changes from actuarial gains and losses	-	-	-	-	-
Foreign currency translation	-	-	-	35	35
Total income recognised directly in equity	-	-	-	35	35
Net income for the period as at 30 September 2013	-	-	11,488	-	11,488
Total comprehensive income for the period	-	-	11,488	35	11,523
First-time consolidation of previously non-consolidated subsidiaries for reasons of materiality	-	-	-23	-	-23
Dividends paid	-	-	-23,404	-	-23,404
As at 30 September 2013 (revised)	5,851	14,780	61,723	-2,223	80,131
As at 1 January 2014	5,851	14,780	63,630	-1,732	82,529
Changes from actuarial gains and losses	-	-	-	-	-
Foreign currency translation	-	-	-	124	124
Total income recognised directly in equity	-	-	-	124	124
Net income for the period as at 30 September 2014	-	-	10,987	-	10,987
Total comprehensive income for the period	-	-	10,987	124	11,111
First-time consolidation of previously non-consolidated subsidiaries for reasons of materiality	-	-	-34	-	-34
Dividends paid	-	-	-5,851	-	-5,851
As at 30 September 2014	5,851	14,780	68,732	-1,608	87,755

Consolidated Cash Flow Statement (unaudited)

K EUR	1 Jan 2014 - 30 Sept 2014	1 Jan 2013 - 30 Sept 2013
Cash flow from operating activities		
Net income for the period	10,987	11,488
Depreciation / amortisation (+) of fixed asset assets	13,334	10,158
Income tax expenses through profit or loss (+)	4,291	4,099
Income tax paid (–)	-4,458	-3,502
Financing costs through profit or loss (+)	1,011	1,073
Interest paid (–)	-393	-357
Financial investment income through profit or loss (–)	-1	-5
Interest and dividends received (+)	1	5
Increase (+) / decrease (–) in accruals	-588	-453
Change in deferred taxes	-225	409
Other non-cash effective expenses (+) / income (–)	-721	-3,358
Gain (–) / loss (+) from the disposal of assets	159	-22
Increase (-) / decrease (+) in inventories, trade receivables, and other assets	-21,785	-23,212
Increase (+) / decrease (–) in trade payables, and other liabilities	9,969	11,476
Cash flow from operating activities	11,581	7,799
Cash flow from investing activities		
Cash received (+) from the disposal of tangible assets	16	64
Cash paid (–) for investments in tangible assets	-25,592	-19,203
Cash paid (–) for investments in intangible assets	-1,914	-4,422
Cash flow from investing activities	-27,490	-23,561
Cash flow from financing activities		
Cash received (+) from the assumption of financial liabilities	20,846	21,034
Cash paid (–) for the redemption of financial liabilities	-785	-
Dividends paid to shareholders	-5,851	-23,404
Cash received from the disposal of financial assets	-	-
Payments for investments in financial assets	-200	-7
Cash flow from financing activities	14,010	-2,377
Cash and cash equivalents at the end of the period		
Cash-effective changes in cash and cash equivalents (sum of positions 1–3)	-1,899	-18,139
Exchange rate-related changes in cash and cash equivalents	27	-11
Cash and cash equivalents at the beginning of the period	2,837	19,629
Changes in cash from scope of consolidation related changes	-	555
Cash and cash equivalents at the end of the period	965	2,034

Notes to the Interim Consolidated Financial Statements

Principles and methods used for the interim consolidated financial statements

These condensed unaudited interim consolidated financial statements of SHW AG, Wilhelmstrasse 67, 73433 Aalen, Germany, and its subsidiaries (hereinafter referred to as the SHW Group) as at 30 September 2014 were prepared in accordance with the provisions of the -International Accounting Standards for interim reporting (IAS 34) and in application of § 315a HGB in conjunction with International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as applicable for interim reporting in the European Union (EU).

According to IAS 34, the interim consolidated financial statements do not include all of the information necessary to be disclosed in the consolidated financial statements at the end of a fiscal year. Therefore, these statements should be read in conjunction with the consolidated financial statements for the fiscal year of 2013.

SHW AG is a stock corporation under German law and is registered in the commercial register under HRB 726621. The Group's main activities are the production and sale of pumps and engine components as well as brake discs. The customers are primarily manufacturers and suppliers from the automotive industry.

These interim consolidated financial statements were forwarded by the Management Board to the Supervisory Board's Audit Committee on 21 October 2014 and concern the period from 1 January to 30 September 2014 in comparison to the same period of the previous year. The presentation of the net assets (balance sheet) is based on a comparison to the amounts as at 31 December 2013 and 30 September 2013. The interim consolidated financial statements have been prepared in euro. Unless indicated otherwise, the amounts stated in the interim consolidated financial statements are in thousands of euros.

In the opinion of the Management Board, the interim consolidated financial statements contain all of the usual, regular adjustments and deferrals required for a fair presentation of the net assets, financial position, and results of operations of the Group. The accounting and valuation principles applied to the interim consolidated financial statements for the first nine months of 2014 essentially correspond to those of the consolidated financial statements as at 31 December 2013. A detailed description of these methods is included in the notes to the consolidated financial statements as at 31 December 2013.

Income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full fiscal year.

The first-time application of the amendments – which were mandatory as at 1 January 2014 – to IAS 32 Financial Instruments: Presentation and Disclosure "Offsetting Financial Assets and Financial Liabilities", IAS 36 Impairment of Assets "Recoverable Amount Disclosures for Non-Financial Assets", and IAS 39 Financial Instruments: Recognition and Measurement "Novation of Derivatives and Continuation of the Hedging Relationship" had no material effects on the interim financial statements. The amendments to IFRS 10, IFRS 12, and IAS 27 with respect to investment entities have no impact on the consolidated financial statements because the Company is not an investment company.

As part of the preparation of the interim consolidated financial statements in conformity with IFRS, to a certain extent estimates and judgements must be made that concern the recognised assets and liabilities and the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of income and expenses for the reporting period. The actual amounts may differ from the estimates.

Scope of consolidation

The interim consolidated financial statements as at 30 September 2014 comprise the financial statements of SHW Automotive GmbH, SHW Zweite Beteiligungs GmbH, and SHW do Brasil Ltda., Sao Paulo / Brazil in addition to those of SHW AG. Since 1 January 2014, SHW Pumps & Engine Components Inc., Ontario / Canada has been included in the scope of consolidation since the company has now commenced its operating activities.

Consolidated statement of comprehensive income and balance sheet

Group sales increased by € 52.5 million to € 321.4 million in the first nine months of 2014 compared to the same period of the previous year. Both the Pumps and Engine Components business segment as well as the Brake Discs business segment have benefited from successful new product launches and strong customer call orders. This provided for a year-on-year sales increase of € 46.9 million to € 248.7 million in the Pumps and Engine Components business segment and an increase in the Brake Discs business segment of € 5.5 million to € 72.7 million.

In the reporting period, earnings before taxes were € 0.9 million below the previous year' level at € 15.1 million. At 27.0 percent, the tax rate in the first nine months of fiscal year 2014 was below the prior year's level (28.2 percent).

As a result of the high number of new product launches, tangible assets increased by € 12.1 million to € 86.9 million compared to 31 December 2013 due to considerable investments in manufacturing facilities.

Strong sales growth in the first nine months of 2014 led to a € 17.4 million increase in trade receivables as at 30 September 2014 compared to 31 December 2013.

Other current assets declined by € 1.2 million in comparison to 31 December 2013. This was caused mainly by the reduction in tax receivables.

The 6.3 percent rise in equity to € 87.8 million compared to 31 December 2013 resulted from the € 11.0 million in net income for the period for the nine month period of fiscal year 2014. This development was partially offset by the dividend payment of € 5.9 million. Due to the disproportionate increase in total assets of 16.9 percent, the equity ratio fell to 40.1 percent compared with 44.1 percent at the end of fiscal year 2013.

As at 30 September 2014, net bank liabilities of the SHW Group amounted to € 24.8 million for an increase of € 5.8 million over the level as at 30 September 2013. The rise in net bank liabilities is largely due to investments of € 27.5 million and the dividend payment totalling € 5.9 million. Funding is provided through two KfW loans totalling € 4.0 million and an operating line of credit, which had been utilised in an amount of € 23.2 million, including guarantees, as at 30 September 2014.

Trade payables increased by € 6.6 million compared with the end of last year. This increase corresponded to the rise in business volume and the high level of investment volume in the first nine months of 2014.

Financial instruments – Measurement at fair value (Fair Value Measurement)

A detailed overview of the financial instruments held by the Group was given in the 2013 consolidated financial statements. In accordance with IFRS 7, assets and liabilities measured at fair value in the balance sheet are to be categorised according to the 3 levels of the fair value hierarchy:

a) (Unadjusted) prices that are quoted in active markets for identical assets or liabilities (Level 1);
b) Input data that are either directly (as prices) or indirectly observable (derived from prices) for the asset or liability, whereby the input data do not constitute quoted prices pursuant to Level 1 (Level 2);
c) Input data applied to the asset or liability, which are not based on observable market data (non-observable input data) (Level 3).

The interests listed in the consolidated financial statements have been allocated to Level 3 since there is no active market for these interests. The Group did not purchase any new financial instruments in the reporting period.

Segment reporting

Segment reporting is based on the "management approach". Operating segments are determined on the basis of internal reports as defined by IFRS 8, which are used regularly by the Chief Operation Decision Maker to decide on the distribution of resources and assess profitability. The profitability of individual segments is established on the basis of the operating result (EBIT) and EBITDA. The EBIT of the segments and the operating result of the Group are determined in accordance with IFRS. The EBITDA of the segments and of the Group is derived with the inclusion of the respective depreciation / amortisation. The assets and liabilities of each segment are also determined on the basis of IFRS. Financial expenses, financial income, and income taxes are administered at the Group level. The Pumps and Engine Components segment manufactures pumps and engine components as well as sintered metallurgy products for the automotive industry. The Brake Discs segment produces unprocessed and processed brake discs for the automotive industry. Transactions between the divisions are generally based on standard market conditions identical to those applying to transactions with third parties.

Business segments (unaudited) for the period from 1 January to 30 September

	Pumps and Engine Components		Brake Discs		Other eliminations / consolidation effects		Group	
K EUR	2014	2013	2014	2013	2014	2013	2014	2013
Segment sales	248,720	201,800	72,706	67,176	-	-	321,426	268,976
Segment EBIT	13,844	15,579	3,340	3,417	-1,121	-1,932	16,063	17,064
Segment EBITDA	23,901	22,911	6,410	6,038	-914	-1,727	29,397	27,222
Financial result	-	-	-	-	-1,010	-1,068	-1,010	-1,068
Earnings before taxes	13,844	15,579	3,340	3,417	-2,131	-3,000	15,053	15,996
Scheduled segment depreciation / amortisation	10,057	7,332	3,070	2,621	207	205	13,334	10,158
Segment capital investments	17,648	22,748	6,963	3,043	118	689	24,729	26,480
Material segment expenses	-	163	-	17	-	723	-	903
Number of customers with sales > 10 % of total sales	2	3	1	1	-	-	2	3
VW Group	93,577	71,451	39,038	34,888	-	-	132,615	106,339
Daimler Group	61,112	44,485	63	228	-	-	61,175	44,713
BMW Group	22,943	24,000	4,878	4,865	-	-	27,821	28,865

* The revision of segment investments concern consulting fees for SAP post GoLive support and change in management Board

Business segments (unaudited) for the period from 1 July to 30 September

	Pumps and Engine Components		Brake Discs		Other eliminations / consolidation effects		Group	
K EUR	2014	2013	2014	2013	2014	2013	2014	2013
Segment sales	85,591	69,893	23,763	22,719	-	-	109,354	92,612
Segment EBIT	4,641	6,681	1,094	1,138	-189	-468	5,546	7,351
Segment EBITDA	8,351	9,475	2,158	1,977	-122	-379	10,387	11,073
Financial result	-	-	-	-	-386	-452	-386	-452
Earnings before taxes	4,641	6,681	1,094	1,138	-575	-920	5,160	6,899
Scheduled segment depreciation / amortisation	3,710	2,794	1,064	839	67	89	4,841	3,722
Segment capital investments	5,858	8,176	835	785	35	300	6,728	9,261
Material segment expenses	-	-	-	-	-	-	-	-
Number of customers with sales > 10 % of total sales	2	3	1	1	-	-	2	3
VW Group	29,727	24,386	13,466	8,838	-	-	43,193	33,224
Daimler Group	23,230	16,647	16	86	-	-	23,246	16,733
BMW Group	7,843	8,487	1,613	2,051	-	-	9,456	10,538

Development of Group sales by region

Sales are regionally allocated according to the respective domicile of the consignees. The following overview presents the regional allocation of sales of the SHW Group.

	Q3 2014	Q3 2013	9M 2014	9M 2013
K EUR				
Germany	71,253	59,596	205,327	172,921
Rest of Europe	35,807	31,528	109,985	92,311
America	1,938	1,243	5,256	3,191
Other	356	245	858	553
Group	109,354	92,612	321,426	268,976

Events after the balance sheet date

Following the interim balance sheet date, there were no events which require additional disclosure.

Governing bodies, relationships with related parties

The following persons comprise the members of the Supervisory Board:

Georg Wolf, Dietzenbach, Chairman
Previously Chairman of the Management Board of ixetic GmbH, Bad Homburg v.d. Höhe (meanwhile: Magna Powertrain GmbH)

Dr. Martin Beck, Ingolstadt, Deputy Chairman (until 9 May 2014)
Managing Director of Nordwind Capital

Christian Brand, Karlsruhe, Deputy Chairman
Previously Chairman of the Management Board of L-Bank

Dr. Hans Albrecht, Munich (until 9 May 2014)
Managing Director of Nordwind Capital

Kirstin Hegner-Cordes, Munich (as of 9 May 2014)
Partner at Logical Golf Global Investments GmbH, Moosinning/Erding and independent consultant

Prof. Dr.-Ing. Jörg Ernst Franke, Marloffstein (as of 9 May 2014)
Holder of the Chair for Automated Manufacturing and Production Engineering at
the University of Erlangen-Nuremberg

Edgar Kühn, Aalen
Chairman of the Central Works Committee at SHW Automotive GmbH
Chairman of the Works Committee at SHW Automotive GmbH, Aalen-Wasseralfingen facility

Ernst Rieber, Bad Saulgau (until 9 May 2014)

Frank-Michael Meißner, Tuttlingen (as of 9 May 2014)

Issued collateral and other financial obligations

Issued collateral and other financial obligations reported in the 2013 Annual Report have not undergone any material changes during the period from January to September 2014.

Aalen, 28 October 2014

The SHW AG Management Board

Dr.-Ing. Thomas Buchholz Chief Executive Officer	Sascha Rosengart Chief Financial Officer	Andreas Rydzewski Member of the Management Board

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This interim report is also available in German. In case of doubt, the German version of this report is legally binding.

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