

Consolidated  
Semi-Annual Report  
of Baader Bank AG  
as at 30/06/2017

## OVERVIEW OF KEY FIGURES 1ST HALF-YEAR 2017

BAADER BANK GROUP		01/01/2017- 30/06/2017	01/01/2016- 30/06/2016	Change in percent
<b>Income</b>	<b>EUR '000</b>	<b>62.578</b>	<b>50.099</b>	<b>24,9</b>
of which net interest income and current income	EUR '000	428	1.869	-77,1
of which net commission income	EUR '000	25.791	22.053	17,0
of which net trading income	EUR '000	28.894	24.457	18,1
of which revenue		6.022	0	100,0
of which other income	EUR '000	1.443	1.720	-16,1
<b>Expenses</b>	<b>EUR '000</b>	<b>-59.619</b>	<b>-52.240</b>	<b>14,1</b>
of which personnel expenses	EUR '000	-27.392	-26.554	3,2
of which administrative expenses and other operating expenses	EUR '000	-21.841	-20.599	6,0
of which amortisation and depreciation	EUR '000	-10.129	-4.886	>100,0
of which net income from interests in associates	EUR '000	-257	-201	27,9
<b>Earnings before taxes (EBT)</b>	<b>EUR '000</b>	<b>2.959</b>	<b>-2.141</b>	<b>-</b>
<b>Operating result*</b>	<b>EUR '000</b>	<b>5.848</b>	<b>-2.760</b>	<b>-</b>
<b>Total assets</b>	<b>EUR '000</b>	<b>715.714</b>	<b>644,636</b>	<b>11,0</b>

Accounted in accordance with the German Commercial Code (Handelsgesetzbuch - HGB).

\*Gross profit less personnel and other administrative expenses as well as amortisation and depreciation of intangible assets and property, plant and equipment (gross profit = net interest income and current income, commission and net trading income, revenue)

## FIRST HALF-YEAR 2017

### The market

In the first half of 2017, the global economy was influenced by a more restrained US economy whilst growth in the emerging markets, in particular China, recovered and the economic recovery in the eurozone gradually strengthened. Buoyed by improved global demand with a robust domestic economy at the same time, the German economy presented itself as stable.

During the course of the half-year period, the reduced political risk in Europe was a significant stabilising factor. The feared possible influence of the mega-election year 2017 decreased significantly after the Europe-friendly outcome of the presidential elections in France. Even the EU exit application submitted by the United Kingdom provided surprisingly few concerns as the likelihood of a “hard Brexit” dissipated due to a weakened British government after early elections.

Due to the delayed implementation of the planned economic measures by the new United States government, and thus also fewer boosts for the global economy, the price increase pressure was put into perspective in the course of the 2nd quarter. The outlook for inflation eased, driven by commodities and in particular the oil price. On the one hand, production cuts by OPEC were not sufficient whilst on the other hand, the alternative oil production method, fracking, ensured oversupply.

With this in mind, the US Fed confined itself to two further key interest rate increases to 1.25 percent. With its announcement of the reduction of its securities portfolios through repatriation of liquidity, it signalled to the financial markets to have patience in order to avert any interest rate shocks. The ECB maintained its clear commitment to implementing its bond purchases until at least December 2017. In order to avoid an overreaction on the financial markets, it also announced a gradual modification of the liquidity policy given the continuing economic recovery in the Eurozone. An abrupt net liquidity discount should be avoided.

Against this overall background, the global shares continued to confirm themselves as a high-risk investment class in the first half of the year – calculated in euros. Thanks to overall more stable economic perspectives and piecemeal efforts at a monetary policy turnaround, emerging markets shares outperformed. Despite the continuing economic recovery in the Eurozone and, clearly reduced political risks, shares from Germany and the Eurozone were unable to hold their top positions seen at the beginning of the year. The strong development of Japanese and US stocks was largely compensated by the devaluation of the Japanese yen and US dollar for euro investors. The currency problem could also be seen in the precious metals of silver and gold that, in addition to the declining risk aversion, were unable to maintain their price gains. Due to the unclear production restrictions and the oversupply on the global market, Brent crude oil was one of the biggest losers.

At the industry level, utility companies received support in the form of repayments in the course of the nuclear fuel tax rejected by the German Federal Constitutional Court. The banking sector benefited from the gradual legal settlements of major German banks whilst the industrial sector remained strong in principle due to stable global demand. Consumer stocks benefited from the strong domestic spending mood. In contrast, the automotive sector suffered from the simmering affairs surrounding diesel emissions and a potential trade dispute with the United States.

### Baader Bank

With the noticeable calming of the German financial markets in the first half of 2017, there were no volatile market movements and fluctuating trading volumes as seen in the same period in the previous year. Trading volumes on German stock exchanges on which Baader Bank is active, were also relatively stable. In contrast, Baader Bank benefited from the rise in the US share market. An equally moderate revenue increase was realised by the trade in securitised derivatives although the volatility factor did not contribute nearly as clearly to the positive earnings as it did in the previous year. Despite the slumps and uncertainties initially expected before the elections in France and the Netherlands as well as the political clashes surrounding the UK's exit from the EU, there were no noteworthy market slumps. Likewise, the revenues for funds and ETFs remained constant up to light increasing at a lower level.

The general monetary policy of the central banks, US Fed interest rate increases to come and the extremely hesitant abandonment of the ultra-loose ECB interest rate policy characterised the activities in bond trading

during the first six months of 2017. Increasing yields and higher volumes can only be expected as a result of a turnaround in interest rate policy given the still prevailing low interest rate environment.

#### Exploitation of new market potential in the Market Making business area

The conversion of the electronic trading platform Xetra of the Deutsche Börse Group at the beginning of July 2017 to the new trading platform T7 also required an intensive preparation phase by Baader Bank. This phase had already started in 2016 and continued for the first six months of the current financial year. All the measures for a smooth transition to the new trading system that included both technical modifications to the IT infrastructure as well as the active development of skills within the newly structured trading organisation were carried out at an early stage.

This successful migration project resulted in more efficient information and feedback pathways for Baader Bank, as far quicker transmission of market data in the order processing procedure is ensured. The faster connection to T7 raises the opportunity potential in a competitive environment increasingly characterised by high frequency trading participants, in which short response times and the capability of acting in open order books represent a major acid test, in particular for smaller providers.

In the second quarter of 2017, Baader Bank started trading in German and US shares in the new “global market” market segment of the Vienna Stock Exchange. With quotation and order execution at flexible trading times independent of the US market, it assist the Vienna Stock Exchange to pursue a market position aligned more strongly to the interests of international investors. This expansion and simultaneous firming of the cross-border trading partnership with the Vienna Stock Exchange underlines Baader Bank’s efforts in expanding its Market Making activities in the international environment and acting in open order books.

The small number of IPOs in Germany continued in the first half of 2017. The IPOs of Vapiano and Delivery Hero at the end of June give rise to hopes for a turnaround of this trend. Both companies mandated Baader Bank as a specialist for their IPOs in the Prime Standard of the Frankfurt Stock Exchange, which allows Baader Bank to maintain its strong market position in specialist mandates issued in Germany.

In off-exchange trade, Baader Bank maintained its strong market position amongst the leading three providers in this segment.

#### Increased deal volume in the Capital Markets business area

In the Equity Capital Markets business, Baader Bank advised on a total of ten transactions having a total volume of approx. EUR 2 billion in the first half of 2017.

The over CHF 1.5 billion IPO of the Bern pharmaceutical group, Galenica Santé AG, in April 2017, is the largest capital measure to date that Baader Bank assisted in and is simultaneously its first transaction in Switzerland that it successfully assisted with as Co-Lead Manager. Among other things, Baader Bank has acted as Sole Bookrunner in the placement of All for One Steeb AG and in the capital increase of Allgeier SE. The Bank acted as a Joint Bookrunner in the placement of Brain AG as well as the capital increases of the Corestate Group and Medigene AG.

Further numerous mandates for technical capital measures included a broad spectrum of high-quality services from public offerings through to squeeze-out transactions for well-known customers such as msg life AG, Evotec AG, Biotest AG and Syngis AG. With respective volumes of between EUR 0.5 million and EUR 1 billion, new record revenues could be realised in this business area during this extremely commercially active first half of 2017.

### Customer inflow for banking and asset management services resulted in a significant increase in securities account volume

In the institutional customer business area, Baader Bank recorded a significant increase in cooperations with traditional and online asset managers as well as family offices in the first half of 2017. Compared to the end of the first half of 2016, the number of customer securities accounts increased from around 4,200 to 10,500 and the volume of securities accounts increased by around 150 percent to EUR 2.2 billion in the same period. By the end of the first half year 2017 a total of 49 asset managers were contractually connected to Baader Bank and compared to the previous year (30/06/2016: 19 contract cooperations) this means an increase of 158 percent. The European largest players in the online asset management segment now use the banking services of Baader Bank and benefit from its trading and regulatory expertise.

After the offer extension to buy side trading desk services in 2016, Baader Bank already recorded 149 mandates as of 30/06/2017 (30/06/2016: 0 Buy Side Trading Desk mandates).

The assets managed in the supporting business area asset management services could almost be doubled within 12 months. By the end of the first half of 2017 it amounted EUR 5.55 billion (+ 109 percent compared with the previous year), and the trend is rising.

On 06/06/2017, a large group of asset managers were able to obtain a view of the working environment and discuss current market topics with experts at an exclusive information day held at the headquarters of Baader Bank in Unterschleißheim.

In the first half of 2017, Baader Bank took into account the rising pressure on margins and the increasing regulatory requirements by means of a complete approach after a diversified structuring of its brokerage activities in 2016. The expanded offering of trading-related services that, besides the takeover of buy side trading desks, also included clearing and asset management services, as well as the successful interplay of individual sales, sales training and execution units at international locations resulted in an increase in earnings of 32 percent within one year in this business area.

### Awards characterise the dominant market position of Baader Bank as a local multi-asset broker with first-class research competence

In the Extel Survey 2017, Europe's most significant external ranking of institutional equities brokers, Baader Helvea again received top rankings for research, sales and trading/execution services. In the core regions of Germany and Switzerland, Baader Helvea took first place in the important categories of "Trading/Execution", "Small&Mid Cap Sales" and "Trading", as well as second and third places as "Leading Broker 2017" and specifically for "Small&Mid Cap Research", "Small&Mid Cap Trading" and "Equity Sales". Baader Helvea achieved an excellent second place as "Leading Broker/Country Research" for Austria.

The results of the Thomson Reuters Analyst Award 2017 were just as pleasing for the Baader Helvea equity research team. The global ranking list created by Thomson Reuters is a recognised quality award and barometer for the services of sell-side analysts. In the overall category "Top Brokers Germany", the Baader Helvea analysts were awarded second place and were among the top 3 in the sector selection seven times.

In June 2017, Baader Helvea was the research partner of the Stage Program of the SIX Swiss Exchange, which emphasises its leading position in Switzerland. The Stage Program was launched by SIX in 2016 to increase the visibility of listed companies in the capital market.

The increasing number of participants at the conferences organised by Baader Bank from year to year is also an indication of its excellent market position. At the 13th Baader Helvea Swiss Equities Conference in Bad Ragaz, which took place in January 2017, 57 leading Swiss companies and 270 institutional investors from 20 countries were hosted.

## Other topics

On 29/06/2017, Baader Bank announced the consolidation of the 100 percent equity stake in the Selan Group.

In 2015, Baader Bank took over all shares of the borrower Senj Beteiligungs GmbH in the Croatian wind park operator Selan d.o.o. The German associated company Selan Holding GmbH was established for the purpose of this takeover with the intention of a later resale. A market survey and careful consideration of all the business strategy trading options resulted in the decision to refrain from the originally intended resale until further notice.

With the abandonment of the intended sale, Baader Bank is legally obliged to retrospectively consolidate Selan Holding GmbH and Selan d.o.o. as of 01/01/2017, which results in significant effects on the earnings, expense and net asset positions of the Baader Bank Group as well as a significant expansion of the consolidated balance sheet (see *Net assets and Results of operations*, p. 7).

The wind park operated by Selan d.o.o., Vratarusa/Senj I, has 14 wind turbines of the type Vestas V90-3.0 MW with a total rated output of 42 MW and a 110 kV/30 kV substation in the near vicinity and with connections to two high voltage line routes. The facility has been in operation since December 2010 and has delivered consistent returns since then. The current generation of electricity of more than 120 million kWh per year is equivalent to the consumption of more than 40,000 four-person households. The wind park is located approx. 4.5 km north-east of the city of Senj at 787 m above sea level.

## Personnel

The contract of the Chairman of the Executive Board has been extended by a further five years until 30/04/2022.

## NET ASSETS

	30/06/2017	31/12/2016	Change
ASSETS	EUR '000	EUR '000	percent
1. Cash reserves	79,764	74,311	7.3
2. Loans and advances to banks	64,580	95,166	-32.1
3. Loans and advances to customers	27,468	34,988	-21.5
4. Debt securities and other fixed-income securities	304,327	204,902	48.5
5. Equities and other variable-income securities	21,419	23,534	-9.0
6. Trading portfolio	83,765	54,301	54.3
7. Equity investments	237	234	1.3
8. Investments in associated companies	5,027	5,284	-4.9
9. Intangible assets	24,435	21,002	16.3
10. Property, plant and equipment	89,263	41,908	>100.0
11. Other assets	4,685	13,595	-65.5
12. Prepaid expenses and deferred charges	3,387	2,515	34.7
13. Excess of plan assets over pension liabilities	7,357	6,796	8.3
<b>Total assets</b>	<b>715,714</b>	<b>578,536</b>	<b>23.7</b>

	30/06/2017	31/12/2016	Change
EQUITY AND LIABILITIES	EUR '000	EUR '000	percent
1. Bank loans and advances	113,135	61,174	84.9
2. Payables to customers	447,816	382,875	17.0
3. Trading portfolio	15,942	2,116	>100.0
4. Other liabilities	9,164	4,658	96.7
5. Provisions	9,730	9,578	1.6
6. Fund for general banking risks	22,120	22,120	0.0
7. Equity	97,807	96,015	1.9
<b>Total shareholders' equity and liabilities</b>	<b>715,714</b>	<b>578,536</b>	<b>23.7</b>

Net assets as at 30/06/2017 increased significantly by 23.7 percent and now amount to EUR 715.7 million compared to the balance sheet date as at 31/12/2016.

This increase is primarily due to the reporting date related performance of securities portfolios that increased by 45.0 percent. This also applies to the changes in the items bank loans and advances. The increase in payables to customers is a result of the higher customer deposits in connection with the asset management business.

As a result of the initial consolidation of the Selan Group as of 01/01/2017 and the associated inclusion of the Vratarusa/Senj I wind park in the consolidated financial statements of Baader Bank AG, the property, plant and equipment doubled in total. Correspondingly, the third-party financing required for the establishment of the wind park resulted in an increase of bank loans and advances of EUR 38.7 million.

As at 30/06/2017, the Group has equity in the amount of EUR 97.8 million (31/12/2016: EUR 96.0 million). The fund for general banking risks pursuant to Section 340g HGB [German Commercial Code] in the amount of EUR 22.1 million increases the Bank's own funds accordingly to EUR 119.9 million. The equity ratio amounts to 13.7 percent. The change in equity primarily corresponds to the balance from the net income before third party shareholders for the first six months of financial year 2017 in the amount of EUR 2.1 million, dividend distributions of subsidiaries of EUR 0.05 million and foreign currency translation effects of EUR 0.3 million.

On the whole, the Group's net asset position remains sound.

## RESULTS OF OPERATIONS

	01/01/2017- 30/06/2017 EUR '000	01/01/2016- 30/06/2016 EUR '000	Change percent
<b>INCOME STATEMENT</b>			
1. Net interest	-258	1,392	-
2. Current income from			
a) Shares	686	477	43.8
3. Net commission income	25,791	22,053	17.0
4. Net result from the trading portfolio	28,894	24,457	18.1
5. Revenue	6,022	0	100.0
6. Other operating income	1,443	1,245	15.9
7. Administrative expenses			
a) Personnel expenses	-27,392	-26,554	3.2
b) Other administrative expenses	-20,950	-19,697	6.4
	-48,342	-46,251	4.5
8. Depreciation, amortisation and write-downs on intangible assets and property, plant and equipment	-6,943	-4,886	42.1
9. Other operating expenses	-891	-902	-1.2
10. Depreciation, amortisation and write-downs on receivables and certain securities as well as allocations for provisions in the lending business	-3,186	0	100.0
11. Income from the write-up of receivables and certain securities as well as the reversal of provisions in the lending business	0	475	-100.0
12. Net income from interests in associates	-257	-201	27.9
13. Result from ordinary business activities	<b>2,959</b>	<b>-2,141</b>	-
14. Taxes on income	-773	-581	33.0
15. Other taxes not shown under item 8	-55	-70	-21.4
16. Net income before third party shareholders	<b>2,131</b>	<b>-2,792</b>	-
17. Profit owing to third party shareholders	-25	-129	-80.6
18. Net income for the year	<b>2,106</b>	<b>-2,921</b>	-
19. Retained earnings/losses from the previous year	-6,642	-6,546	1.5
20. Consolidated net income	<b>-4,536</b>	<b>-9,467</b>	<b>-52.1</b>

Compared to the previous year, the Baader Bank Group increased its profit from ordinary business activities by EUR 5.1 million to EUR 3.0 million.

Net interest income is below that of the previous year. The significantly lower interest expenses due to the maturity of high-interest-bearing promissory note loans were not able to compensate for the interest expenses arising from the third party financing of the wind park at Selan d.o.o. in the amount of EUR 0.9 million, with the result that the net interest income is at EUR -0.3 million as at the reporting date.

Current income increased by 43.8 percent, or EUR 0.2 million, due to higher dividend payments.

As a result of the current market environment, the net trading and commission income, in contrast to the previous year, realised a stronger dynamic.

Net commission income increased by 17.0 percent, or EUR 3.7 million. This positive development is mainly due to the year-on-year higher customer commission income as well as the significantly higher income from capital market services. The gain in the trading portfolio is significantly above that of the previous year with an increase of 18.1 percent, or EUR 4.4 million, which is attributable to the Market Making business of Baader Bank AG.

The new revenues item to be recognised due to the inclusion of the Selan Group is fully attributable to the feed-in remuneration for electricity generated by the wind park.



The administrative expenses increased slightly by 4.5 percent, or EUR 2.1 million, compared to the previous year. The increase in personnel expenses is mainly due to restructuring expenses for the Market Making business area. Other administrative expenses also amounted to an increase of 6.4 percent, or EUR 1.3 million. Taking into account the operating costs for the wind park of the Selan Group (EUR 1.6 million), this increase can however be qualified and the costs kept at an almost constant level in a year-on-year comparison. This confirms the operational efficiency of the Group.

Depreciation, amortisation and write-downs on intangible assets and property, plant and equipment result in full from scheduled depreciation that increased by 42.1 percent, or EUR 2.1 million, due to the inclusion of the Selan Group.

For the subsidiaries, it was in particular the Selan Group, the Baader Helvea Group and the Baader & Heins Group that generated positive contributions to profits in the first six months of the financial year.

On the whole, the initial consolidation of the Selan Group resulted in the consolidated net income increasing by EUR 1.3 million due to the effects on the individual items of the consolidated financial statements described above.

Furthermore, significant increases in commission income amounting to 29.6 percent, or EUR 1.4 million, were a positive vote for the Group management of the Baader Helvea Group. In the previous year, reduced commission income was still generated in an extremely restrained market environment.

Of the income from associated companies amounting to EUR -0.3 million, approx. two thirds are attributable to the pro rata net income for the year and one third to the amortisation of goodwill.

The tax expense represents the actual taxes charged to the Group.

As of 30/06/2017, the Group had 455 employees (30/06/2016: 451).

Earnings per share amounted to 0.05 euros (previous year: -0.06 euros).

## **FINANCIAL POSITION**

On 30/06/2017, current receivables and marketable securities for sale at any time amounting to EUR 550.3 million were offset by current liabilities in the amount of EUR 313.2 million. Netted, this results in a balance sheet liquidity surplus of EUR 237.1 million. The Group's solvency during the reporting period was assured at all times and is also secure in the future due to the Bank's risk monitoring systems.

## OUTLOOK

### The market

The global growth potential will not reach the high levels previously achieved. However, the United States Republican government – given the re-election of the US Congress taking place in November 2018 – will institute reform measures to improve the economic outlook. The weakness in the global economy cannot be derived from the weakness in the oil price. When it comes to crude oil, this market is dealing with a supply issue, but not a demand issue.

China will continue to support the difficult transition from an industrial society to a technology and service society with monetary and financial policy measures. In this regard, there are no economic concerns for the financial markets in Shanghai, and thus global investor sentiment.

In the Eurozone, the stable economic early indicators are in principle a potential catalyst for a less expansive monetary policy in the future. In Germany, Ifo's business expectations are at their highest level since February 2014. However, the lack of inflationary pressure – according to the ECB's inflation projections, the inflation target of two percent until 2019 will not be reached – provide justification for slowing the monetary policy turnaround. The ECB will also avoid any uncertainty on the bond markets before the new elections taking place in spring 2018. It knows its role in preventing an Italian exit from the EU and the Eurozone. Nevertheless, the central bank has already announced that it will maintain a monetary policy that supports the economy in the future.

The monetary policy argument for equities will also not be significantly diluted by the interest rate policies of the US Fed. Given the delayed US economic offensive of the Trump administration, the Fed's interest rate increase cycle will continue slowly. Although it might no longer fully reinvest its maturing bonds from September, this return process could take at least five years according to statements made by representatives of the central banks. The international central banks know that they must avoid an interest rate shock in order to prevent risk aversion within the financial markets, which could also result in massive collateral damage in the real economy.

Regressing political and economic risks in the Eurozone, with a simultaneous faltering US economic offensive, form the background for a stable development of the euro to US dollar exchange rate. However, this positive momentum had little impact so the upward potential of the euro is limited.

Crisis management through monetary policy gives the equity markets a solid liquidity argument, as the interest bearing assets will continue to be characterised by unattractive returns.

The outperformance of Eurozone shares compared to US securities is likely to continue at a slower pace. After the Euro-friendly election results in the Netherlands and France, investors' focus will be on the extent to which political Europe is prepared to remove its far-reaching, structural problems with urgently needed, all-encompassing reforms.

Within Europe, the fundamental arguments for German shares are also positive for the second half of 2017. The German export- and industry-heavy substance remains in demand with investors, as they typically benefit from the stable outlooks of the global economy. Even the comparatively more stable euro was unable to dampen the German export strength. The export industry has already endured significantly higher euro rates. In addition, US trade protectionism has lost on the threat potential for the German and global economy. It is meeting resistance in the American Congress, which is concerned about the negative effects on their own US trade balance.

Ultimately, the British share market, which is of significance for US investors, is losing its attractiveness due to the uncertain course of the Brexit negotiations. Foreign investors are now focusing on the German share market in its place.

In principle, political risks can ensure dampening on the financial markets, which could also lead to concerns in the private economy for investors and consumers. The process of the UK's EU exit is an experiment with unclear consequences. In the second half of the year, a view that Brexit would tend to be a soft Brexit is likely to become stronger due to the marathon of negotiations. Its long-term, unclear structure can cause uncertainties within European shares. Likewise, prior to the elections in Italy in spring 2018, concerns of a euro-critical election outcome could also be highlighted.

On the whole, volatility in equity markets is likely to increase. However, a stable monetary policy environment is likely to offset further risks. The positive overall trend within equities is likely to lead to a stable order activity in the Trading segment in the second half of the year.

## **Baader Bank**

Both the stable monetary policy environment, which is offset by the geopolitical risks, and the redesign of Baader Bank's business areas, which has already taken effect in the first half of the year, will also drive its substantive performance in the second half of the year.

Despite the primarily positive outlook, Baader Bank expects the securities trading volumes, which were lower at the end of the first half of the year, to stabilise at this level in the second half of the year. In the Market Making business area, the smooth transition to T7 should be completed and thus offer new market potential. Thanks to stable economic perspectives on the whole, Baader Bank expects an increasing number of transactions for the third and fourth quarter of 2017. The companies Vapiano and Delivery Hero already started this process in June. In the Capital Markets business, the transaction pipeline is full and, after the summer break, should be able to deliver profit contributions within a receptive market environment.

In view of the impending introduction of MiFID II at the beginning of 2018, Baader Bank is ensuring process execution in line with the directive in good time taking into account all the regulatory requirements. This regulatory reform provides opportunities for research as the intended separation of trade and research and the associated independent performance evaluation of analytical services, execution only and asset management services opens up new market potential.

The Extel ranking and the Thomson Reuters survey 2017 confirm that Baader Bank has created a positive starting position with respect to MiFID II, which it will further underline and stabilise in the second half of the year.

The first half of 2017 has shown that the numerous measures taken in 2016 have contributed to positive results in all business areas. Baader Bank is confident that this development will continue in the second half of 2017 and make a positive contribution to net income for the year. Against the background of continuing declining trading volumes and further restructuring costs, the Executive Board therefore expects no noteworthy increase in earnings for the second half of the year, according to the forward planning, which anticipates again a positive result over the course of the full year.

Unterschleißheim, 26/07/2017  
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The Executive Board

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