



UNI WHEELS
UNITED WHEELS GROUP

Consolidated Interim Report

as of 31 March 2017
UNI WHEELS AG

CONTENTS

- 1. Selected financials**
- 2. Our share / investor relations**
- 3. Interim group management report**
- 4. Condensed interim financial statements**

The UNIWHEELS Group is one of the leading manufacturers of aluminium wheels for cars in Europe and is one of the few technology leaders worldwide in the aluminium wheel industry.

UNIWHEELS is the third largest European supplier of OEM wheels for the automotive industry as well as the market-leading manufacturer of alloy wheels for the accessories market (AM) in Europe. Well-known Group-brands include ATS, RIAL, ALUTEC and ANZIO. The Group currently has four production plants, three of which are in Poland (Stalowa Wola) and one in Germany (Werdohl).

UNIWHEELS sees itself as one of the leading partners of the automotive industry for the optimum reduction of CO₂ emissions by reducing the weight of alloy wheels. As well as weight-optimised construction methods, the following procedures are primarily used: Flow-Forming, Lightforming, undercutting and forging.

In 2016 the UNIWHEELS Group generated, with a sales volume of 8.8 million wheels, revenue of EUR 464.1 million and EBITDA of EUR 70.2 million. On average, 2,918 employees worked for the Group in 2016.

Since May 2015 UNIWHEELS AG has been listed on the Main Market of the Warsaw Stock Exchange. UNIWHEELS stock is floated under security identification number A13STW, ISIN DE000A13STW4 and ticker symbol UNW.

1. Selected financials

		January - March 2017	2016	Change
Wheel sales volume	thousand units	2,436	2,087	16.7%
Revenue	EUR m	131.6	109.1	20.6%
EBITDA	EUR m	17.9	14.1	27.0%
EBIT	EUR m	12.4	10.2	21.6%
EBT	EUR m	15.9	10.7	48.6%
Net profit for the period	EUR m	16.4	10.5	56.2%
Interest expense	EUR m	0.5	0.6	-16.7%
EPS (basic / diluted)	EUR per share	1.32	0.85	55.4%
EBITDA margin	%	13.6	12.9	0.7 pp
EBIT margin	%	9.4	9.3	0.1 pp
EBT margin	%	12.1	9.8	2.3 pp
Cash flow from operating activities	EUR m	-0.4	17.6	-102.3%
Capital expenditure	EUR m	6.2	23.3	-73.4%
Average headcount	No.	3,257	2,743	18.7%
		31 Mar 2017	31 Dec 2016	
Equity ratio	%	63.6	62.3	1.3 pp
Net debt	EUR m	48.5	42.5	14.1%

2. Our share / investor relations

Basic data of the UNIWHEELS share:

ISIN	DE000A13STW4
Security identification number	A13STW
Ticker symbol	UNW
Type of stock	ordinary bearer shares without nominal value
Stock exchange	Warsaw Stock Exchange
Market segment	Main Market
Index	mWIG40
Number of shares	12.400.000
Free float	38,7%

2.1. Shareholder structure

38.7% of UNIWHEELS AG shares are in free float. Approximately 61.3% of the shares are held by the majority shareholder, UNIWHEELS Holding (Malta) Ltd., Sliema, Malta. The largest group of shareholders of shares in free float are institutional investors from Poland (pension funds and investment funds), followed by institutional investors in the UK, Austria and Germany.

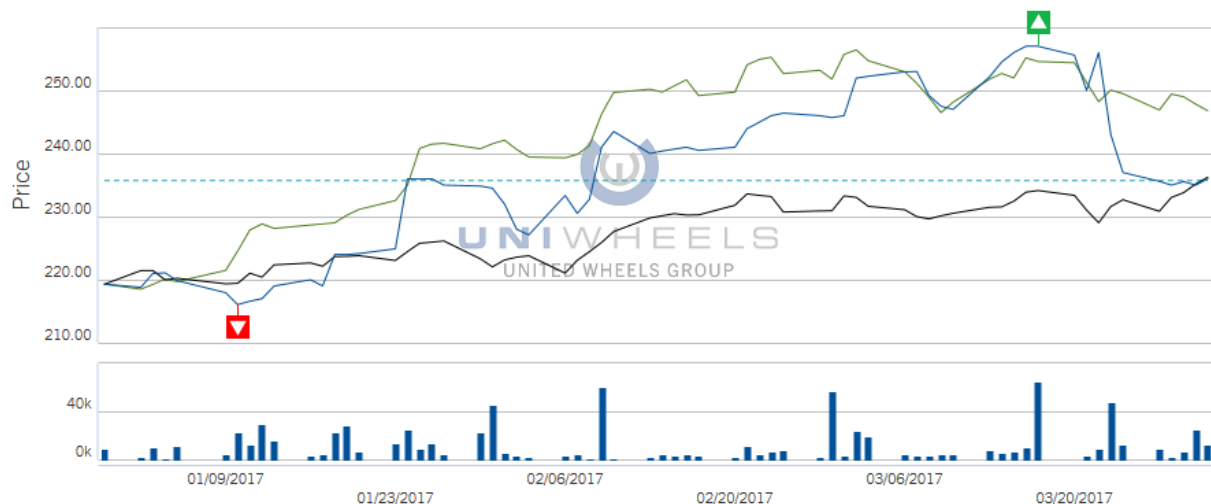
On 24 March UNIWHEELS was notified by Superior Industries International, Inc. that Superior held just over 61.29% of the voting rights via a subsidiary and using the instrument of an irrevocable undertaking (see “Significant events” in the interim management report of the Group).

2.2. Development of the share price

The closing price of the share on 31 March was PLN 236.00. This translates into a performance of +7.6% in the first quarter of 2017. The Polish mWIG40 stock index rose by 4.9% in the same period. The (German) MDAX stock index performed almost as well as UNIWHEELS, rising by 7.7%. Since the IPO in May 2015 (issue price), the price of the UNIWHEELS share has risen by 124.7%.

At the end of the period, market capitalisation came to PLN 2,926 million (EUR 693 million).

Performance of the UNIWHEELS share from 1 January 2017 to 31 March 2017:



2.3. Investor relations

The goal of investor relations at UNIWHEELS is to win the trust of all players on the capital markets by means of reliable open, consistent and prompt reporting and to convince them of the benefits of the business model of UNIWHEELS AG. Close dialogue with the capital markets is of great importance to UNIWHEELS.

New financial reports will be published on the investor relations pages of the UNIWHEELS website along with corporate news releases, presentations and other information. The Investor Relations team welcomes any queries and is happy to serve both institutional and private investors alike.

From January to March, UNIWHEELS held numerous one-on-one meetings with both current and potential institutional investors. During numerous international conference calls, institutional investors and analysts were familiarised with the company by the Investor Relations team. UNIWHEELS intends to maintain a presence via a number of international roadshows and investor conferences over the rest of the year.

2.4. Award

On 23 March 2017 UNIWHEELS was awarded 4th place in the list of “Best Listed Companies in 2016” by the major Warsaw business journal, *Puls Biznesu* (GIEŁDOWA SPÓŁKA ROKU 2016).

3. Interim group management report

3.1. Significant events

On 23 March 2017 the management board of UNIWHEELS AG was notified by its majority shareholder, UNIWHEELS Holding (Malta) Ltd. (“UHM”) that UHM had signed an irrevocable undertaking with Superior Industries International Inc. (“Superior”) by which it would sell all of its shares in the company (roughly 61.29% of the outstanding capital of the Company) to Superior Industries Germany AG, a wholly-owned subsidiary of Superior. Moreover, the Company was informed that Superior Industries International Germany AG would initiate a tender offer for 100% of the shares of the company, including the shares held by UHM. Superior offers cash of PLN 236.07 for each share covered by the bid, which corresponds to the three month weighted average share price of the shares of the Company prior to the announcement of the tender offer. More details on the tender offer can be found at:

www.uniwheels.com/uwag/fileadmin/user_upload/PDF/Currentreports/2017/uniwheels_tender_offer.pdf.

A successful conclusion to the tender offer would create one of the world's largest producers of aluminium wheels.

On the same day, the management board signed a Business Combination Agreement (“BCA”) with Superior. Under the terms of the BCA Uniwheels has made a commitment – subject to the applicable law and certain other requirements – to support the tender offer by recommending its shareholders to accept the tender offer and the rationale behind it in keeping with Polish law. The BCA also contains the most important terms and conditions governing the cooperation between the company and Superior in the coming three years. The objective is to support the growth strategy of the company. The BCA provides for the successful accessory business and brand rights to the top value brands, ATS, RIAL, ALUTEC and ANZIO, remaining with the company. In addition, Superior intends to retain the registered headquarters in Bad Dürkheim and the locations in Bad Dürkheim, Fußgönheim, Lüdenscheid, Werdohl and Stalowa Wola, and to keep the headcount of the UNIWHEELS Group generally at the current level in keeping with the future growth in volume. Superior has expressed its confidence in the current members of the management board of UNIWHEELS and will continue to support the management board and the key management team of the company.

3.2. Business performance

Wheel sales volume developed as follows:

	Q 1		Change
	2017	2016	%
	thousand units		
Accessory	381	305	24.9
Automotive	2,055	1,782	15.3
	2,436	2,087	16.7

The UNIWHEELS Group has managed to steadily increase its unit sales of alloy wheels for a number of years. Compared to 6.4 million wheels in 2012, over 8.8 million wheels were sold in 2016. The first quarter of 2017 was again very successful for the UNIWHEELS Group.

In the period from January to March 2017 wheel sales volume rose by 16.7% on the comparable period of the prior year to 2.4 million wheels.

In the **Accessory** division unit volume rose by 24.9%. This trend was driven by double-digit growth for all four brands. In particular, the new designs placed on the market in 2016 met with a strong reception among end users and generated further growth. Another factor behind the strong sales is the continuation of the growth strategy in other European countries.

In the **Automotive** division, wheel sales volume increased by 15.3% compared to the same period of the prior year. This was primarily driven by a sustained rise in demand from European automobile manufacturers. The UNIWHEELS Group was able to build on its extremely successful customer relationships with a focus on the premium segment of the automobile industry. As a result, wheel sales volume in the premium segment grew at even faster rates. In addition, UNIWHEELS was able to fall back on a significant increase in production capacity from the new UPP 3 plant in Poland and rapidly utilise this capacity for new wheel projects.

3.3. Result of operations

The **consolidated revenue** of the UNIWHEELS Group rose in the first three months of 2017 by EUR 22.5 million in comparison to the comparable period of the prior year to EUR 131.6 million. This constitutes an increase of 20.6%. The main reason lies in the 16.7% increase in wheel sales volume. In addition, the improved product mix with larger diameter wheels and a greater share of flow forming and diamond cut wheels as well as rising aluminium prices in the wake of the quarterly price adjustments agreed on with OEMs also contributed to revenue growth.

The revenue of the **Automotive** division rose by 19.1% to EUR 108.0 million. The revenue of the **Accessory** division amounted to EUR 21.1 million, which represents an increase of 21.3% on the prior year.

	Q 1		Change
	2017	2016	%
	EUR m		
Accessory	21.1	17.4	21.3
Automotive	108.0	90.7	19.1
Other	2.5	1.0	150.0
	131.6	109.1	20.6

Other income rose by EUR 1.1 million to EUR 1.6 million. The increase is predominantly due to a higher volume of realised foreign exchange gains.

	Q 1		Change
	2017	2016	%
	EUR m		
Cost of material	86.5	64.3	34.5
Personnel expenses	21.8	17.9	21.8
Other expenses	15.5	15.2	2.0
Depreciation and amortisation	5.5	3.9	41.0
Interest expense	0.5	0.6	-16.7

The **cost of material** of the UNIWHEELS Group increased by 34.5% to EUR 86.5 million. The increase in the cost of material is primarily due to the higher volume shipped as well as a rise in the prices of raw materials in comparison to the comparative period of the prior year, aluminium in particular. The cost of energy also increased, rising by EUR 1.0 million. The cost of paints rose by EUR 0.4 million. A detailed breakdown of the cost of material can be found in section 4.8.2 of the notes to this interim financial report.

Personnel expenses increased by EUR 3.9 million or 21.8% to EUR 21.8 million. The reason for the rise lies in the addition of 514 employees in comparison to the comparable period of the prior year, 2016. The significant increase in personnel is primarily related to the new plant, UPP 3, which went into operation in June.

Other expenses rose by 2.0% to EUR 15.5 million. Please see section 4.8.5 in the notes to this interim financial report for a breakdown of other expenses.

Depreciation and amortisation of non-current assets rose by 41.0% in comparison to the first quarter of 2016 to EUR 5.5 million, mainly on account of the new plant, UPP 3, going on line.

Interest expenses of EUR 0.5 million remained at a comparable level as the prior year.

Other finance revenue/costs rose by EUR 2.9 million to EUR 3.9 million, mainly on account of a positive change in the market value of currency derivatives, used to hedge against fluctuations in the Polish zloty. See section 4.8.6 in the notes to these interim financial statements for a detailed breakdown of other finance revenue/costs.

Earnings

Key earnings indicators

	Q 1		Change
	2017	2016	
	EUR m		%
EBITDA	17.9	14.1	27.0
EBIT	12.4	10.2	21.6
Net profit for the period	16.4	10.5	56.2
	%		pp
EBITDA margin	13.6	12.9	0.7
EBIT margin	9.4	9.3	0.1

	Q 1	
	2017	2016
	EUR per share	
EPS (basic / diluted)	1.32	0.85

Earnings before interest, taxes, depreciation and amortisation (**EBITDA**) increased by 27.0% on the prior year to EUR 17.9 million. This increase in EBITDA can be attributed primarily to the increase in revenue due to higher wheel sales volume and an increase in inventories of work in process. The EBITDA margin increased from 12.9% to 13.6%.

In spite of higher depreciation and amortisation, earnings before interest and taxes (**EBIT**) rose by 21.6% to EUR 12.4 million compared to the prior year. The EBIT margin improved slightly from 9.3% to 9.4%.

The **net profit for the period** increased by 56.2% to EUR 16.4 million compared to the prior year. This increase is due to the improved operating result and income from the change in the market value of currency derivatives.

The net profit for the period comprises the following **extraordinary items**:

	Q 1	
	2017	2016
	EUR m	EUR m
Exchange rate effects	0.8	-1.1
Ramp-up costs UPP 3	0.0	-0.4
Other finance revenue/costs	3.9	1.0
	4.7	-0.5

3.4. Capital expenditure

An amount of EUR 6.2 million was invested in the intangible assets and property, plant and equipment of the Group in the first three months of 2017. Of this total, EUR 1.6 million was invested in completing the construction of UPP 3. The remainder of the investment is attributable to machinery, research and development and casting operations.

As a result, capital expenditure in the first three months of 2017 amounted EUR 6.2 million and was higher than depreciation and amortisation of EUR 5.5 million.

The ratio of capital expenditure to revenue comes to 4.7% (prior year: 21.3%).

The capital expenditures planned for the rest of fiscal 2017 mainly relate to machinery, coating, research and development and IT infrastructure.

3.5. Composition of assets, equity and liabilities

The **total assets** reported in the consolidated statement of financial position as of 31 March 2017 come to EUR 408.7 million (prior year: EUR 390.7 million) and consist of non-current assets of EUR 268.5 million (prior year: EUR 266.7 million) and current assets of EUR 140.1 million (prior year: EUR 124.0 million).

Non-current assets primarily consist of other intangible assets of EUR 8.7 million (prior year: EUR 8.8 million), property, plant and equipment of EUR 205.8 million (prior year: EUR 205.0 million) and deferred tax assets of EUR 51.6 million (prior year: EUR 50.8 million).

Current assets mainly consist of inventories of EUR 62.4 million (prior year: EUR 54.1 million) and trade receivables of EUR 53.0 million (prior year: EUR 39.7 million). The increase in trade receivables is largely a result of higher wheel sales volume in the first three months of 2017 compared to the same period of the prior year.

The Group also carries **cash and cash equivalents** of EUR 13.3 million (prior year: EUR 22.6 million).

Working capital, measured as inventories plus trade receivables less trade payables, increased by EUR 21.4 million in the first three months of the year to EUR 53.1 million.

Equity increased from EUR 243.5 million to EUR 259.8 million. The equity ratio improved from 62.3% to 63.6%.

The increase in **current other non-financial liabilities** can be largely attributed to the rise in liabilities to personnel, liabilities for sales deductions and VAT.

3.6. Financial position

Scheduled repayments totalling EUR 2.0 million were made on the **syndicated loan** and the **IKB loan** carried by UW AG in the first three months of 2017 as arranged. As of 31 March 2017 the current portion of the syndicated loan (structured as a revolving credit facility) had been drawn on by an amount of EUR 4.2 million.

Net debt (calculated as current and non-current financial liabilities less cash and cash equivalents) increased from EUR 42.5 million in 2016 to EUR 48.5 million. This is mainly due to the decrease in cash and cash equivalents.

More information on the liquidity and cash position of the group can be found in the cash flow statement in Section 4.4.

3.7. Risk and opportunities report

As of 31 March 2017, there were no significant changes to the risks and opportunities for the UNIWHEELS Group as already discussed in the group management report for fiscal year 2016. At present, there are no risks that are likely to jeopardise the ability of the Group to continue in business as a going concern.

3.8. Outlook

The health of the European automobile sector in terms of production and unit sales should have a positive impact on the performance, financial position and cash position of the UNIWHEELS Group. In terms of development, the UNIWHEELS Group will work on extending its existing product lines and specialising its current designs in 2017. Development of the corresponding production technologies to realise the latest design trends will be continued in 2017. The production process in all plants of the UNIWHEELS Group will continued to be optimised with the goal of realising efficiency gains.

In response to the steady high customer demand for our top-quality wheels, the UNIWHEELS Group brought forward the date of completion for the last and final stage of construction of the UPP 3 plant in Stalowa Wola, Poland, by one year. As a result the maximum capacity of the new plant of 2.0 million wheels per annum is available in 2017, assuming optimum utilisation. The UNIWHEELS Group has set itself the goal of placing this additional capacity with its customers. The total production capacity of the Group in 2017 will come to roughly 10.0 million wheels.

In light of the expected development of the industry and the pleasing earnings generated in the first quarter of 2017, **management confirms the outlook for the full year 2017 that was published in the annual report for 2016.**

In this regard, management has set a target for the current year, 2017, of **raising the wheel sales volume of the group by between 10% and 15% per annum.** Growth in the **Group's revenue is anticipated to lie in a range between 14% and 19%.** In the calculation underlying this forecast, management assumed the average price of aluminium on the LME

(London Metal Exchange) in 2017 would come to roughly EUR 1,580 per metric ton, after translation into euro. UNIWHEELS does not anticipate any further ramp-up costs for the expansion of production and assumes there will be significant economies of scale. For this reason, the management of the UNIWHEELS Group is now targeting an increase in **consolidated EBITDA of between 15% and 20%** for the current year. This does not consider foreign exchange differences, which cannot be planned in advance, and other income.

The investment programme associated with the commissioning of the new plant in Poland will be completed in 2017. Of the total investment of EUR 7.5 million that was still outstanding as of 31 December 2016, an amount of EUR 1.6 million was outlaid in the first quarter of 2017. This was originally scheduled for 2016. Otherwise, it is expected that capital expenditure within the UNIWHEELS Group will lie within the framework of the regular investments needed to optimise production. The additional flexibility in our cost structures that this will provide will have a positive impact on the group's bottom line in future.

4. Condensed interim financial statements

4.1. Consolidated statement of financial position of UNIWHEELS AG

	Note	31 Mar 2017 EUR m	31 Dec 2016 EUR m
ASSETS			
Goodwill		0.9	0.9
Other intangible assets		8.7	8.8
Property, plant and equipment	4.8.1.	205.8	205.0
Investment property		0.7	0.7
Other non-current financial assets		0.8	0.5
Deferred tax assets	4.8.7.	51.6	50.8
Total non-current assets		268.5	266.7
Inventories	4.8.2.	62.4	54.1
Trade receivables	4.8.2.	53.0	39.7
Other current financial assets		5.4	1.9
Current income tax assets		0.0	0.1
Other current non-financial assets		6.0	5.8
Cash and cash equivalents		13.3	22.6
Total current assets		140.1	124.0
Total assets		408.7	390.7
EQUITY AND LIABILITIES			
Issued capital	4.8.3.	12.4	12.4
Capital reserve	4.8.3.	198.5	198.5
Revenue reserves	4.8.3.	49.1	32.8
Other reserves		-0.2	-0.1
Total equity		259.8	243.5
Non-current provisions		2.1	2.1
Non-current financial liabilities	4.8.4.	48.5	50.2
Other non-current non-financial liabilities		1.7	1.2
Total non-current liabilities		52.3	53.5
Current provisions		1.5	1.5
Current financial liabilities	4.8.4.	13.3	14.9
Current trade payables		62.3	62.0
Other current non-financial liabilities		17.6	13.6
Current income tax liabilities	4.8.7.	1.8	1.7
Total current liabilities		96.5	93.7
Total equity and liabilities		408.7	390.7

4.2. Consolidated statement of comprehensive income of UNIWHEELS AG

	Note	Q1	
		2017	2016
		EUR m	EUR m
Revenue	4.8.2.	131.6	109.1
Changes in inventories of finished goods and work in process		8.3	1.8
Own work capitalised		0.2	0.1
Total operating performance		140.1	111.0
Other income		1.6	0.5
Cost of material	4.8.2.	86.5	64.3
Personnel expenses		21.8	17.9
Other expenses	4.8.5.	15.5	15.2
EBITDA		17.9	14.1
Depreciation, amortisation and impairments		5.5	3.9
Interest income		0.0	0.1
Interest expense		0.5	0.6
Other finance revenue/costs	4.8.6.	3.9	1.0
Profit or loss before tax		15.9	10.7
Income taxes	4.8.7.	-0.5	0.2
Net profit for the period		16.4	10.5
Items that may be recycled through profit or loss under certain conditions			
Net gains/losses from cash flow hedges		-0.1	-0.1
Other comprehensive income after tax		-0.1	-0.1
Comprehensive income		16.3	10.4
Earnings per share (EUR)			
basic		1.32	0.85
diluted		1.32	0.85

4.3. Consolidated statement of changes in equity of UNIWHEELS AG

	Issued capital EUR m	Capital reserve EUR m	Revenue reserves EUR m	Other reserves EUR m	Total EUR m
31 Dec 2015	12.4	198.5	-10.9	-0.1	199.9
Net profit for the period			10.5		10.5
Other comprehensive income after tax				-0.1	-0.1
Comprehensive income			10.5	-0.1	10.4
31 Mar 2016	12.4	198.5	-0.4	-0.2	210.3
31 Dec 2016	12.4	198.5	32.8	-0.1	243.5
Net profit for the period			16.4		16.4
Other comprehensive income after tax				-0.1	-0.1
Comprehensive income			16.4	-0.1	16.3
31 Mar 2017	12.4	198.5	49.1	-0.2	259.8

4.4. Consolidated statement of cash flows of UNIWHEELS AG

	Note	January - March 2017	January - March 2016
		EUR m	EUR m
Cash flows from operating activities			
Net profit for the period		16.4	10.5
Income tax through profit or loss		-0.5	0.2
Finance costs through profit or loss		0.5	0.6
Interest income through profit or loss		0.0	-0.1
Depreciation and amortisation of non-current assets		5.5	3.9
Impairment losses on current and non-current assets		0.1	0.2
Other non-cash expenses and income		0.0	-0.6
Subtotal		22.0	14.7
(Increase)/Decrease of trade and other receivables		-13.3	-5.6
(Increase)/Decrease of inventories		-8.4	-0.6
(Increase)/Decrease of other non-financial assets		-0.3	-1.2
(Increase)/Decrease of other financial assets		-3.8	-1.6
Increase/(Decrease) of trade payables and other liabilities		0.3	6.8
Increase/(Decrease) of provisions		0.0	3.7
Increase/(Decrease) of other non-financial liabilities		4.5	2.1
Increase/(Decrease) of other financial liabilities		-1.1	-0.2
Cash inflow from operating activities		-0.2	18.1
Income taxes paid		-0.2	-0.5
Net cash inflow from operating activities		-0.4	17.6
Cash flows from investing activities			
Cash paid for investments in property, plant and equipment	4.8.1.	-6.0	-23.3
Cash paid for investments in intangible assets		-0.2	0.0
Net cash outflow from investing activities		-6.2	-23.3
Free cash flow		-6.6	-5.7
Cash flow from financing activities			
Cash paid for loans	4.8.4.	-2.0	-1.4
Cash paid for interest		-0.4	-0.6
Net cash outflow from financing activities		-2.4	-2.0
Net increase in cash and cash equivalents		-9.0	-7.7
Cash and cash equivalents at the beginning of the period		18.2	39.3
Effect of exchange rate fluctuations on cash and cash equivalents		-0.1	0.4
Cash and cash equivalents at the end of the period		9.1	32.0

4.5. General

UNIWHEELS AG (hereinafter referred to as the “company”, the “group” or “UW AG”) is a stock corporation based in Bad Dürkheim, Germany. The interim report covers UW AG and its affiliates (hereinafter referred to as the UNIWHEELS Group). Please refer to note 3 of the notes to the consolidated financial statements for the year ending 31 December 2016 for a list of the entities in the group.

This quarterly report as of 31 March 2017 is prepared in condensed form in accordance with IAS 34 and the International Financial Reporting Standards as endorsed by the European Union applying on the reporting date.

The explanations in the notes to the consolidated financial statements for the year ending 31 December 2016, particularly with regard to the significant accounting policies, apply accordingly except for any changes to accounting policies due to accounting standards that came into force in the current period.

4.6. Standards to be adopted in the reporting period

The company did not adopt any new or amended standards in the reporting period.

4.7. Currency translation

Changes to the underlying parameters mainly relate to exchange rates, which are listed below:

		Closing rates		Average rates January - March	
		31 Mar 2017	31 Dec 2016	2017	2016
	1 EUR =				
Poland	PLN	4.24	4.42	4.32	4.37
Sweden	SEK	9.55	9.57	9.50	9.24

4.8. Significant changes

4.8.1. Property, plant and equipment

The change in property, plant and equipment mainly results from depreciation of EUR 5.5 million and additions of EUR 6.2 million of which EUR 1.6 million relates to UPP 3 in Stalowa Wola, Poland, that was originally planned for 2016.

Obligations to purchase property, plant and equipment amount to EUR 11.4 million and relate primarily to renovations and overhauls at the existing plants.

4.8.2. Inventories / trade receivables / revenue / cost of material

The increase of EUR 22.5 million in revenue in comparison to the first quarter of 2016 to a total of EUR 131.6 million is due to the growth of the Automotive and Accessory divisions (see the section on segment reporting). Over the same period, the cost of material rose at a faster rate than revenue. In addition to higher production volume, the factors underlying the increase include a rise in commodity prices that can only be passed on to customers at some delay. The closing balances of inventories and receivables both rose in association with the significant improvement in the orders on the books. Details on the changes can be found in the discussion of business performance in the management report.

The cost of material breaks down as follows:

	Q 1	
	2017	2016
	EUR m	EUR m
Aluminium (incl. strontium, titanium, boron)	61.4	43.8
Energy (incl. electricity, gas, water, heating)	6.4	5.4
Paint	4.3	3.9
Other cost of material	14.4	11.2
	86.5	64.3

Other cost of materials chiefly consists of the cost of purchased merchandise, consumables and supplies, hired temps and purchased services.

4.8.3. Equity

The change in equity is primarily due to the net profit generated for the year. For details please see the statement of changes in shareholders' equity in Note 4.3.

4.8.4. Financial liabilities

The decrease of EUR 3.3 million in financial liabilities to EUR 61.8 million can be chiefly attributed to scheduled debt repayments totalling EUR 2.0 million.

4.8.5. Other expenses

Other expenses changed in comparison to the comparative period of the prior year as follows:

	Q 1	
	2017	2016
	EUR m	EUR m
Repairs and maintenance	4.5	4.3
Selling expenses	2.9	2.5
Rents of buildings and rent incidentals	1.0	0.8
Legal expenses and consulting fees	0.9	1.0
Leases and rental agreements	0.8	0.9
Administrative expenses	0.5	0.4
Advertising and travel expenses	0.4	0.4
Bank charges and fees	0.4	0.3
Exchange rate losses	0.0	1.3
Other (individual line items < EUR 0.4 million)	4.1	3.3
	15.5	15.2

4.8.6. Other finance revenue/costs

Other finance revenue/costs break down as follows:

	Q 1	
	2017	2016
	EUR m	EUR m
Income from fair value measurements of currency derivatives	3.7	1.2
Expenses from fair value measurements of currency derivatives	0.2	-0.1
Income from fair value measurements of aluminium derivatives	0.4	0.0
Expenses from fair value measurements of aluminium derivatives	0.0	0.3
	3.9	1.0

Other finance revenue/costs also include the unrealised effects from fair value measurements of currency and aluminium derivatives. For this reason, they are in part subject to significant fluctuations.

The corresponding realised effects from fair value measurements of currency derivatives are included in other income and other expenses, and the effects from aluminium derivatives are included in cost of material.

4.8.7. Income taxes

On account of the tax credits on the annual profits generated from its operations, the Polish production entity UPP recognised deferred tax assets of EUR 0.8 million. These were based on the expected tax credits on the expected taxable results over a four-year planning horizon.

The deferred taxes presented in the income statement break down as follows:

	Q 1	
	2017	2016
	EUR m	EUR m
Tax expense for the period	0.3	0.2
Deferred tax income recorded in the reporting year	-0.8	0.0
Income taxes recorded in the income statement	-0.5	0.2

4.9. Segment reporting

The UNIWHEELS Group is managed as a business unit that operates in the field of wheel production. The monthly reporting is prepared at group level accordingly.

The primary management indicators of the UNIWHEELS Group pursuant to IFRS are as follows:

	Q 1	
	2017	2016
External sales (EUR m)	131.6	109.1
Wheel sales volume (in thousands)	2,436	2,087
EBITDA (EUR m)	17.9	14.1

The allocation of revenue and non-current assets to geographical regions is based on the country in which the group entity is based. A breakdown of revenue and non-current assets (excluding financial instruments and deferred tax assets) by region follows:

External revenue - total

	Q 1	
	2017	2016
	EUR m	EUR m
Germany	47.1	43.4
Poland	84.5	65.7
	131.6	109.1

18

Non-current assets pursuant to IFRS 8

	31 Mar 2017	31 Dec 2016
	EUR m	EUR m
Germany	32.3	31.2
Poland	183.8	184.2
	216.1	215.4

Revenue and wheel sales volume break down by division (Automotive and Accessory) as follows:

External revenue - wheels

	Q 1	
	2017	2016
	EUR m	EUR m
Accessory	21.1	17.4
Automotive	108.0	90.7
	129.1	108.1

Wheel sales volume

	Q 1	
	2017	2016
	thousand units	thousand units
Accessory	381	305
Automotive	2,055	1,782
	2,436	2,087

Of the total revenue of EUR 131.6 million (Q1 2016: EUR 109.1 million), approximately 10% is accounted for by the following key customers:

	Q 1	
	2017	2016
	EUR m	EUR m
Customer A	22.5	17.7
Customer B	18.5	15.9
Customer C	17.1	14.5
	58.1	48.1

4.10. Financial instruments

Apart from the financial assets and liabilities presented in the following table, management considers the carrying amounts of the financial assets and financial liabilities in the consolidated statement of financial position as a good approximation of their fair values or, as in the case of derivatives, they are actually carried at fair value. The following table therefore lists all financial liabilities which are not regularly measured at fair value but whose fair values must be presented:

	31 Mar 2017		31 Dec 2016	
	Carrying amount EUR m	Fair value EUR m	Carrying amount EUR m	Fair value EUR m

Financial liabilities

Financial liabilities measured at amortised cost

- Bank loans	54.9	53.9	56.9	56.2
Total	54.9	53.9	56.9	56.2

	31 Mar 2017			
	Level 1 EUR m	Level 2 EUR m	Level 3 EUR m	Total EUR m

Financial liabilities

Financial liabilities measured at amortised cost

- Bank loans	0.0	53.9	0.0	53.9
Total	0.0	53.9	0.0	53.9

	31 Dec 2016			
	Level 1 EUR m	Level 2 EUR m	Level 3 EUR m	Total EUR m

Financial liabilities

Financial liabilities measured at amortised cost

- Bank loans	0.0	56.2	0.0	56.2
Total	0.0	56.2	0.0	56.2

The fair value of the above level 2 financial liabilities has been determined in accordance with the discounted cash flow method which is widely accepted. A key input in the valuation is the discount rate. Instruments have been allocated to the fair value hierarchy on 31 March 2017 in the same fashion as the allocation on 31 December 2016, without any change.

The following table contains information on how the group measures the fair value of various financial assets and financial liabilities that are regularly measured at fair value, in particular the techniques used and the associated inputs. Fair value measurement on 31 March 2016 is unchanged on the methods applied as of 31 December 2016.

Financial assets / financial liabilities	Fair value		Hierarchy	Valuation techniques and significant inputs	Significant non-observable inputs	Ratio of non-observable inputs to fair value
	31 Mar 2017	31 Dec 2016				
1) Forward exchange contracts	Assets: EUR 3.9 million	Assets: EUR 0.6 million	Level 2	Discounted cash flow method; future cash flows estimated on the basis of forward rates (observable on the reporting date) and agreed forward exchange rates and discounted using interest curves published on the reporting date	n/a	n/a
	Liabilities EUR 0.7 million	Liabilities EUR 0.9 million				
2) Interest swaps	Liabilities EUR 0.5 million	Liabilities EUR 0.4 million	Level 2	Discounted cash flow method; future cash flows estimated on the basis of forward interest rates (observable interest curves on the reporting date) and agreed forward interest rates and discounted using interest curves published on the reporting date	n/a	n/a
3) Commodity swaps	Assets: EUR 1.4 million	Assets: EUR 1.0 million	Level 2	Discounted cash flow method; future cash flows estimated on the basis of forward prices (observable commodity prices on the reporting date) and agreed forward prices and discounted using interest curves published on the reporting date	n/a	n/a
	Liabilities EUR 0.0 million	Liabilities EUR 0.0 million				

No transfers were made between level 1 and 2 in the interim reporting period.

4.11. Notes to the cash flow statement

For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand, bank deposits with terms of less than three months and overdrafts that are payable on demand which were an integral component of the Company's cash management.

Cash and cash equivalents at the end of the period consisted of:

	31 Mar 2017	31 Dec 2016
	EUR m	EUR m
Cash and cash equivalents	13.3	22.6
Overdrafts	4.2	4.4
	9.1	18.2

4.12. Related party transactions

The trade payables towards UHM of EUR 11.4 million carried on 31 December 2016 were fully paid in the first quarter of 2017.

There were not other significant changes in receivables and liabilities to related parties in comparison to the situation on 31 December 2016.

4.13. Subsequent events

On 7 April 2017 the UNIWHEELS Group published a statement by the management board of UNIWHEELS AG in connection with the tender offer from Superior (see "Significant events" in the Interim Group Management Report). According to this statement, the management board has come to the conclusion that the price offered for the shares in the Company in the tender offer correspond to their fair value. The tender offer began on 12 April 2017 and is expected to terminate on 22 May 2017.

There have been no other events since 31 March 2017 that are of significance for assessing the net assets, financial position and result of operations of UW AG.

UNIWHEELS AG

Bad Dürkheim, 10 May 2017

The Management Board

Dr. Thomas Buchholz

Dr. Wolfgang Hiller

Dr. Karsten Obenaus

5. Financial calendar



22

23.03.2017	Publication of the Annual Report 2016	✓
10.05.2017	Publication Q1 final report 2017	✓
01.08.2017	Annual General Meeting, Bad Dürkheim	
09.08.2017	Publication H1 final report 2017	
09.11.2017	Publication 9M final report 2017	

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Forward-looking statements:

This interim report contains statements relating to the future that are based on current assumptions and projections of the management of the UNIWHEELS Group. Various known and unknown risks, uncertainties and other factors mean that the actual results, financial position, development or performance of the company may diverge materially from the estimates made here. The company assumes no obligation of any kind to update future-oriented statements or to adjust them to reflect future events or developments.