Financial Report for the Period from 1 January to 31 March 2017

SHAPING FUTURE MOBILITY

SHW

Contents

Company profile

The Company was established in 1365, making it one of the oldest industrial companies in Germany. Today, SHW AG is a leading automotive supplier, providing products that make a substantial contribution to reducing fuel consumption and, consequently, to lowering CO_2 emissions. In its Pumps and Engine Components business segment, the SHW Group develops and produces pumps for passenger vehicles and industry applications (e.g., trucks, agricultural and construction machinery, stationary engines and wind farms) as well as engine components. The Brake Discs business segment develops and produces monobloc ventilated brake discs made of cast iron and composite brake discs made of a combination of an iron friction ring and an aluminium pot. The SHW Group's customers include renowned automobile manufacturers, manufacturers of commercial, agricultural and construction vehicles as well as other suppliers to the automotive industry. Currently, the SHW Group has four production sites in Germany located in Bad Schussenried, Aalen-Wasseralfingen, Tuttlingen-Ludwigstal and Neuhausen ob Eck, two sites in Brazil (São Paulo) and China (Kunshan) and a sales and development centre in Toronto (Canada). In addition, SHW Automotive GmbH holds a 51 per cent interest in the joint venture SHW Longji Brake Discs (LongKou) Co., Ltd., Longkou (China). With just over 1,250 employees, the Company achieved Group sales of € 406 million in the fiscal year 2016. Further information is available at: www.shw.de

Highlights

- Group sales and EBITDA margin slightly below the previous year's level after three months
- Significant investment programme for internationalisation on target

Key performance indicators for the SHW Group

	Q1		
K EUR	**2017**	**2016**	Change
Sales	104,304	106,604	-2.2%
EBITDA	10,147	10,760	-5.7%
as % of sales	9.7%	10.1%	-
EBIT	4,472	4,813	-7.1%
as % of sales	4.3%	4.5%	-
ROCE	12.1%	15.2%	-
Net profit for the period	2,973	3,308	-10.1%
Earnings per share (EUR)	0.46	0.51	-10.1%
Investments	8,995	4,999	79.9%
as % of sales	8.6%	4.7%	-
Working capital as % of sales	13.1%	10.6%	-
Equity ratio	50.5%	51.0%	-
Operating free cash flow	1,807	-6,706	-
Net liquidity / Net financial debt	-3,394	5,576	-

The SHW share

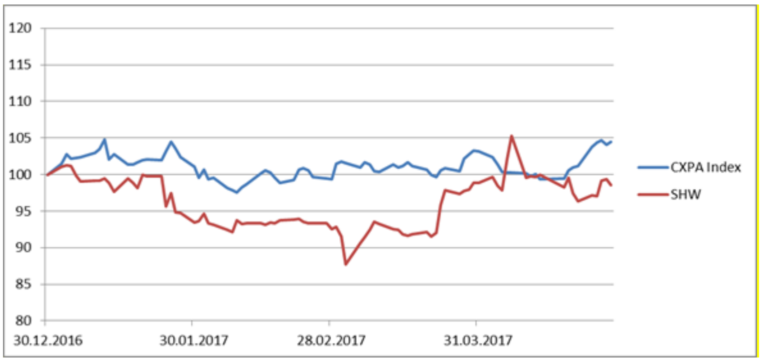
Strong rise of leading indicators and declining political risks ensure positive overall underlying sentiment on the stock markets

The further improvement of leading indicators in the USA, China and the eurozone, the prospect of tax cuts and the announcement of revised regulatory requirements for the financial sector, the electoral victory of the Netherlands' incumbent prime minister, Mark Rutte, the growing probability of an electoral victory for the independent candidate Emmanuel Macron in the French presidential elections in April and robust corporate results for the fourth quarter of 2016 ensured sustained positive underlying sentiment on the international stock markets. The threat of the Trump administration introducing import taxes, its Obamacare setback, the US central bank's third key interest rate hike, weaker oil prices and an impending "hard Brexit" only temporarily put pressure on the stock markets.

In this context, with the exception of Japan's Nikkei index, the key international market indexes consistently registered price gains. Germany's DAX index led the way, with growth of 7.2 per cent.

In the first quarter of 2017, sentiment for automobile shares was positively influenced, above all, by increasingly improving forecasts for the worldwide light vehicle production as well as favourable corporate results for the fourth quarter 2016. Overall, the stock prices of the constituents of the DAXsector Automobile Performance index (CXPA) rose by 3.2 per cent to 1,355 points. In the first quarter of 2017, the SHW share performed somewhat worse than the benchmark index, ending the quarter at a share price of € 32.29, thus underperforming the DAXsector Automobile Performance index by 4.3 percentage points. The SHW share is currently pricing at € 32,16 (as at 2 May 2017).

Price trend for SHW share and DAXsector Automobile Performance index (CXPA) in the period from January 2017 to April 2017



Shareholder base still in motion

In the first quarter of 2017, the shareholder base of SHW AG once again underwent a large number of changes. QCP Swiss AG (Switzerland) is the largest individual shareholder, with recently 11.7 per cent, followed by the Sterling Strategic Value Fund (Luxembourg) with 10.4 per cent. Anhui International Holding (China) and Gilead Capital (USA) hold between 5 and 10 per cent of our shares. Universal-

Investment (Germany), BlackRock (USA), Duke University (USA) and Dimensional Holdings (USA) hold voting rights of between 3 and 5 per cent.

Within the scope of the managers' transactions, at the end of the first quarter of 2017 the following Management Board and Supervisory Board members held SHW shares: Dr Frank Boshoff – Chief Executive Officer (8,500 shares), Martin Simon – Chief Financial Officer (1,000 shares), Andreas Rydzewski – Member of the Management Board (2,600 shares), as well as Georg Wolf – Chairman of the Supervisory Board (10,000 shares).

Sustained high level of interest on the part of value-oriented investors

SHW Investor Relations aims to ensure a fair evaluation of the SHW share by the capital market. It does so on the basis of a continuous and open dialogue with all market participants and by providing precise and valuation-relevant information.

As a capital market-oriented industrial firm listed on the Frankfurt Stock Exchange's Prime Standard segment, SHW AG mainly satisfies market participants' information requirements by means of its financial reports published three times a year and by actively participating in investor conferences and roadshows.

In the period between January and April 2017, the Management Board and the Investor Relations team of SHW AG once again was available to answer questions from institutional investors at the German Corporate Conference organised by Kepler Cheuvreux on 16 January in Frankfurt, Bankhaus Lampe's Germany Conference on 28 March in Baden-Baden and MainFirst's Corporate Conference on 30 March in Copenhagen. On 5 April, the Investor Relations team attended NIBC Markets' German Small & Mid Cap Seminar in Amsterdam. SHW also recorded a sustained high level of interest on the part of value-oriented investors in one-on-ones and plant visits.

In the remainder of the year, SHW AG will attend the Commerzbank Sector Conference Week on 30 August in Frankfurt and the Berenberg and Goldman Sachs German Corporate Conference on 19 September in Unterschleissheim near Munich. Management and Investor Relations roadshows are being planned in Germany, Switzerland, Benelux and Great Britain for 2017.

The Company's Investor Relations team will be pleased to assist you with any questions you may have in relation to SHW AG. The Company's IR website offers initial guidance (www.shw.de/cms/en/investor_relations). Please feel free to request any further information which you may require. SHW Investor Relations looks forward to hearing from you.

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Interim Group Management Report

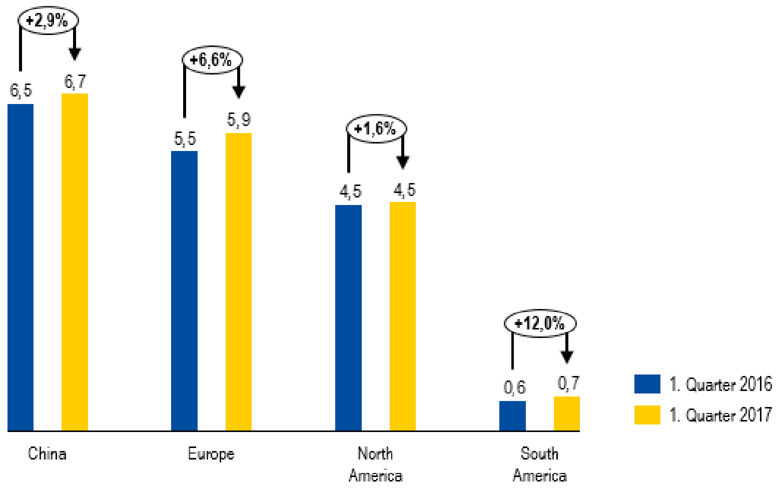
Industry environment

The key factor for any assessment of the industry environment of SHW AG is the production of light vehicles (vehicles < 6 tonnes) and related production of engines and transmissions in Europe, China and North America.

Automobile production remains on growth course

In the period from January to March 2017, according to the most recent surveys conducted by the research firm IHS production of light vehicles (vehicles < 6 tonnes) increased worldwide by 4.2 per cent on the previous year, from 23.0 million units to 24.0 million units. The growth rates thereby varied significantly in the world's key regions.

Production of light vehicles by region (millions of units)



Source: IHS – April 2017

In Europe (including Russia), production figures increased by 6.6 per cent, from 5.5 million vehicles to 5.9 million vehicles. This volume growth was essentially driven by Turkey (+23.4 per cent to 0.4 million units), Germany (+4.8 per cent to 1.6 million units), Russia (+18.3 per cent to 0.3 million units), the Czech Republic (+11.7 per cent to 0.4 million units), Italy (+13.3 per cent to 0.3 million units) and the United Kingdom (+7.8 per cent to 0.5 million units).

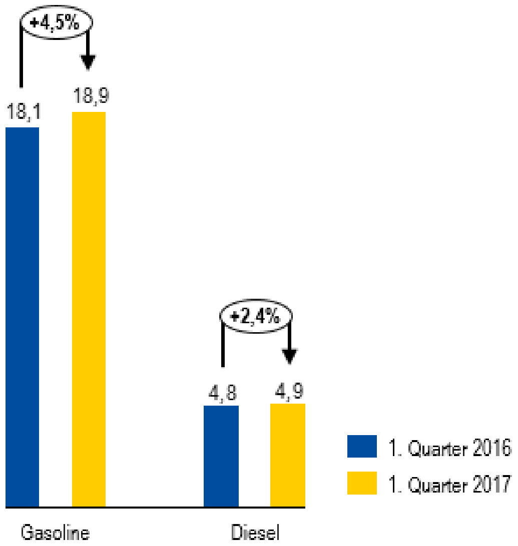
North America registered a slight increase in production figures of 1.6 per cent to 4.53 million vehicles.

The trend for vehicle production in South America was significantly more positive. Following a deep, recession-related slump in production over the past few years, light vehicle production increased by 12.0 per cent on the previous year and reached 0.7 million units.

Demand for diesel engines remains stable

In the first three months of 2017, the production of gasoline engines for light vehicles (< 6 tonnes) increased worldwide by 4.5 per cent to 18.9 million units. Diesel engine production increased by 2.4 per cent to 4.9 million units, in spite of the ongoing debate surrounding emissions. Electric motors registered the strongest increase worldwide, with a growth rate of 59.3 per cent, but continued to play a very minor role with just 0.1 million units.

Engine production worldwide (millions of units)



Source: IHS – April 2017

Engine production in China increased by a total of 3.7 per cent to 6.7 million units between January and March 2017. Of that, gasoline engines accounted for 6.2 million units (+4.1 per cent), while production of diesel engines declined to 0.4 million units (-7.2 per cent). The volume of electric motors increased to slightly over 54 thousand units (+100.2 per cent).

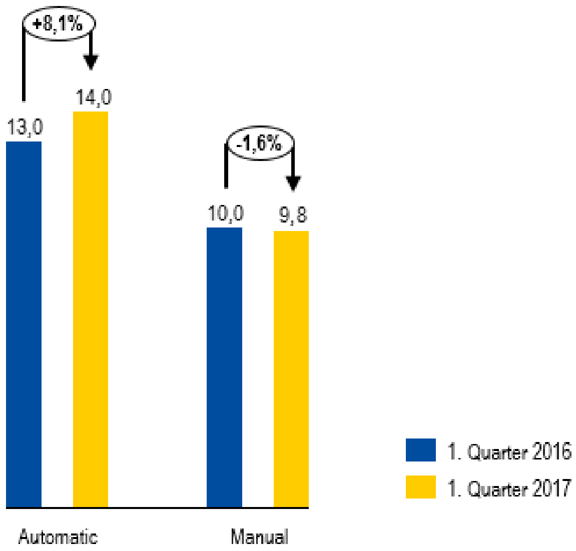
In Europe (incl. Russia), a total of 6.4 million engines were manufactured (+7.2 per cent on the previous year). Production of gasoline engines increased by 8.2 per cent to 3.3 million units, while production of diesel engines was up by 5.9 per cent to 3.1 million units.

North America, which has always been a gasoline market, recorded a -0.9 per cent decrease in production to 3.9 million engines in the first three months of 2017. Production of gasoline engines reached a volume of slightly more than 3.7 million units (-1.6 per cent), while production of diesel engines increased by 11.3 per cent to 157 thousand units.

Automatic transmissions continue to gain ground

In the first three months of 2017, transmission production worldwide increased by 4.2 per cent to 24.0 million units. Production of automatic transmissions continued to increase, at an above-average rate of 8.1 per cent, from 13.0 million units to 14.0 million units. Their share of overall production thus amounts to 58.5 per cent. China remains the growth driver for automatic transmissions, with a growth rate of 26.3 per cent to 2.5 million units, followed by Europe with an increase of 11.6 per cent to 2.3 units. Japan / Korea and North America likewise registered growth in the volume of production of automatic transmissions.

Transmission production worldwide (millions of units)



Source: IHS – April 2017

Business performance and results of operations, net assets and financial position of the SHW Group

Key performance indicators for the SHW Group

K EUR	Q1 2017	Q1 2016	Change
Sales	104,304	106,604	-2.2%
EBITDA	10,147	10,760	-5.7%
as % of sales	9.7%	10.1%	-
Depreciation/Amortisation	5,675	5,947	-4.6%
as % of sales	5.4%	5.6%	-
EBIT	4,472	4,813	-7.1%
as % of sales	4.3%	4.5%	-
ROCE	12.1%	15.2%	-
Net profit for the period	2,973	3,308	-10.1%

Results of operations

Budgeted sales decline in the first three months

Group sales amounted to € 104.3 million in the first quarter of 2017, 2.2 per cent below the previous year's figure of € 106.6 million in line with expectations. This was attributable to the Pumps and Engine Components business segment, while sales in the Brake Discs business segment increased by 14.7 per cent following a significant increase in volumes.

Significant improvement in production costs ratio

In the reporting period, the cost of sales decreased by 4.1 per cent, from € 95.2 million to € 91.3 million. Because of significantly reduced production and logistics costs, the cost of sales ratio declined from 89.3 per cent to 87.5 per cent.

The negative effects of the lower total output were more than made up for on the earnings side through productivity gains achieved through the efficiency measures implemented in Powder Metallurgy at the Company's Aalen-Wasseralfingen plant and the associated elimination of operational and logistical bottlenecks in pump assembly at its Bad Schussenried plant.

Selling and administrative expenses influenced by internationalisation

In the first three months of the fiscal year 2017, selling and general administrative expenses increased from € 4.9 million to € 6.6 million. In particular, this increase reflects the establishment and expansion of the Company's international sites as well as individual strategic measures.

Research and development costs significantly increased

In the first three months of 2017, research and development costs exceeded the previous year's level by 0.8 million, amounting to € 2.5 million. In addition, development costs in the amount of € 0.7 million (previous year € 0.2 million) were capitalised. Further development services were billed within the scope of customer orders. The R&D ratio (including capitalised development costs) amounts to 2.6 per cent of sales (previous year 1.7 per cent). Electrically driven transmission oil pumps are the core area of development in the Pumps and Engine Components business segment. The Brake Discs business segment is focusing on the ongoing development of high-quality composite brake discs and other lightweight concepts.

Other operating income and expenses

The balance of other operating income and other operating expenses in the first three months of 2017 exceeded the previous year's level by € 0.5 million.

EBITDA margin of 9.7 per cent

Consolidated earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to € 10.1 million (previous year € 10.8 million) in the first three months of the fiscal year 2017. At 9.7 per cent, the EBITDA margin was below the previous year's figure of 10.1 per cent.

The Pumps and Engine Components business segment achieved a segment EBITDA figure of € 9.4 million (previous year € 9.5 million), and the Brake Discs business segment a segment result of € 1.3 million (previous year € 1.6 million).

EBIT margin of 4.3 per cent

At € 5.7 million, depreciation was € 0.3 million or 4.6 per cent lower than in the same period in the previous year. Accordingly, earnings before interest and tax (EBIT) decreased from € 4.8 million to € 4.5 million. The EBIT margin decreased to 4.3 per cent, compared to 4.5 per cent in the previous year.

Of the EBIT figure, € 4.8 million (previous year € 4.8 million) relates to the Pumps and Engine Components business segment and € 0.4 million (previous year € 0.5 million) to the Brake Discs business segment.

ROCE influenced by Company's expansion

The return on capital employed (ROCE) decreased in the first three months of 2017 compared to the same quarter last year from 15.2 per cent to 12.1 per cent.

K EUR	**31.03.2017**	**31.03.2016**
Goodwill	7,055	7,055
Other intangible assets	8,624	10,499
Property, plant and equipment	100,790	94,704
Deferred tax assets	5,359	4,741
Joint ventures accounted for using the equity method	16,491	16,096
Other (financial) assets (non-current)	1,660	858
Inventories	44,702	42,348
Trade receivables	51,922	45,662
Other (financial) assets (current)	4,294	3,772
Capital employed asset item	240,897	225,735
Deferred tax liabilities	-2,352	-3,084
Other accruals (non-current)	-4,826	-3,972
Other financial liabilities (non-current)	-1,139	-1,010
Trade payables	-43,825	-40,018
Other financial liabilities (current)	-7,627	-15,139
Income tax liabilities	-327	-1,972
Other accruals (current)	-15,586	-10,394
Other liabilities (current)	-9,831	-10,367
Capital employed liability item	-85,513	-85,956
Capital employed	155,384	139,779
EBIT (last 12 months)	18,597	19,790
Profit of joint ventures accounted for using the equity method (last 12 months)	210	1,467
EBIT including profit of joint ventures accounted for using the equity method (last 12 months)	18,807	21,257
ROCE	**12.1%**	**15.2%**

Financial result and income from investments

In the period from January to March 2017, the balance of financial income and expenses – excluding income from investments – matched the previous year's level.

Net profit from joint ventures accounted for using the equity method relates exclusively to the Chinese joint venture SHW Longji Brake Discs (LongKou) Co., Ltd., which has been included in the Consolidated Financial Statements of SHW AG since 1 April 2015.

Income taxes

Income taxes decreased by € 0.1 million to € 1.3 million, due to the lower pre-tax earnings in the first three months of the fiscal year 2017. At 30.0 per cent, the Group's tax ratio slightly exceeded the prior-year level of 28.5 per cent.

Net profit for the period

Earnings after tax decreased by € 0.3 million to € 3.0 million in the first three months of the fiscal year 2017, due to the factors outlined above. Earnings per share reached a level of € 0.46 in this period (previous year € 0.51).

Development of the business segments

Pumps and Engine Components business segment

Key performance indicators – Pumps and Engine Components

	Q1		
K EUR	**2017**	**2016**	Change
Sales	80,613	85,946	-6.2%
EBITDA	9,397	9,548	-1.6%
as % of sales	11.7%	11.1%	-
Depreciation/Amortisation	4,639	4,769	-2.7%
as % of sales	5.8%	5.5%	-
EBIT	4,758	4,779	-0.4%
as % of sales	5.9%	5.6%	-
ROCE	18.7%	19.2%	-

Sales as budgeted below previous year's level

The Pumps and Engine Components business segment achieved sales of € 80.6 million in the first three months of 2017 (previous year € 85.9 million). Sales in the Passenger Car division declined from € 71.2 million to € 64.1 million. This budgeted sales decline mainly reflects the lower supply share of SHW for the second generation of an electrical driven transmission oil pump for the start-stop function.

The Industry division contributed € 8.4 million to sales (previous year € 7.4 million).

The Powder Metallurgy division closed the first three months of 2017 with sales of € 8.1 million (previous year € 7.3 million).

EBITDA margin increased to 11.7 per cent

Despite the budgeted sales decline, the Pumps and Engine Components business segment achieved segment EBITDA of € 9.4 million in the reporting period, almost at the previous year's level. The EBITDA margin improved accordingly from 11.1 per cent to 11.7 per cent. Lower costs for external processing, rework and expedited freight by comparison with the previous year have significantly improved the margin.

Overall, the earnings trend for the Group's foreign subsidiaries in Brazil, China and Canada was in line with expectations. The Group is currently setting up a company in Romania. Expenses for the forward-looking establishment and expansion of foreign plants are included in the operating segment earnings.

EBIT margin improved to 5.9 per cent

At € 4.6 million, depreciation in the Pumps and Engine Components business segment was slightly lower than the previous year's figure of € 4.8 million. Despite the higher depreciation ratio, the EBIT margin improved overall from 5.6 per cent to 5.9 per cent.

Development of the Brake Discs business segment

Key performance indicators – Brake Discs

	Q1		
K EUR	**2017**	**2016**	Change
Sales	23,691	20,658	14.7%
EBITDA	1,314	1,591	-17.4%
as % of sales	5.5%	7.7%	-
Depreciation/Amortisation	948	1,102	-14.0%
as % of sales	4.0%	5.3%	-
EBIT	366	489	-25.2%
as % of sales	1.5%	2.4%	-
ROCE	6.2%	10.8%	-

Sales influenced by significantly higher unit sales

In the Brake Discs business segment, unit sales were 26 per cent higher than the previous year's figure in the first three months of the fiscal year 2017. All three product areas contributed to this increase. Sales rose by 15 per cent to € 23.7 million (previous year: € 20.7 million).

EBITDA margin temporarily burdened

The segment EBITDA figure was positively influenced by volume and product mix effects as well as productivity improvements. However, this contrasted with higher purchase costs for coke and the contractual delay in adjusting material surcharges. Overall, the EBITDA figure in the Brake Discs business segment declined by € 0.3 million to € 1.3 million in the reporting period.

EBIT influenced lower depreciation

Due to the € 0.2 million decline in depreciation, the decrease in earnings before interest and tax (EBIT) from € 1.1 million to € 0.9 million was less pronounced than the decline in the EBITDA figure. The EBIT margin therefore only fell by 0.9 percentage points to 1.5 per cent.

Net asset position

Non-current assets

Other intangible assets and property, plant and equipment totalled € 109.4 million as at 31 March 2017, € 4.2 million above the previous year's level. Asset additions considerably exceeded depreciation in the first three months of the year.

Working capital ratio above target value

K EUR	**31.03.2017**	**31.03.2016**	Change in absolute	Change %
Inventories	44,702	42,348	2,354	5.6%
Trade receivables	51,922	45,662	6,260	13.7%
Trade payables	-43,825	-40,018	-3,807	9.5%
Working capital	52,799	47,992	4,807	10.0%
as % of sales	13.1%	10.6%	-	-

As at 31 March 2017, working capital increased by € 4.8 million compared to the previous year and amounted to € 52.8 million. The increase in trade receivables is largely attributable to a reclassification effect due to changes in the disclosure as at 31 December 2016 with no effect on net profit, (impairment losses for credit notes yet to be issued now disclosed in other accruals). At 13.1 per cent, the working capital ratio – referring to the Group sales over the past twelve months – was 2.5 percentage points above the previous year's level and exceeded the envisaged margin of between 11 and 12 per cent.

The volume of inventories increased by comparison with the same quarter in the previous year, above all, due to targeted strategic measures to improve delivery capability.

Trade payables increased by € 3.8 million on the same quarter in the previous year to € 43.8 million. This trend is mainly attributable to comparatively higher asset additions.

Equity ratio above 50 per cent

Equity increased from € 119.1 million to € 124.0 million compared to 31 March 2016. In particular, net profits for the period over the past twelve months totalling € 12.8 million boosted the Company's equity. This contrasts with a dividend payment of € 6.4 million. An increase in the balance sheet total of € 12.0 million to € 245.5 million led the equity ratio to decrease slightly from 51.0 per cent as at 31 March 2016 to 50.5 per cent as at 31 March 2017.

Other current financial liabilities

The decrease in other current financial liabilities relates to the second capital tranche due in late February 2017 for the joint venture SHW Longji Brake Discs (LongKou) Co., Ltd., which translates to € 6.8 million.

Financial position

Operating free cash flow in the first three months of 2017 influenced by higher volume of investments

	Q1	
K EUR	**2017**	**2016**
Cash flow from operating activities	10,602	-1,707
Cash flow from investing activities (intangible assets and property, plant and equipment)	-8,795	-4,999
Operating free cash flow	**1,807**	**-6,706**
Cash flow from investing activities (financial assets)	-6,819	0
Total free cash flow	**-5,012**	**-6,706**
Other items (in particular, capital increase/dividend payments)	-15	-46
Change in net liquidity	**-5,027**	**-6,752**

Over the first three months of the fiscal year 2017, the SHW Group generated cash flow from operating activities in the amount of € 10.6 million (previous year € -1.7 million). The improvement was mainly due to a significant higher increase in trade payables.

Despite a significantly higher cash flow from investing activities relating to intangible assets and property, plant and equipment, the Company achieved a positive operating free cash flow. Allowing for cash flow from investing activities relating to financial assets (outflow of the second capital tranche for the joint venture SHW Longji Brake Discs (LongKou) Co., Ltd.), the total free cash flow amounts to € -5.0 million (previous year € -6.7 million).

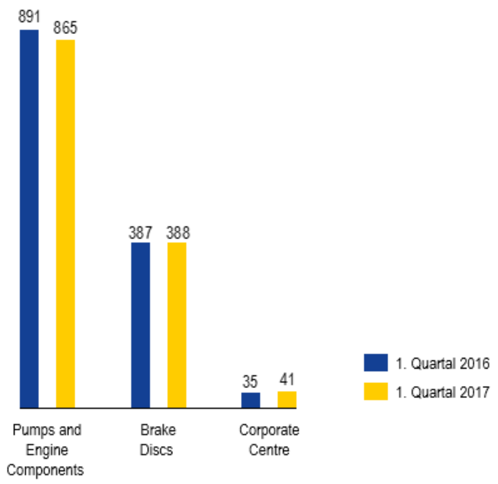
Net financial liabilities increased by € 5.0 million

Net financial liabilities amounted to € -3.4 million after the first three months of the year. By comparison with 31 December 2016, net financial liabilities have increased by € 5.0 million due to the cash flows outlined above. This represents an increase of € 9.0 million compared with the previous year.

Employees

In the first three months of the fiscal year 2017, the Group's average number of employees – calculated on an FTE basis – decreased on the previous year from 1,313 to 1,294. The Pumps and Engine Components business segment's German plants mostly accounted for this headcount reduction. The number of employees at international plants increased from 25 to 57.

Average number of employees (FTE)



Report on risks and opportunities

No significant changes have resulted in the assessment of the risks and opportunities for the SHW Group compared to the comments on risks and opportunities provided in the Company's Annual Report for 2016 (pages 63 to 71).

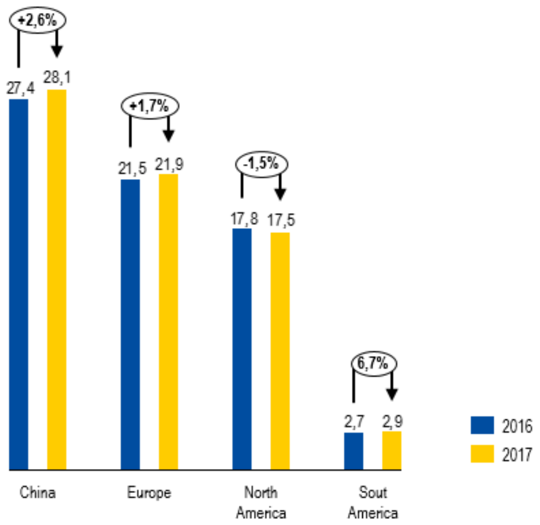
Forecast

Outlook for the industry

Subdued growth rates anticipated for 2017

Based on the most recent forecasts, the IHS market research institute expects global light vehicle production (vehicles < 6 tonnes) to increase slightly by 1.8 per cent in 2017, from 93.1 million vehicles to 94.8 million vehicles. The growth drivers here are China (increase of 2.6 percentage points to 28.1 million vehicles), Europe (growth of 1.7 per cent to 21.9 million vehicles) and South America (6.7 per cent increase to 2.9 million units). On the other hand, IHS expects to see a slight downturn in production of -1.5 per cent to 17.5 million vehicles in North America.

Production of light vehicles by region (millions of units)



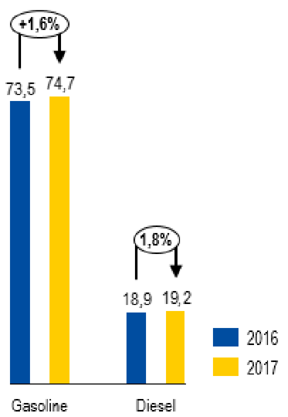
Source: IHS – April 2017

IHS's experts are anticipating a 1.7 per cent increase in production in Europe in 2017. This envisaged growth will mainly be supported by increases in production in France (+6.8 per cent to 2.2 million vehicles), Russia (+8.9 per cent to 1.3 million vehicles) and Turkey (+7.0 per cent to 1.6 million vehicles).

Gasoline engines remain the main source of growth

Based on the IHS research institute's analyses, it can be expected that global engine production will increase by 1.8 per cent to 94.8 million units in 2017. The gasoline engine remains the leading engine type, with a global market share of 78.8 per cent. The industry experts predict slight growth of 1.7 per cent for diesel engines worldwide, to 19.2 million units. This would represent a market share of 20.3 per cent. Electric motors continue to play a minor role, with a share of 0.7 per cent.

Engine production worldwide (millions of units)



Source: IHS – April 2017

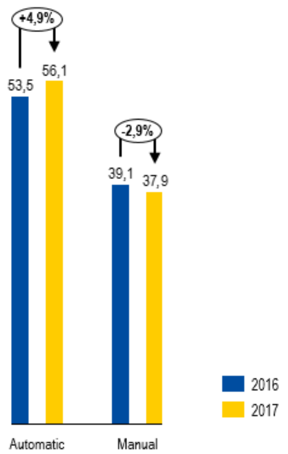
China's expected volume growth of 3.1 per cent to 28.1 million units mainly relates to the production of gasoline engines (+3.1 per cent). Diesel engines will lose further ground, with a decline of -1.5 per cent to slightly more than 1.7 million units. Electromobility will increase by 33.9 per cent, but will remain a niche product with a market share of 1.2 per cent.

In Europe, diesel engines are expected to register slightly increased production figures, with 11.6 million units (+2.4 per cent). Gasoline engines are expected to account for 12.3 million units (+3.0 per cent). A reduced overall volume of 15.1 million engine units is expected for North America (previous year 15.9 million units). Gasoline engine production is expected to decline by -5.3 per cent to 14.4 million units. The region will remain a gasoline market, with a share slightly in excess of 95 per cent.

Growth of around 5 per cent expected for automatic transmissions

For 2017, IHS predicts global transmission production growth of 1.8 per cent to 94.8 million units. This volume growth is attributable to the field of automatic transmissions (+4.9 per cent), whose share of global production will increase from 57.5 per cent to 59.2 per cent. The growth drivers here are the production sites in China (+20.3 per cent to 11.1 million units) and Europe (+4.9 per cent to 8.8 million units).

Transmission production worldwide (millions of units)



Source: IHS – April 2017

Outlook for the Group

Based on the economic and industry environment and while considering the potential risks and opportunities for the full year 2017, the Management Board of SHW AG continues to expect Group sales in a range of € 400 million to € 420 million (previous year € 405.8 million).

It is forecasting sales of approx. € 310 million to € 330 million in the Pumps and Engine Components business segment (previous year € 317.5 million). Stable sales of approx. € 90 million are forecast for the Brake Discs business segment (previous year € 88.2 million); the proportion of higher-value composite brake discs is set to further increase compared with the previous year's figure.

Based on these assumptions, SHW continues to expect an EBITDA margin in a range of 10.0 per cent to 11.0 per cent (previous year 10.7 per cent) for the fiscal year 2017.

Aalen, 3 May 2017

The Management Board of SHW AG

Dr Frank Boshoff	Martin Simon	Andreas Rydzewski
Chief Executive Officer	Chief Financial Officer	Member of the Management Board

Interim Consolidated Financial Statements in accordance with IFRS as at 31 March 2017

Consolidated Income Statement (unaudited)
for the period from 1 January to 31 March 2017

	Q1	
K EUR	**2017**	**2016**
Sales	104,304	106,604
Cost of sales	-91,303	-95,229
Gross profit	13,001	11,375
Selling expenses	-2,869	-1,803
General administrative expenses	-3,695	-3,071
Research and development costs	-2,468	-1,665
Other operating income	738	402
Other operating expenses	-235	-425
Operating result	4,472	4,813
Financial income	1	6
Financial expenses	-268	-274
Profit of joint ventures accounted for using the equity method	42	84
Earnings before tax	4,247	4,629
Deferred taxes	185	226
Current income tax	-1,459	-1,547
Earnings after tax	2,973	3,308
Net Profit for the period	**2,973**	**3,308**
Earnings per share in EUR (basic and diluted)	0.46	0.51

Consolidated Statement of Comprehensive Income (unaudited) for the period from 1 January to 31 March 2017

	Q1	
K EUR	**2017**	**2016**
Net profit for the period	2,973	3,308
Items that will not be reclassified to profit or loss in future periods		
Actuarial gains/losses from pension accruals and similar obligations before tax	0	0
Tax effect	0	0
Items that may be reclassified to profit or loss in future periods		
Currency translation differences	-364	255
Tax effect	0	0
Unrealised gains/losses from currency translation for joint ventures accounted for using the equity method	37	-657
Tax effect	0	0
Other earnings after tax	-327	-402
Total comprehensive income after tax	**2,646**	**2,906**
Net profit for the period attributable to		
- shareholders of SHW AG	2,973	3,308
- holders of non-controlling interests	0	0
Total comprehensive income after tax attributable to		
- shareholders of SHW AG	2,646	2,906
- holders of non-controlling interests	0	0

Consolidated Balance Sheet (unaudited) as at 31 March 2017

ASSETS

K EUR	31.03.2017	31.12.2016	31.03.2016
Goodwill	7,055	7,055	7,055
Other intangible assets	8,624	9,259	10,499
Property, plant and equipment	100,790	96,854	94,704
Deferred tax assets	5,359	5,271	4,741
Joint ventures accounted for using the equity method	16,491	16,412	16,096
Other financial assets	272	298	341
Other assets	1,388	1,476	517
Non-current assets	139,979	136,625	133,953
Inventories	44,702	46,378	42,348
Trade receivables	51,922	37,967	45,662
Other financial assets	224	135	476
Other assets	4,070	3,210	3,296
Cash and cash equivalents	4,582	3,616	7,769
Current assets	105,500	91,306	99,551
Total assets	**245,479**	**227,931**	**233,504**

EQUITY AND LIABILITIES

K EUR	31.03.2017	31.12.2016	31.03.2016
Subscribed capital	6,436	6,436	6,436
Capital reserves	38,510	38,510	38,510
Revenue reserves	85,400	82,427	79,366
Other reserves	-6,351	-6,024	-5,166
Equity	123,995	121,349	119,146
Pension accruals and similar obligations	27,995	28,036	26,209
Deferred tax liabilities	2,352	2,448	3,084
Other accruals	4,826	4,747	3,972
Other financial liabilities	1,139	1,208	1,010
Liabilities to banks	0	107	999
Non-current liabilities and accruals	36,312	36,546	35,274
Liabilities to banks	7,976	1,876	1,194
Trade payables	43,825	34,802	40,018
Other financial liabilities	7,627	14,161	15,139
Income tax liabilities	327	1,619	1,972
Other accruals	15,586	10,524	10,394
Other liabilities	9,831	7,054	10,367
Current liabilities and accruals	85,172	70,036	79,084
Total equity and liabilities	**245,479**	**227,931**	**233,504**

Consolidated Cash Flow Statement (unaudited) for the period from 1 January to 31 March 2017

	Q1	
K EUR	**2017**	**2016**
1. Cash flow from operating activities		
Net profit for the period	2,973	3,308
Depreciation / amortisation (+) of fixed assets	5,675	5,947
Income tax expenses through profit or loss (+)	1,459	1,547
Income taxes paid (-)	-2,751	-1,530
Financing costs through profit or loss (+)	268	274
Interest paid (-)	-70	-71
Financial investment income through profit or loss (-)	-1	-6
Interest received (+)	1	6
Increase (+) / decrease (-) in accruals	4,958	198
Change in deferred taxes	-184	-226
Other non-cash effective expenses (+) / income (-)	56	647
Gain (-) / loss (+) from the disposal of assets	8	4
Profit of joint ventures accounted for using the equity method	-42	-84
Increase (-) / decrease (+) in inventories, trade receivables and other assets	-13,401	-12,206
Increase (-) / decrease (+) in trade payables and other liabilities	11,653	485
Cash flow from operating activities	**10,602**	**-1,707**

2. Cash flow from investing activities		
Cash received (+) from the disposal of property, plant and equipment	0	0
Cash paid (-) for investments in property, plant and equipment	-8,464	-4,750
Cash paid (-) for investments in intangible assets	-331	-249
Cash paid (-) for investments in financial assets	-6,819	0
Cash flow from investing activities	**-15,614**	**-4,999**

K EUR	Q1 2017	Q1 2016
3. Cash flow from financing activities		
Cash received (+) from the assumption of financial liabilities	6,289	4
Cash paid (-) for the redemption of financial liabilities	-296	-297
Cash received (+) from the issue of shares	0	0
Dividends paid (-) to shareholders	0	0
Cash paid (-) for finance leases	-34	-33
Cash flow from financing activities	**5,959**	**-326**
4. Cash and cash equivalents at the end of the period		
Cash-effective changes in cash and cash equivalents (sum of positions 1–3)	947	-7,032
Exchange rate-related changes in cash and cash equivalents	19	-13
Cash and cash equivalents at the beginning of the period	3,616	14,814
Changes in cash position from scope of consolidation-related changes	0	0
Cash and cash equivalents at the end of the period	**4,582**	**7,769**

Statement of Changes in Group Equity (unaudited) as at 31 March 2017

K EUR	Subscribed capital	Capital reserves	Revenue reserves	Other reserves	**Total equity**
Position as at 1 January 2016	6,436	38,510	76,058	-4,764	116,240
Unrealised gains/losses from currency translation for joint ventures accounted for using the equity method	0	0	0	-657	-657
Foreign currency translation differences	0	0	0	255	255
Income recognised directly in equity	0	0	0	-402	-402
Net profit for the period Q1 2016	0	0	3,308	0	3,308
Total comprehensive income for the period Q1 2016	0	0	3,308	-402	2,906
Position as at 31 March 2016	**6,436**	**38,510**	**79,366**	**-5,166**	**119,146**

K EUR	Subscribed capital	Capital reserves	Revenue reserves	Other reserves	**Summ**
Position as at 1 January 2017	6,436	38,510	82,427	-6,024	121,349
Unrealised gains/losses from currency translation for joint ventures accounted for using the equity method	0	0	0	37	37
Foreign currency translation differences	0	0	0	-364	-364
Income recognised directly in equity	0	0	0	-327	-327
Net profit for the period Q1 2017	0	0	2,973	0	2,973
Total comprehensive income for the period Q1 2017	0	0	2,973	-327	2,646
Position as at 31 March 2017	**6,436**	**38,510**	**85,400**	**-6,351**	**123,995**

Notes to the Interim Consolidated Financial Statements (unaudited) for the period from 1 January to 31 March 2017

Principles and methods applied in the Interim Consolidated Financial Statements

These abridged, unaudited Interim Consolidated Financial Statements of SHW AG, Wilhelmstrasse 67, 73433 Aalen, as at 31 March 2017 have been prepared in compliance with the provisions of the International Accounting Standards on interim reporting (IAS 34) and in application of Section 315a of the German Commercial Code (HGB) in conjunction with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as applicable in the European Union (EU) as at the reporting date for the interim financial statements.

In accordance with IAS 34, the Interim Consolidated Financial Statements do not include all of the disclosures which are required in Consolidated Financial Statements as at the end of the fiscal year. Accordingly, these financial statements should be read in conjunction with the Consolidated Financial Statements for the fiscal year 2016.

SHW AG is a public limited company under German law and has been entered in the German commercial register under the no. HRB 726621. The Group's main activities are the manufacturing and sale of pumps and engine components as well as brake discs. Its customers mainly comprise manufacturers and suppliers in the automotive industry.

The Management Board forwarded these interim Consolidated Financial Statements to the Audit Committee of the Supervisory Board on 26 April 2017. They cover the period from 1 January to 31 March 2017 compared to the same period in the previous year. The Interim Consolidated Financial Statements have been prepared in euros. Unless indicated otherwise, the figures shown in the Interim Consolidated Financial Statements are stated in thousand euros.

In the view of the Management Board, the Interim Consolidated Financial Statements include all of the standard, regular adjustments and accruals which are required for appropriate presentation of the results of operations, net assets and financial position of the Group. The accounting and valuation principles applied in the Interim Consolidated Financial Statements as at 31 March 2017 are essentially consistent with those applied in the Consolidated Financial Statements as at 31 December 2016. These principles are described in detail in the Notes to the Consolidated Financial Statements as at 31 December 2016.

Within the scope of the preparation of the Interim Consolidated Financial Statements in accordance with the IFRS, to a certain degree estimates and assessments must be made which relate to the assets and liabilities accounted for, the disclosures concerning contingent assets and liabilities as at the reporting date and the income and expenses indicated for the reporting period. The actual amounts may differ from the estimates.

In each interim period, income tax expense is recognised on the basis of the best estimate of the weighted average annual income tax rate which is expected for the fiscal year as a whole.

The International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) have issued the following standards and interpretations, which have been transposed by the EU into European law and were applied for the first time at the start of the fiscal year 2017.

Standard/Interpretation		To be applied from
Amendments to IAS 12	Income taxes	01.01.2017
Amendments to IAS 7	Cash flow statement	01.01.2017

The adoption of these new regulations and amendments did not have any effect, or else did not have any significant effect, on the Consolidated Financial Statements.

Scope of consolidation

Subsidiaries

Subsidiaries are fully consolidated from their date of acquisition, i.e. from the date as of which the Group directly or indirectly controls the entity as defined by IFRS 10. An entity is controlled if SHW AG is able to decide on the relevant activities of the subsidiary due to voting rights or other rights, if it receives the positive or negative variable returns generated by this subsidiary and if it may influence these returns by virtue of its decision-making authority. Subsidiaries are no longer included in the Consolidated Financial Statements as soon as the parent company ceases to control the subsidiary.

As well as SHW AG, the Interim Consolidated Financial Statements as at 31 March 2017 incorporate the financial statements of the German companies SHW Automotive GmbH, Aalen and SHW Automotive Industries GmbH, Aalen, as well as the financial statements of the foreign subsidiaries SHW do Brasil Ltda., São Paulo (Brazil), SHW Pumps & Engine Components Inc., Ontario (Canada), SHW Automotive Pumps (Kunshan) Co., Ltd., Kunshan (China) and SHW Pumps & Engine Components S.r.L., Bucharest (Romania), which was newly established at the beginning of 2017.

Joint ventures accounted for using the equity method

Joint ventures as defined by IFRS 11 are accounted for using the equity method in accordance with IAS 28. In the case of joint ventures, SHW AG pursues economic activities subject to joint control together with other parties. The controlling parties are entitled to the net assets surplus but not the assets and liabilities. Joint ventures are included in the Consolidated Financial Statements in accordance with the equity method from the date as at which joint control becomes applicable. Based on the acquisition costs for the shares in the jointly controlled entity, changes in equity recognised in income or equity for the investment measured using the equity method will be added to or subtracted from the carrying amount of the investment insofar as these changes relate to the shares attributable to SHW AG.

Joint ventures accounted for using the equity method exclusively relate to SHW Automotive GmbH's investment in the joint venture SHW Longji Brake Discs (LongKou) Co., Ltd. This joint venture launched its operating activities on 1 April 2015.

Exchange rates

The exchange rates used for the translation of the main currencies of the Group are shown in the following table:

		Closing rate		Average rate	
Country	Abbreviation	31.03.2017	31.12.2016	01.01.-31.03.2017	01.01.-31.03.2016
Brazil	BRL	3.3631	3.4248	3.3450	4.2963
Canada	CAD	1.4239	1.4141	1.4106	1.5135
China	RMB	7.3613	7.3059	7.3405	7.2131

Sales

The following overview shows the sales of the SHW Group by region. This is determined on the basis of where the recipient of the delivery or service in question is headquartered.

	Q1	
K EUR	2017	2016
Germany	54,347	60,797
Rest of Europe	45,228	43,727
America	2,274	1,578
Other	2,455	502
Group	**104,304**	**106,604**

Cost of materials

The cost of sales and the other functional costs comprise the following material expenses:

	Q1	
K EUR	**2017**	**2016**
Cost of raw materials and supplies and of goods purchased	59,988	61,927
Cost of purchased services	2,754	3,656
Total cost of materials	**62,742**	**65,583**

Personnel expenses

The cost of sales and the other functional costs comprise the following personnel expenses:

	Q1	
K EUR	**2017**	**2016**
Wages and salaries	20,090	19,617
Social security contributions and pension expenses	3,522	3,515
Total personnel expenses	**23,612**	**23,132**

Other operating income

Other operating income comprises, in particular, reversals of accruals in the amount of € 668 thousand (previous year € 315 thousand).

Other operating expenses

Other operating expenses comprise legal and consulting costs, among others, in the amount of € 127 thousand (previous year € 72 thousand).

Financial result

The financial result is comprised as follows:

	Q1	
K EUR	2017	2016
Financial income	**1**	**6**
Financial expenses		
Interest and similar expenses	-118	-118
Interest portion in the addition to pension accruals	-141	-146
Interest expense from finance leases	-9	-10
	-268	**-274**
Financial result	**-267**	**-268**

Income taxes

Income taxes for the period up to 31 March 2017 in the amount of € 1,274 thousand (previous year € 1,321 thousand) include current tax expenses in the amount of € 1,459 thousand (previous year € 1,547 thousand) as well as deferred tax benefits in the amount of € 185 thousand (previous year € 226 thousand). Deferred tax benefits and expenses have occurred in particular due to changes in valuation differences for fixed assets and other accruals, and changes in deferred taxes on loss carryforwards. The Group’s tax ratio amounts to 30.0 per cent (previous year 28.5 per cent).

Earnings per share

Earnings per share are determined in accordance with IAS 33.19 by dividing consolidated income by the weighted number of ordinary shares in circulation in the fiscal year. No dilutive effects were applicable in the first three months of 2017 and 2016.

	Q1	
K EUR	2017	2016
Net profit for the year attributable to shareholders of SHW AG	2,973	3,308
Average number of shares issued	6,436,209	6,436,209
Earnings per share (basic and diluted) in EUR	**0.46**	**0.51**

Intangible assets

The carrying amounts of intangible assets are comprised as follows:

K EUR	31.03.2017	31.12.2016
Goodwill	7,055	7,055
Internally generated assets	6,053	6,387
Other intangible assets	2,571	2,872
Total	**15,679**	**16,314**

Internally generated intangible assets relate to development costs in particular.

Property, plant and equipment

The carrying amounts of property, plant and equipment are comprised as follows:

K EUR	31.03.2017	31.12.2016
Land, land rights, and buildings	29,241	29,169
Technical equipment and machinery	47,106	47,717
Other equipment, operating and office equipment	10,449	10,841
Advance payments and assets under construction	13,994	9,127
Total	**100,790**	**96,854**

Joint ventures accounted for using the equity method

Joint ventures accounted for using the equity method in the amount of € 16.5 million exclusively comprise the Chinese joint venture SHW Longji Brake Discs (LongKou) Co., Ltd. Since 1 April 2015, this joint venture has been included in the Consolidated Financial Statements of SHW AG in accordance with the equity method. The second capital tranche, which translates to € 6.8 million, was due at the end of February 2017 and was achieved on time. As at 31 December 2016, it was still included in the other current financial liabilities.

K EUR	31.03.2017	31.12.2016
Share in %	51.0	51.0
Joint ventures accounted for using the equity method (carrying amount)	16,491	16,412

K EUR	2017	2016
Net profit from joint ventures accounted for using the equity method Q1	42	84

Inventories

Inventories are comprised as follows:

K EUR	31.03.2017	31.12.2016
Raw materials and supplies	16,070	15,582
Unfinished products	17,068	16,291
Finished products	11,115	13,240
Advance payments	449	1,265
Total	**44,702**	**46,378**

As at 31 March 2017, impairments of inventories amounted to € 3,863 thousand (31 December 2016: € 3,803 thousand).

Trade receivables

Trade receivables are comprised as follows:

K EUR	31.03.2017	31.12.2016
Receivables from customers	52,933	38,982
Impairments	-81	-52
Impairments for uncleared items in process	-930	-963
Total	**51,922**	**37,967**

Financing of the Group

The debt financing of the SHW Group is mainly provided by means of a syndicated loan agreement with a volume of over € 60.0 million. The loan agreement has a term until 30 September 2017 and can be used in full as a working capital loan. The interest rate is variable and is based on EURIBOR plus a margin between 1.2 per cent and 2.0 per cent per annum, depending on the agreed covenants. The key covenants are the leverage ratio and the economic equity ratio. Both covenants were complied with as at 31 March 2017.

As at 31 March 2017, € 6,976 thousand of this working capital line of credit had been utilised. In addition, the Group has taken out two amortising loans with a total volume of € 4,758 thousand, of which € 999 thousand had been utilised as at 31 March 2017.

The necessary measures for follow-up financing of the current (operating) credit line have been initiated. These measures are promising in view of the current capital market situation, the long-term financial strategy of SHW AG and credit institutions' indicative rates. This follow-on financing is expected to be agreed upon in time.

Financial instruments

In accordance with IFRS 7, assets and liabilities carried at fair value in the balance sheet are to be categorised according to the three levels of the fair value hierarchy. This hierarchy reflects the significance of the input data used for measurement and can be divided up as follows:

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 does 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 following tables provide an overview of the carrying amounts (CA) and the fair values (FV) of the financial assets and financial liabilities:

31 March 2017		**CA**	**FV**	**Valuation**		
K EUR	Valua-tion category			Amortised cost	Fair value through equity	Fair value through profit or loss
ASSETS						
Other non-current financial assets						
Asset value of the reinsurance cover	AfS	297	*)	297	–	–
Trade receivables	LaR	51,922	*)	51,922	–	–
Other financial assets	LaR	224	*)	224	–	–
Cash and cash equivalents	LaR	4,582	*)	4,582	–	–

*) The fair value approximately equals the carrying amount

31 December 2016		CA	FV	Valuation		
K EUR	Valua-tion category			Amortised cost	Fair value through equity	Fair value through profit or loss
ASSETS						
Other non-current financial assets						
Asset value of the reinsurance cover	AfS	298	298	298	–	–
Trade receivables	LaR	37,967	*)	37,967	–	–
Other financial assets	LaR	135	*)	135	–	–
Cash and cash equivalents	LaR	3,616	*)	3,616	–	–

*) The fair value approximately equals the carrying amount

In the near future, the Company does not plan to sell or derecognise any significant portions of the available-for-sale financial assets recorded as at 31 March 2017.

31 March 2017		CA	FV	Valuation		
K EUR	Valua-tion category			Amortised cost	Fair value through equity	Fair value through profit or loss
EQUITY AND LIABILITIES						
Liabilities to banks	FLAC	7,976	7,976	7,976	–	–
Trade payables	FLAC	43,825	43,825	43,825	–	–
Other non-current financial liabilities						
Other non-interest-bearing liabilities	FLAC	251	251	251	–	–
Liabilities from finance leases	FLAC	888	888	888	–	–
Other current financial liabilities						
Other non-interest-bearing liabilities	FLAC	7,539	7,539	7,539	–	–
Liabilities from finance leases	FLAC	88	88	88	–	–

31 December 2016		CA	FV	Valuation		
K EUR	Valua-tion category			Amortised cost	Fair value through equity	Fair value through profit or loss

EQUITY AND LIABILITIES						
Liabilities to banks	FLAC	1,983	1,983	1,983	–	–
Trade payables	FLAC	34,802	34,802	34,802	–	–
Other non-current financial liabilities						
Other non-interest-bearing liabilities	FLAC	267	267	267	–	–
Liabilities from finance leases	FLAC	889	889	889	–	–
Other current financial liabilities						
Other non-interest-bearing liabilities	FLAC	14,043	14,043	14,043	–	–
Liabilities from finance leases	FLAC	118	118	118	–	–

AfS Available for Sale
LaR Loans and Receivables
FLAC Financial Liabilities measured at Amortised Cost

Other accruals

The other accruals are comprised as follows:

K EUR	31.03.2017	31.12.2016
Warranties	1,257	1,357
Other business-related obligations	14,320	9,159
Obligations to employees	4,826	4,747
Other accruals	9	8
Total	**20,412**	**15,271**
Of which non-current accruals	4,826	4,747

Segment reporting

Segment reporting is based upon the “management approach”. Operating segments are determined on the basis of internal reports, as defined by IFRS 8, which are regularly used by the Chief Operation Decision Maker to decide on the distribution of resources and to assess profitability. The profitability of individual segments is established on the basis of the operating result (EBIT) and EBITDA. The EBIT of the segments is determined in accordance with IFRS, as is the operating result of the Group. The EBITDA of the segments and the Group are derived by taking into account the respective depreciation and amortisation. The assets of each segment are also established 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 engine oil pumps and transmission oil pumps as well as sintered metallurgy products for the automotive industry. The Brake Discs segment produces unprocessed and processed monobloc brake discs and composite brake discs for the automotive industry. Transactions between the segments are essentially based on market conditions identical to those that apply to transactions with third parties.

Segment information for the period from 1 January to 31 March

	Pumps and Engine Components		Brake Discs		Other items/ eliminations/ consolidations		Group	
K EUR	2017	2016	2017	2016	2017	2016	2017	2016
Segment sales	80,613	85,946	23,691	20,658	0	0	104,304	106,604
Segment EBIT	4,758	4,779	366	489	-652	-455	4,472	4,813
Segment EBITDA	9,397	9,548	1,314	1,591	-564	-379	10,147	10,760
Financial result	0	0	0	0	-267	-268	-267	-268
Profit from joint ventures accounted for using the equity method	0	0	42	84	0	0	42	84
Period result before tax	4,758	4,779	408	573	-919	-723	4,247	4,629
Segment depreciation/amortisation	4,639	4,769	948	1,102	88	76	5,675	5,947
Segment investments	7,475	3,503	1,427	1,470	93	26	8,995	4,999
Material segment expenses	0	0	0	0	0	0	0	0
Number of customers with sales > 10% of total sales	3	2	1	1			3	2
VW Group	32,986	31,105	13,381	11,243			46,367	42,348
Daimler Group	11,058	17,721	25	8			11,083	17,729
BMW Group	9,400	9,248	958	52			10,358	9,300

Relationships with related parties

Related parties include persons in key positions as well as their close relatives. The members of the Management Board and Supervisory Board of SHW AG active during the fiscal year are persons in key positions.

Related companies comprise the joint venture SHW Longji Brake Discs (LongKou) Co., Ltd. Supplier and service provider relationships with related companies were only of minor significance as at 31 March 2017 and in the previous year.

Collateral granted and other financial obligations

The collateral granted and other financial obligations shown in the Consolidated Financial Statements as at 31 December 2016 have not changed significantly in the period from January to March 2017.

Events after the balance sheet date

No significant events have occurred since the reporting date for the Interim Financial Statements which require additional explanatory disclosures.

Assurance of the Legal Representatives

To the best of our knowledge, and in accordance with the applicable reporting principles for interim reporting, the Interim Consolidated Financial Statements give a true and fair view of the results of operations, net assets and financial position of the Group, and the Interim Group Management Report represents a fair view of the development and performance of the business and the position of the Group, together with a description of the key risks and opportunities associated with the expected development of the Group in the remainder of the fiscal year.

Aalen, 3 May 2017

The Management Board of SHW AG

Dr Frank Boshoff	Martin Simon	Andreas Rydzewski
Chief Executive Officer	Chief Financial Officer	Member of the Management Board

Imprint

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Financial calendar

9 May 2017	Annual General Meeting 2017 (Congress Centrum Heidenheim)
28 July 2017	Financial Report – January to June 2017
26 October 2017	Financial Report – January to September 2017