Paternoster Holding III GmbH

as the Issuer of

€225,000,000 8.50% Senior Notes due 2023

Financial results of Paternoster Holding III GmbH

for the three months ended March 31, 2016

Dated May 27, 2016

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SUMMARY OVERVIEW OF RESULTS

Consolidation level

The following report and supporting financial statements for the three months ended March 31, 2016 are based on Paternoster Holding III GmbH consolidated accounts. Prior-year figures, except cash flow and balance sheet items, are based on pro forma numbers to ensure comparability of the operational business and KPI's in the actual period to the first quarter of the prior year. Pro forma numbers are based on Paternoster III Group numbers assuming that the Bain acquisition occurred on January 1, 2015 so that Wittur Group's business operations are included as of January 1, 2015. Due to these pro forma figures the prior year figures, except for cash flow and balance sheet items, are not comparable with the information provided in the consolidated financial statements for Paternoster III Group.

Results Summary

In the first quarter of 2016, the Group's revenues amounted to €126.2 million which was a slight decrease of 0.4% compared to revenue generated in the same period of prior year. At comparable exchange rates the growth was 3.6%.

Europe delivered respectable revenue growth of 3.8% to €61.1 million, with increasing performance in Austria, Germany and Spain offset by weaker performance in UK and Italy. Asia contributed €54.3 million to Group revenue which represents a decrease of 3.5% mainly due to reduced sales to MNC customers. The Rest of World region generated revenues of €10.8 million which was a reduction of 6.5%. The decline was mainly due to continuing weakness in Russia caused by the weak economic climate and the still limited sales to Iran after the lifting of US sanctions at the beginning of the year offset by increased sales to Turkey of 69.1%.

EBITDA Adjusted declined by 4.9% to €14.8 million in comparison to the first quarter of 2015. EBITDA Adjusted margin was 11.8% which was slightly lower than prior year margin of 12.3%.

Net cash flow before financing activities changed significantly in the three months ended March 31, 2016 (€15.5 million) compared to the first quarter of 2015 (€-276.3 million) due to the acquisition of Wittur Group that took place on March 31, 2015. Please refer to "*Management's discussion and analysis of financial condition and results of operations-Explanation of key line items-Result of operations-Cash generated from operations (excluding working capital changes)*" for comparison of operational business figures excluding this acquisition.

Other Financial and Operating Data

Other Financial Data

	Three months ended March 31,	
	2015	**2016**
	in € million *(unaudited)*	
Profit and Loss*		
Revenues	126.7	126.2
thereof Europe	58.8	61.1
thereof Asia	56.3	54.3
thereof Rest of World	11.5	10.8
EBITDA(1)	9.1	11.2
EBITDA Adjusted(1)	15.6	14.8
EBITDA Adjusted margin(2)	12.3%	11.8%
Gross profit(3)	32.1	31.5
Gross profit margin(3)	25.4%	24.9%
Cash Flow**		
Total capital expenditures(4)	0.0	2.6
Net cash flow before financing activities(5)	(276.3)	15.5

Cash Conversion(6)	100.0%	82.7%
Credit Data**		
Net senior financial debt(7)		198.8
Net financial debt(8)		423.8
Cash interest expense(9)		30.8
Ratio of net senior financial debt to LTM EBITDA Adjusted		2.339x
Ratio of net financial debt to LTM EBITDA Adjusted		4.987x
EBITDA Adjusted		85.0
Ratio of EBITDA Adjusted to cash interest expense		2.757x

* prior year figures represent pro forma numbers based on Paternoster III Group numbers assuming that the Bain acquisition occurred on January 1, 2015

** prior year figures are based on actual figures for Paternoster III Group

(1) We define EBITDA as the consolidated net result for the period adding back finance expense, finance income, income taxes and depreciation and amortization. We define EBITDA Adjusted as EBITDA as adjusted to reflect the extraordinary income and expenses described below. We believe that these EBITDA-based measures are useful to investors in evaluating our operating performance and our ability to incur and service our indebtedness. These EBITDA-based measures are not indicators of performance recognized under IFRS or German GAAP. These EBITDA-based measures are not necessarily comparable to the performance figures published by other companies. You should exercise caution in comparing these EBITDA-based measures as reported by us to EBITDA-based measures of other companies. For more information, see *"Presentation of Financial and Other Information—Non-GAAP Financial Measures"*. The following table is a reconciliation of net result for the period to EBITDA and EBITDA Adjusted, in each case as defined by us, for the periods presented.

	Three months ended March 31,	
	2015	**2016**
	in € million	
	(unaudited)	
Net result for the period for continuing operations	**(15.4)**	**(2.2)**
Finance expense	13.3	9.5
Finance income	(0.1)	(4.1)
Income taxes	7.3	0.2
EBIT	**5.1**	**3.3**
Depreciation and amortization	4.0	7.9
EBITDA	**9.1**	**11.2**
Project costs and consultant fees(A)	-	1.1
Reorganization costs(B)	-	-
Transaction costs(C)	6.3	2.4
Other costs(D)	0.2	0.1
EBITDA Adjusted	**15.6**	**14.8**

(A) Project costs and consultancy fees relate to costs and fees incurred in connection with one-off projects such as transfer pricing and non capex costs in relation to backfill of resources for the ERP project in Europe.
(B) Reorganization costs relate to expenses incurred to reorganize certain aspects of our operations.
(C) Transaction costs relate to consultancy fees associated with change of ownership in 2015 and in relation to the acquisition of Sematic in 2016.
(D) Other costs relate to any severance payments and redundancy payments in 2016.

(2) EBITDA Adjusted margin represents, in any period, EBITDA Adjusted for such period, divided by revenues for such period.
(3) Gross profit margin represents a quotient equal to (i) revenues for such period, minus costs of goods sold for such period excluding depreciation, divided by (ii) revenues for such period.
(4) Total capital expenditures represent the sum of purchase of property, plant & equipment, intangible assets and capitalized development costs for such period.
(5) Net cash flow before financing activities as presented in the cash flow statement included in the financial statements for the quarters ended March 31, 2015 and March 31, 2016. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources— Analysis of Cash Flows*".
(6) Cash conversion represents a quotient equal to (i) EBITDA Adjusted, minus total capital expenditures, divided by (ii) EBITDA Adjusted.
(7) Net senior financial debt represents the gross financial debt of the Paternoster III Group that is senior indebtedness (including structurally senior indebtedness of subsidiaries that are not Guarantors), minus cash and cash equivalents.
(8) Net financial debt represents the gross financial debt of the Paternoster III Group, minus cash and cash equivalents.

(9) Cash interest expense represents the interest expense of the Paternoster III Group last twelve months ended March 31, 2016.

Other Operating Data

	Three months ended March 31,	
	2015	2016
	(unaudited)	
Number of doors sold (*units*), including door mechanisms(4)	344,077	335,759
Number of employees (*heads*)(1)(4)	3,383	3,540
Order intake (*in € million*)(2)(4)	138.9	139.9
Order book at the end of the period (*in € million*)(3)(4)	86.9	88.4

(1) Employee figures are headcount figures. Employee figures are based on the number at period-end for all periods presented.

(2) We count order intake upon execution of a definitive contract and one of (i) receipt of the agreed down-payment or (ii) confirmation of committed financing; order intake represents a gross number, which includes certain changes of existing orders that are counted as a new order (with the original order being deemed cancelled, but not netted off against the gross number of order intakes).

(3) Order book at the end of the period represents orders for products and services where no contingencies remain before we and the customer are required to perform. Order book does not include prospective orders where customer-controlled contingencies remain, such as customers receiving approval from their board of directors or shareholders and the completion of financing arrangements. All such contingencies must be satisfied or must have expired prior to recording an order in the backlog, even if satisfying such conditions is highly certain. However, orders may still be cancelled and any replacement orders are not required to have the same value.

(4) Prior year figures represent pro forma numbers based on Paternoster III Group numbers assuming that the Bain acquisition occurred on January 1, 2015

Subsequent Events

General Subsequent Events

As of March 7, 2016 Dr. Walter Rohregger resigned as CEO. Patrik Wohlhauser was declared as his successor and took over his responsibilities as CEO on April 11, 2016.

Sematic Acquisition

On August 10, 2015 Wittur Group and Sematic S.p.A., Osio Sotto, Italy, (“Sematic”) signed an agreement on the acquisition of the share capital of Sematic by Wittur. The agreement was conditional on obtaining merger control clearance by German and Austrian antitrust authorities. The transaction was cleared in late 2015. On April 1, 2016 Wittur has successfully completed the closing process of Sematic.

Sematic’s activities include the production and distribution of standard and special automatic elevator doors, rope and hydraulic complete elevators, subsystems and components, home lifts as well as cabins, car packages and entrances. It offers standard and one-of-a-kind solutions for high-rise, residential and civil buildings to marine, commercial and heavy-duty applications as well as specific solutions for modernization. It has more than 1,100 employees within its manufacturing facilities and commercial offices in Italy, UK, Germany, Hungary, Turkey, China, Singapore, Hong Kong, India, Mexico and the USA.

The financial statements of Sematic for the financial year of 2015 were prepared according to Italian GAAP. The total balance sheet summed up to €186.7 million as of December 31, 2015 with equity amounting to €58.0 million.

Goodwill arising from the acquisition is attributable to the anticipated increase of Group’s customer and geographic diversification, including its access to the North American market via Sematic’s existing footprint. The acquisition also increases the presence of Wittur in the recurring aftermarket and modernization business. Benefits are also expected from improved cross-selling opportunities and synergies arising primarily from procurement and efficiency gains. In addition, the combined entity is expected to profit from its large scale, the sharing of best practices across its global footprint and best-in-class innovation resulting from the merging of R&D expertise.

Total consideration comprises of €209.5 million which was settled in cash. Further information on financing the Sematic acquisition please refer to *“Description of Material Debt Instruments”*.

Acquisition-related expenses amounting to €0.0 million for Wittur Group respectively €3.9 million for Paternoster III Group are recognized in selling expenses and finance expenses in the statement of comprehensive income in the year ended December 31, 2015.

No further events occurred between March 31, 2016 and May 27, 2016 that would require adjustments to the amounts recognised in these consolidated financial statements or would need to be disclosed under this heading.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition and results of operations are based on the unaudited condensed consolidated interim financial statements as of March 31, 2016, which are all reproduced elsewhere in this report for the three months ended March 31, 2016, as well as on the accounting records and internal management accounts of Paternoster. The Unaudited condensed consolidated financial statements as of March 31, 2016 were prepared in accordance with IFRS.

Some of the statements contained below relate to future revenues, costs, capital expenditures, acquisitions and financial condition and include forward-looking statements. Because such statements involve inherent uncertainties, actual results may differ materially from the results expressed in or implied by such forward-looking statements. A discussion of such uncertainties can be found in "Forward-Looking Statements". In addition, investing in the Notes involves risks. Such risks are discussed in "Risk Factors". See also "Presentation of Financial and Other Information".

Our geographic regions

We divide our operations into three regions, which include Europe, Asia and Rest of World. These regions describe the geographic region in which we manufacture our products, but do not necessarily correspond to their end-market.

In contrast to the pro forma figures presented in the first quarter of 2015, Wittur Poland was moved from Eurasia included in Rest of World to Europe; the regional figures for the first quarter of 2015 were adjusted accordingly to this new regional split.

The following table provides a breakdown by region of revenue for the three months ended March 31, 2015 and 2016.

	Three months ended March 31,					
	2015*			2016		
	(unaudited)					
	Europe	Asia	Rest of World	Europe	Asia	Rest of World
	(in € millions)					
Revenue	58.8	56.3	11.5	61.1	54.3	10.8

* prior year figures represent pro forma numbers based on Paternoster III Group numbers assuming that the Bain acquisition occurred on January 1, 2015

Europe

Our Europe region represents our core market and comprises our European operations, including operations in Germany, Austria, Spain, Italy and Slovakia. Additionally, our Europe region includes our headquarters and certain holding company costs. In the quarter ended March 31, 2016, we generated €61.1 million, or 48.4%, of our revenues in our Europe region. Growth in our Europe region was 3.8% in the three months ended March 31, 2016 compared to the first quarter of 2015.

Historically, revenue growth in our Europe region has been supported by a mature installed base, which drives modernization and maintenance, as well as demand for innovative elevator components designed to further increase elevator safety and energy efficiency.

In the quarter ended March 31, 2016, we generated 58.9% of our revenue in our Europe region through sales to our MNC customers, an increase of 1.9% compared to the same period in 2015, and the remainder through sales to Independents.

Asia

Our Asia region was able to keep the revenue on a very strong level. It primarily consists of our operations in China, Hong Kong and India. In the quarter ended March 31, 2016 Asia generated €54.3 million, or 43.1%, of our total revenue. This constituted a slight decrease of €2.0 million, or 3.5%, compared to the quarter ended March 31, 2015. China accounted for 89.5% of our Asia revenue in the three months ended March 31, 2016 and 91.5% in the first quarter of 2015.

Constant revenue in our Asia region is still the result of new elevator installations, which are driven by increased population growth, urbanization and increasing demand for higher square footage per capita, especially in China. Increased sales to Independent Customers were offset by weaker business with Multinationals, particularly in China, as well as a negative currency translation impact on the back of a strengthening euro.

In the three months ended March 31, 2016, we generated 89.7% of our revenue in our Asia region through sales to our MNC customers, which was slightly lower compared to the same period in 2015 (92.8%). We generated the remainder of our Asia revenue through sales to Independents.

Rest of World

Our Rest of World region mainly consists of our operations in Latin America and Eurasia and accounted for €10.8 million, or 8.5%, of our revenues in the quarter ended March 31, 2016. This constituted a decrease of €0.7 million, or 6.5%, compared to the quarter ended March 31, 2015.

Revenue in the three months ended March 31, 2016, in our Rest of World region was positively affected by sales growth to Turkey of 69.1% but adversely affected by the still limited sales to Iran after the lifting of US sanctions at the beginning of the year and slow performance of our Russian operations as a result of the economic climate, accounting for € -3.2 million of revenue reduction in the three months ended March 31, 2016, compared to the first quarter of 2015.

In the three months ended March 31, 2016, we generated 77.1% of our revenue in our Rest of World region through sales to our Independent customers, an increase of 0.2% from the three months ended March 31, 2015. We generated the remaining 22.9% of our Rest of World revenue through sales to Multinational customers.

Explanation of Key Line Item

For description of our key IFRS financial statements line items refer to Paternoster III Group 2015 Annual Bond Report.

Results of Operations

The following table provides an overview of our results of operations for the three months ended March 31, 2015 and 2016:

	Three months ended March 31,		
	2015*	**2016**	**Change in %**
	in € million		
	(unaudited)	*(unaudited)*	*(unaudited)*
Revenues	**126.7**	**126.2**	**-0.4%**
Cost of sales	(94.5)	(94.7)	0.2%
Gross profit	**32.1**	**31.5**	**-2.0%**
Selling expenses	(5.0)	(5.5)	11.3%
Research & development expenses	(1.6)	(1.6)	0.9%
Administrative expenses	(20.1)	(21.1)	4.8%
Other income	0.5	0.5	19.1%
Other expenses	(0.8)	(0.5)	-39.4%
Earnings before interest and taxes (EBIT)	**5.1**	**3.3**	**-35.3%**
Finance expense	(13.3)	(9.5)	-28.9%
Finance income	0.1	4.1	4758.9%
Earnings before income taxes (EBT)	**(8.1)**	**(2.0)**	**-75.2%**
Income taxes	(7.3)	(0.2)	-97.9%
Net result for the period	**(15.4)**	**(2,2)**	**-86.0%**

* prior year figures represent pro forma numbers based on Paternoster III Group numbers assuming that the Bain acquisition occurred on January 1, 2015

Revenues

Revenues decreased by €0.5 million, or 0.4%, from €126.7 million in the three months ended March 31, 2015, to €126.2 million in the three months ended March 31, 2016. The small decrease was mainly driven by decreased sales to our MNC customers in Asia and offset by increasing sales to our MNC customers in Europe. At comparable exchange rates the growth was 3.6%.

Revenues by region

	Three months ended March 31,			
	2015*		2016	
	in € million	*% of revenue*	*in € million*	*% of revenue*
Europe	58.8	46.4	61.1	48.4
Asia	56.3	44.5	54.3	43.1
Rest of the World	11.5	9.1	10.8	8.5
Revenue	**126.7**	**100.0**	**126.2**	**100.0**

* prior year figures represent pro forma numbers based on Paternoster III Group numbers assuming that the Bain acquisition occurred on January 1, 2015

Europe

Revenue in our Europe region increased by €2.2 million, or 3.8%, to €61.1 million in the three months ended March 31, 2016, from €58.8 million in the three months ended March 31, 2015. In the three months ended March 31, 2016, there were encouraging signs of growth in sales to MNC customers contributing 58.9% of sales, an increase of 1.9% from three months ended March 31, 2015.

Asia

Revenue in our Asia region decreased by €2.0 million, or 3.5%, to €54.3 million in the three months ended March 31, 2016, from €56.3 million in the three months ended March 31, 2015. In the three months ended March 31, 2016, sales to MNCs accounted for 89.5% of our revenue in Asia, which was on a slightly lower level compared to 2015. Owing to our increased focus on Independent customers, sales to Independents increased to 10.3% in the three months ended March 31, 2016 from 7.2% in the prior year period.

Rest of World

Revenue in our Rest of World region decreased by €0.7 million, or 6.5%, to €10.8 million in three months ended March 31, 2016 from €11.5 million in the three months ended March 31, 2015. This decrease in revenue was mainly due to the weak economic situation in Russia and cessation of business in Iran due to compliance with US sanctions. In the three months ended March 31, 2016, sales to Independents increased to 77.1% of revenue in our Rest of World region compared to 76.8% in 2015, whereas sales to MNCs decreased by 0.2% of revenue from 23.2% in 2015 to 22.9% of revenue in the three months ended March 31, 2016.

Cost of Sales

Cost of sales slightly increased by €0.2 million, or 0.2%, to €94.7 million in the three months ended March 31, 2016 from €94.5 million in the three months ended March 31, 2015.

Cost of sales remained constant with respect to the comparable period of the previous year. This is mainly due to a decrease in material costs of €1.5 million or 2.5% which however was offset by increasing labour costs of €1.8 million or 10.2%. All other elements of cost of sales remained relatively constant compared to 2015.

Gross Profit

Gross profit decreased by €0.7 million, or 2.0%, to €31.5 million in the three months ended March 31, 2016, from €32.1 million in the three months ended March 31, 2015. This was primarily a result of the sales decrease and a slight increase of cost of sales.

Selling Expenses

Selling expenses increased by €0.6 million, or 11.3%, to €5.5 million in the three months ended March 31, 2016, from €5.0 million in the three months ended March 31, 2015. This increase was primarily due to execution of our strategy to strengthen our salesforce with a 5.6% increase in personnel expenses and also due to expenses incurred in relation to additional consulting costs.

Research & Development Expenses

Research & Development expenses remained constant at €1.6 million for the first quarter of 2016.

Administrative Expenses

Administrative expenses increased slightly by €1.0 million to €21.1 million in the three months ended March 31, 2016 compared to €20.1 million in the same period in 2015. This increase was mainly due to increase in depreciation offset by decrease in extraordinary expenses.

Other Income

Other income remained constant at €0.5 million in the three months ended March 31, 2016 compared to the first quarter of 2015.

Other Expenses

Other expenses are €0.5 million in the first quarter of 2016 which is a decrease of €0.3 million compared to the first quarter of 2015. The decrease is a result of lower exchange losses.

EBITDA Adjusted

EBITDA Adjusted decreased by €0.8 million or 4.9%, to €14.8 million. The decrease is a result of the sales reduction of €0.5 million and increased selling expenses and costs related to the Schindler ramp-up.

Finance Expense

Finance expense decreased by €3.8 million, or 28.9%, to €9.5 million in the three months ended March 31, 2016 from €13.3 million in the three months ended March 31, 2015 mainly due to a sharp fall of borrowing rating & consultancy costs.

Finance Income

Finance income increased by €4.0 million to €4.1 million in the three months ended March 31, 2016 from €0.1 million in the three months ended March 31, 2015. The increase is a result of gains on financial instruments measured at fair value and increased FX gains on Intercompany borrowings.

Income Taxes

The income tax expense decreased by €7.2 million, or 97.9 %, to €0.2 million in the three months ended March 31, 2016, from €7.3 million in the three months ended March 31, 2015. The strong decrease of the income tax expense is mainly due to the increased dissolution of deferred tax liabilities by €7.4 million on transaction costs capitalized as a result of PPA-adjustments at the level of Paternoster III Group and Wittur entities. Other income tax expense changes at entity level result mainly from minor effects of the Wittur entities in Austria, China and Italy (€- 0.3 million).

Net Result for the Period

Net result for the period increased by €13.2 million to €2.2 million loss in the three months ended March 31, 2016 from €15.4 million loss in the three months ended March 31, 2015. This increase was as a result of the factors described above.

Working Capital

We define working capital as the sum of inventories, trade receivables and other current assets, less trade payables and other current liabilities. The following table provides an overview of our working capital as at December 31, 2015 and March 31, 2016:

	As of December 31, 2015	As of March 31, 2016
	in € million	
	(unaudited)	*(unaudited)*
Inventories	44.3	46.2
Trade receivables	108.5	105.1
Trade payables	(79.5)	(86.8)
Other current assets	10.1	12.2
Other current liabilities	(34.1)	(37.0)
Working capital	**49.3**	**39.7**

(1) Working capital is a Non-GAAP financial measure and, as such, has not been audited for any of the periods presented.

Our effective management of working capital levels, particularly through sharing best practices among different jurisdictions, and the large proportion of our revenues derived globally operating MNCs, has allowed the Group to maintain working capital requirements below 10% of LTM revenues since 2012.

Analysis of Cash Flows

The following table sets forth consolidated cash flow data for the three months ended March 31, 2015 and 2016. Here, there is no pro forma cash flow used for the three months ended March 31, 2015 but original Paternoster III Group cash flow:

	Three months ended March 31,	
	2015	**2016**
	in € million	
	(unaudited)	*(unaudited)*
Operating activities		
Profit (loss) after Tax	**(20.2)**	**(2.2)**
Depreciation, Amortization and Impairment	-	7.9
Taxes	4.9	0.2
Interest	9.0	5.3
Gain/loss on sale of fixed assets	-	(0.0)
Losses from disposal of fixed assets	-	0.0
Cash generated from operations (excl. working capital changes)	(6.4)	11.2
Changes in working capital	6.3	9.7
Transaction costs relating to business combinations	(1.0)	-
Net movement in provisions, pension obligations and other liabilities	(0.0)	(0.4)
Net movement in other assets	-	0.2
Interest received	-	0.1
Income taxes paid	(0.0)	(2.7)
Net cash flow from operating activities	**(1.1)**	**18.1**
Investing activities		
Acquisition of business, net of cash acquired	(275.3)	-
Purchase of property, plant & equipment	0.0	(0.7)
Purchase of intangible assets	-	(1.9)
Disposal of assets	0.0	0.1
Net cash flow used in investing activities	**(275.3)**	**(2.5)**
Net cash flow before financing activities	**(276.3)**	**15.5**
Financing activities		
Repayment of shareholder loan	(133.6)	-
Transaction costs paid relating to loans and borrowings	(16.1)	-
Proceeds from issue of shares to Paternoster Holding II	154.6	-
Repayment of borrowings	(120.7)	-
Proceeds from borrowings	445.0	14.9
Purchase / sale of investments	-	(2.5)
Interest paid	-	(10.0)
Net cash flow used in financing activities	**329.2**	**2.3**
Net increase/(decrease) in cash	**52.9**	**17.9**
Effects of currency translation	(0.0)	(0.9)
Cash and cash equivalents at beginning of period	0.0	24.4
Cash and cash equivalents at the end of period	52.9	41.4

The comparison of original Paternoster III Group cash flows is limited to net cash flow used in financing activities since Wittur Group was not included in the Group in the first quarter of 2015 and therefore, the cash flow related to operational business provides limited information. Please refer for the analysis of cash flow from operational business to the following sections: "*Cash generated from operations (excluding working capital changes)*", "*Net cash flow from operating activities*" and "*Net cash flow used in investing activities*".

Net cash flow used in financing activities

Net cash flow used in financing activities decreased by €-326.9 million, or 99.3%, to €2.3 million in the three months ended March 31, 2016, from €329.2 million in the three months ended March 31, 2015.

This decrease was primarily due to the financing activities in March 2015 mainly related to the external financing used for the Acquisition of Wittur Group but also to finance ordinary business activities. This included the repayment of borrowings as a result of the Acquisition amounting to €-120.7 million as well as external financing amounting to €445.0 million including the New Term Loan B (€195.0 million) and the Notes (€225.0 million).

Cash generated from operations (excluding working capital changes)

The comparison period for cash generated from operations (excluding working capital changes) will be the actual figures for the first quarter 2015 of Wittur Group. This enables comparison of the operative business activities for the three months ended in 2015 and 2016.

	Three months ended March 31,	
	2015	**2016**
	in € million	
	(unaudited)	*(unaudited)*
Operating activities		
Profit (loss) after Tax	**4.8**	**(2.2)**
Depreciation, Amortization and Impairment	4.0	7.9
Taxes	2.5	0.2
Interest	4.2	5.3
Gain/loss on sale of fixed assets	(0.0)	(0.0)
Losses from disposal of fixed assets	0.0	0.0
Cash generated from operations (excl. working capital changes)	15.5	11.2
Changes in working capital	9.6	9.7
Net movement in provisions, pension obligations and other liabilities	(0.3)	(0.4)
Net movement in other assets	0.4	0.2
Interest received	0.1	0.1
Income taxes paid	(2.8)	(2.7)
Net cash flow from operating activities	**22.5**	**18.1**
Acquisition of business, net of cash acquired	0,0	-
Purchase of property, plant & equipment	(0.3)	(0.7)
Purchase of intangible assets	(0.8)	(1.9)
Disposal of assets	0.0	0.1
Net cash flow used in investing activities	**(1.1)**	**(2.5)**
Net cash flow before financing activities	**21.4**	**15.5**

Cash generated from operations (excluding working capital changes) decreased by €-4.3 million, or 27.7%, to €11.2 million in the three months ended March 31, 2016, from €15.5 million in the three months ended March 31, 2015 for Wittur Group. This decrease is mainly due to higher expenditures for consulting services as well as increased selling expenses.

Net cash flow from operating activities

Net cash flow from operating activities decreased by €4.4 million, or 19.7%, to €18.1 million in the three months ended March 31, 2016, from €22.5 million in the three months ended March 31, 2015 for Wittur Group. Since working capital changes and other elements used to determine net cash flow from operating activities remained stable, the decrease can be explained by the lower cash generated from operations.

Net cash flow used in investing activities

Net cash flow used in investing activities decreased by €1.5 million to €-2.5 million in the three months ended March 31, 2016 from €-1.1 million in the three months ended March 31, 2015. This decrease was primarily due to higher expenditure in connection with the purchase of property, plant and equipment and intangible assets.

Capital Expenditures

To support our business strategy and development plans and to further expand our business operations in new markets, such as China, we regularly incur expansion of capital expenditures. In the three months ended March 31, 2015 and 2016, we incurred capital expenditures of €1.1 million, or 0.8% of revenue, and €2.6 million, or 2.0% of revenue, respectively.

The following table presents our capital expenditures by period. Expansion capital expenditures mainly relate to entering and establishing production facilities and a sales force in new markets, expanding production of our existing facilities and entering into production of new products. Maintenance capital expenditures mainly relate to maintaining our existing operations and replacing existing property, plant & equipment.

	Three months ended March 31,	
	2015	**2016**
	in € million	
	(unaudited)	*(unaudited)*
Expansion capital expenditures	0.8	2.1
Maintenance capital expenditures	0.3	0.4
Capital expenditures	**1.1**	**2.6**

We incurred €2.6 million of capital expenditures in the three months ended March 31, 2016, of which €0.4 million were maintenance capital expenditures and €2.1 million were expansion capital expenditures. Typically, our maintenance capital expenditures are concentrated in the last quarter of a year.

For the year ending December 31, 2016, our management expects to incur capital expenditures of approximately €14.2 million. Major projects in the year ending December 31, 2016 include investments related to the Schindler ramp-up as well as investments into the ERP implementation and projects in emerging economies, such as China and India to further expand our business operations in these growing markets. We anticipate capital expenditures in future periods to amount to approximately 2% of revenue, which we believe will be sufficient to support the ongoing growth of our business.

Contractual Obligations and Contingent Liabilities

The following contractual obligations and principal payments identify what we are obliged to make as at March 31, 2016 after giving effect to the Transactions. Also see "*Financial Risk Management*" in the notes to our consolidated financial statements contained elsewhere herein.

	Payments due by period (unaudited)			
in € million	**Total**	**Less than 1 year**	**1 to 5 years**	**More than 5 years**
Notes	337.1	19.1	91.3	226.7
New Term Loan B Facility	266.2	11.9	254.3	-
Revolving Credit Facility	20.6	20.6	-	-
Ancillary Credit Facility	6.3	0.2	6.1	-
Trade and other payables	123.8	123.8	-	-
Other financial liabilities	26.5	22.3	2.0	2.3
Sub-Total	**780.5**	**197.9**	**353.7**	**229.0**
Derivative financial instruments	0.2	0.2	-	-
Total	**780.7**	**198.0**	**353.7**	**229.0**

Pension Obligations

We offer various types of retirement benefits to certain of our employees worldwide, either directly or by contributing to independently administered funds. In particular, we have defined benefit pension plans in Austria and Italy. As at March 31, 2016, we had retirement and benefit obligations and obligations relating to indemnities for the termination of employment contracts in accordance with applicable local law (mainly Italian and Austrian law) in an amount of €2.4 million and €7.4 million, respectively.

We have historically funded payments required to be made under these pension plans with cash flow from operating activities, and we anticipate continuing doing so going forward.

Qualitative Disclosure on Market Risk

We are exposed to a number of financial risks arising in the ordinary course of business, such as credit risks, foreign exchange risk and interest rate risks. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk consists of the following types of risk: foreign currency exchange rate risk and interest rate risk. Financial instruments exposed to market risk include interest-bearing loans and derivative financial instruments. See "*Financial risk management*" in the notes to our consolidated financial statements contained elsewhere herein.

Critical Accounting Policies

Paternoster Accounting policies year to date March 31, 2016 remain consistent with and unchanged from 2015. See Paternoster III Group 2015 Annual Bond Report "*Critical Accounting Policies*".

FORWARD-LOOKING STATEMENTS

This three months ended financial report contains certain forward looking statements, such as statements about expectations, beliefs, plans, objectives, intentions, assumptions and other statements which are not statements of historical fact.

Forward-looking statements are subject to known and unknown risks and uncertainties and are based upon potentially inaccurate assumptions that could cause results to differ materially from those expected or implied by the forward-looking statements.

The statements outlined in "*Forward-Looking Statements*" in the 2015 Annual Bond Report continue to apply to any forward-looking statements contained in this financial report.

CURRENCY PRESENTATION AND DEFINITIONS

In this Financial Report for the three months ended March 31, 2016, all references to "euro", "EUR" or "€" are to the single currency of the participating member states of the Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time and all references to "U.S. dollars", "US$" and "$" are to the lawful currency of the United States of America.

Definitions

All definitions outlined "*Currency Presentation and Definitions*" in the 2015 Annual Bond Report continue to apply in this Financial Report for the three months ended March 31, 2016.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial information

Unless otherwise indicated, the financial information as at and for the periods ended March 31, 2016 and 2015 presented in this Financial Report for the three months ended March 31, 2016 has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**"). In this Financial Report for the three months ended March 31, 2016, the terms "financial statements" and "financial information" refer to the financial statements and the financial information of Paternoster. This Financial Report as at March 31, 2016 contains unaudited IFRS condensed consolidated financial statements of Paternoster as at and for the three months ended March 31, 2016 and 2015 ("**Unaudited IFRS condensed consolidated interim financial statements**"), prepared in accordance with IFRS.

Financial information presented in this Financial Report for the three months ended March 31, 2016 is that of Paternoster and its subsidiaries; accordingly, all references to "we", "us", "our" or the "Group" in respect of historical financial information in this Financial Report for the three months ended March 31, 2016 are to Paternoster and its subsidiaries on a consolidated basis.

On August 10, 2015 Wittur Group and Sematic S.p.A., Osio Sotto, Italy, ("Sematic") signed an agreement on the acquisition of the share capital of Sematic by Wittur Group. The agreement was conditional on obtaining merger control clearance by German and Austrian antitrust authorities. The transaction was cleared in late 2015. On April 1, 2016 Wittur has successfully completed the acquisition process of Sematic. The Sematic acquisition will be accounted for in according to the acquisition method of IFRS 3. For further information to the Sematic acquisition please refer to "*Summary of Results-Subsequent Events*".

Non-GAAP financial measures

This Financial Report for the three months ended March 31, 2016 contains non-GAAP financial measures and ratios (the "**non-GAAP measures**"), including EBITDA, EBITDA Adjusted, Cash Conversion, Gross profit, Working capital and leverage and interest coverage ratios that are not required by, or presented in accordance with, IFRS or other generally accepted accounting principles.

For definitions of these terms and further disclosure on non-GAAP financial measures see "*Presentation of financial and other information*" in Annual Bond Report 2015. There are no changes to definitions of non-GAAP financial measures in this Financial Report for the three months ended March 31, 2016 from the 2015 Annual Bond Report apart from:

As adjusted financial information

We present in this report certain as adjusted financial information for the Issuer on an as adjusted basis to reflect information for profit and loss figures for the three months ended March 31, 2015. The pro forma financial information are based on pro forma numbers to ensure comparability of the operational business and KPI's in the actual period to the first quarter of the prior year. Pro forma numbers are based on Paternoster III Group numbers assuming that the Bain acquisition occurred on January 1, 2015 so that Wittur Group's business operations are included as of January 1, 2015.

These pro forma financial information have been prepared for illustrative purposes only and do not represent our actual financial information of Paternoster III Group for the three months ended March 31, 2015.

The pro forma financial information have solely been adjusted to reflect comparable information on the business activities of Paternoster III Group including Wittur for the three months ended March 31, 2015.

The as adjusted financial information has not been prepared in accordance with the requirements of Regulation S-X of the U.S. Securities Act, other SEC requirements, IFRS, German GAAP or other generally accepted accounting principles. Neither the assumptions underlying the pro forma adjustments nor the resulting pro forma financial information have been audited or reviewed in accordance with any generally accepted auditing standards.

Although these pro forma financial information are based on IFRS you should not consider such items as an alternative to the historical financial position or results or other indicators of our position or performance based on IFRS measures. The pro forma financial information, as provided in this report, may not be comparable to similarly titled measures as presented by other companies due to differences in the financial information.

Non-Financial Operating Data

Certain key performance indicators and other non-financial operating data included in this Financial Report for the three months ended March 31, 2016, including (i) number of doors sold (units), including mechanisms, (ii) number of employees (heads), (iii) order intake and (iv) order book at the end of the period, are derived from management estimates, are not part of our financial statements or financial accounting records, and have not been audited or otherwise reviewed by outside auditors, consultants or experts. Our use or computation of these terms may not be comparable to the use or computation of similarly titled measures reported by other companies. Any or all of these terms should not be considered in isolation or as an alternative measure of performance under IFRS.

Rounding

Certain numerical figures set out in this Financial Report for the three months ended March 31, 2016, including financial information presented in millions and percentages describing market shares, have been subject to rounding and, as a result, the totals of the data in this Financial Report for the three months ended March 31, 2016 may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to financial and other information set forth in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" are calculated using the numerical data in each of the Consolidated Financial Statements of Paternoster or the tabular presentation of other information (subject to rounding) contained in this Financial Report for the three months ended March 31, 2016, as applicable, and not using the numerical data in the narrative description thereof.

PRESENTATION OF INDUSTRY AND MARKET DATA

In this Financial Report for the three months ended March 31, 2016, we rely on and refer to information regarding our business and the markets in which we operate and compete. Certain economic and industry data, market data and market forecasts set forth in this Financial Report for the three months ended March 31, 2016 were extracted from market research, governmental and other publicly available information, independent industry publications, reports prepared by industry consultants and other external sources (including two global consulting firms). *Some of these reports were commissioned by the Sellers or Paternoster III in connection with the Acquisition, and as such may not be fully independent views on the industry or the market.*

For further information regarding industry and market data see "*Presentation of Industry and Market Data"* in 2015 Annual Bond Report.

RISK FACTORS

The risks and uncertainties we describe in the 2015 Audited Consolidated Financial Statements are not the only ones we face. Additional risks and uncertainties of which we are not aware or that we currently believe are immaterial may also adversely affect our business, financial condition and results of operations and our ability to fulfill our obligations under the Notes and Guarantees. If any of the possible events described in 2015 Annual Bond Report were to occur, our business, financial condition and results of operations could be materially and adversely affected. If that happens, the trading prices of the Notes could decline, we may not be able to pay interest or principal on the Notes when due and you could lose all or part of your investment.

With Paternoster III Group conducting its business worldwide it is exposed to numerous potential risks. In order to achieve targets and maximize value management's role is to continually identify these risks and minimize potential exposure to these risks.

Paternoster III Group management continuously review both internal and external risks in all business areas and subsidiaries, evaluates them and with respect to exposure and probability of occurrence and ensures, where appropriate, provisions are recognized on the Balance Sheet to cover such exposure.

A detailed risk report describing the most relevant risks is included in the 2015 Annual Bond Report (see "*Risk Factors*").

UNAUDITED IFRS CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2016

Unaudited IFRS condensed consolidated interim financial statements of

Paternoster Holding III GmbH
Wiedenzhausen, Germany

as of March 31, 2016 and the three months then ended

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FINANCIAL STATEMENTS

Consolidated statement of comprehensive income

KEUR	Note	Jan. 1 – Mar. 31 2016	Jan. 1 – Mar. 31 2015
Revenues	(8.1)	126.159	-
Cost of sales	(8.3)	-94.690	-
Gross profit		**31.469**	-
Selling expenses		-5.542	-
Research & development expenses		-1.598	-
Administrative expenses		-21.097	-6.368
Other income	(8.4)	545	-
Other expenses	(8.5)	-458	-
Earnings before interest and taxes (EBIT)		**3.318**	**-6.368**
Finance expense	(8.6)	-9.452	-9.000
Finance income	(8.7)	4.129	-
Earnings before income taxes (EBT)		**-2.005**	**-15.367**
Income taxes	(8.8)	-156	-4.855
NET RESULT FOR THE PERIOD		**-2.161**	**-20.223**

Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		-2.353	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Actuarial gains and losses		-	-
Income tax relating to the components of OCI		-	-
Other comprehensive income, net of tax		**-2.353**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**-4.514**	**-20.223**

Consolidated balance sheet

ASSETS

KEUR	Note	Mar. 31, 2016	Dec. 31, 2015
Intangible assets	(8.9)	590.826	595.020
Property, plant and equipment	(8.10)	74.525	76.339
Investment properties		1.793	1.800
Other non-current financial assets	(8.11)	12.393	6.953
Other non-current assets	(8.12)	1.009	1.011
Deferred tax assets		7.248	7.012
Non-current assets		**687.794**	**688.135**
Inventories	(8.13)	46.177	44.284
Trade receivables		105.095	108.502
Other current financial assets	(8.14)	34	164
Other current assets	(8.15)	12.207	10.090
Cash and cash equivalents		41.351	24.373
Current assets		**204.864**	**187.413**
Total assets		**892.659**	**875.548**

EQUITY AND LIABILITIES

KEUR	Note	Mar. 31, 2016	Dec. 31, 2015
Subscribed capital		25	25
Capital Reserve		194.640	194.640
Retained earnings		-43.112	-4
Net result for the period		-2.161	-43.108
Other components of equity		-8.097	-5.744
Total equity		**141.296**	**145.810**
Non-current interest-bearing loans and borrowings	(8.16)	417.391	417.297
Provisions for pensions	(8.17)	9.470	9.571
Other non-current provisions	(8.18)	17.317	17.388
Other non-current financial liabilities	(8.19)	3.367	3.400
Deferred tax liabilities		121.770	121.302
Non-current liabilities		**569.316**	**568.958**
Current interest-bearing loans and borrowings	(8.16)	41.430	26.636
Trade and other payables	(8.20)	123.826	113.553
Provisions for pensions	(8.17)	376	327
Other current provisions	(8.18)	8.426	8.677
Other current financial liabilities	(8.21)	2.934	4.404
Income tax liabilities		5.053	7.182
Current liabilities		**182.047**	**160.780**
Total equity and liabilities		**892.659**	**875.548**

Consolidated statement of cash flows

KEUR	**Jan. 1 – Mar. 31 2016**	**Jan. 1 – Mar. 31 2015**
Operating activities		
Loss after Tax	**-2.161**	**-20.223**
Depreciation and Amortisation	7.887	-
Taxes	156	4.855
Interest	5.323	9.000
Gain on sale of fixed assets	-9	-
Losses from disposal of fixed assets	3	-
Cash generated from operations (excluding working capital changes)	11.199	-6.368
Changes in working capital	9.702	6.340
Transaction costs relating to business combination	-	-1.025
Net movement in provisions, pension obligations and other liabilities	-437	0
Net movement in other assets	182	-
Interest received	117	-
Income taxes paid	-2.710	-0
Net cash flow from operating activities	**18.053**	**-1.052**
Investing activities		
Acquisition of business, net of cash acquired	-	-275.271
Purchase of property, plant & equipment	-708	0
Purchase of intangible assets	-1.854	-
Disposal of assets	57	0
Net cash flow used in investing activities	**-2.505**	**-275.271**
Net cash flow before financing activities	**15.548**	**-276.323**
Financing activities		
Transaction costs paid relating to loans and borrowings	-	-16.100
Proceeds from issue of shares to Paternoster Holding II	-	154.615
Repayment of borrowings	-	-120.709
Proceeds from borrowings	14.889	445.000
Purchase of Investments	-2.527	-
Repayment of old shareholder loan due to acquisition (fair value)	-	-133.607
Interest paid	-10.049	-
Net cash flow used in financing activities	**2.313**	**329.200**
Net increase in cash	**17.861**	**52.877**
Effects currency translation	-883	-0
Cash and cash equivalents at beginning of period	24.373	50
Cash and cash equivalents at the end of period	41.351	52.926

Consolidated statement of changes in equity

	Attributable to owners of the parent					
	Subscribed capital	Retained earnings	Capital reserve	Other reserves		
KEUR				Currency translation	Valuation of pensions	Total equity
Balance as of Jan. 1, 2015	**-**	**-4**	**-**	**-**	**-**	**-4**
Net result for the period	-	-20.223	-	-	-	-20.223
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	**-**	**-20.223**	**-**	**-**	**-**	**-20.223**
Proceeds from issue of shares	25	-	194.640	-	-	194.665
Balance as of Mar. 31, 2015	**25**	**-20.226**	**194.640**	**-**	**-**	**174.439**
Balance as of Jan. 1, 2016	**25**	**-43.112**	**194.640**	**-5.744**	**-**	**145.810**
Net result for the period	-	-2.161	-	-	-	**-2.161**
Other comprehensive income	-	-	-	-2.353	-	**-2.353**
Total comprehensive income	**-**	**-2.161**	**-**	**-2.353**	**-**	**-4.514**
Proceeds from issue of shares	-	-	-	-	-	-
Balance as of Mar. 31, 2016	**25**	**-45.273**	**194.640**	**-8.097**	**-**	**141.296**

Other comprehensive income, net of tax KEUR -2.353 (2015: KEUR 0) consists of other reserves KEUR -2.353 (2015: KEUR 0).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate information

1.1 Reporting entity

Paternoster Holding III GmbH ("Paternoster" or the "Company") is a limited liability company domiciled in Wiedenzhausen, Germany. The address of the Company's registered office is Rohrbachstraße 26-30, 85259 Wiedenzhausen, Germany. The consolidated interim financial statements of the Company as of and for the period ended March 31, 2016 comprise the Company and its subsidiaries (together referred to as "Paternoster III Group" or the "Group" and individually as "Group entities").

The parent company of Paternoster Holding III GmbH is Paternoster Holding II GmbH, Wiedenzhausen, Germany. Paternoster Holding III GmbH, an indirect, wholly owned subsidiary of Bain Capital Europe Fund IV, L.P. ("Bain Capital"), has issued a High Yield Bond on February 10, 2015 in connection with the acquisition by Bain Capital of the Wittur Group. The ultimate controlling party is Bain Capital Europe Fund IV, L.P, London, Great Britain.

Paternoster Holding III GmbH is the sole owner of Paternoster Holding IV GmbH which is the sole owner of Wittur Group since closing. The acquisition of Wittur Group was closed on March 31, 2015 and was accounted for as Business Combination according to IFRS 3.

Due to the acquisition of the Wittur Group the Paternoster III Group is a leading independent solution provider for components, modules and systems for the lift industry. It is a development partner and supplier to the major international lift companies, as well as small and medium-sized manufacturers. Its range of products comprises mainly the development and manufacture of doors, cars, safety components, gearless drives, hydraulic, frames and complete lift packages. The Paternoster III Group does not install lifts and does not offer maintenance services for lifts.

1.2 Basis of preparation

The consolidated interim financial statements have been prepared in accordance and in conformity with IAS 34 "Interim financial reporting". These consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2015, which was prepared in accordance and conformity with all International Financial Reporting Standards (IFRS) and the publications of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU as of December 31, 2015.

The consolidated interim financial statements were authorised for issue by the Executive Board of the Company on May 27, 2016

These consolidated interim financial statements cover the three months period from January 1, 2016 to March 31, 2016. The comparison period is period January 1, 2015 to March 31, 2015 which is not comparable as the Wittur Group was acquired in March 2015 and therefore, for the period from January 1, 2015 until March 31, 2015 no business operations are included.

The consolidated financial statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities. The consolidated statement of comprehensive income is prepared based on the cost of sales method.

These condensed consolidated interim financial statements have not been audited.

2 Significant accounting policies

Paternoster III Group has applied the same accounting principles in preparation of these interim financial statements as in the Financial Statements for the business year 2015, except for the adoption of new standards and interpretations effective during 2016 that are relevant to its operations.

Paternoster III Group does not expect any material changes in results of operations, financial position or cash flows caused by any other published but not yet applied standards.

The consolidated financial statements are presented in Euros which is functional currency of the parent company. Unless otherwise noted, all amounts are rounded to the nearest thousands of Euros (KEUR). Totals in tables were calculated using precise figures and rounded to KEUR.

The exchange rates of certain significant currencies versus the Euro changed as follows:

1 EUR =

Currency	**ISO Code**	**Rate at closing date**		**Average exchange rate**	
		Mar. 31, 2016	**Dec. 31, 2015**	**Jan. 1 – Mar. 31 2016**	**Jan. 1 – Mar. 31 2015**
Argentine Peso	ARS	16,548	14,195	15,890	9,798
Australian Dollar	AUD	1,481	1,490	1,530	1,432
Brazilian Real	BRL	4,117	4,312	4,306	3,221
Chinese Yuan Renminbi	CNY	7,351	7,061	7,209	7,028
British Pound	GBP	0,792	0,734	0,770	0,744
Hong Kong Dollar	HKD	8,828	8,438	8,566	8,740
Indian Rupee	INR	75,430	72,022	74,408	70,130
Polish Zloty	PLN	4,258	4,264	4,366	4,193
Swedish Krona	SEK	9,225	9,190	9,317	9,384
Singapore Dollar	SGD	1,530	1,542	1,547	1,528
Turkish Lira	TRY	3,212	3,177	3,247	2,773
U.S. Dollar	USD	1,139	1,089	1,102	1,127

The Projected Unit Credit method was used for the valuation of pension provisions. The interest rates used to calculate the present value of pension provisions for the Group's plans are shown below:

	Mar. 31, 2016	**Dec. 31, 2015**
Discount rate:		
Germany	2,0%	2,0%
Austria	2,0%	2,0%
Italy	2,0%	2,0%
Turkey	11,0%	11,0%
Salary increase:		
Germany	0,0%	0,0%
Austria	2,5%	2,5%
Italy	3,0%	3,0%
Turkey	8,5%	8,5%
Inflation rate:		
Germany	0,0%	0,0%
Austria	0,0%	0,0%
Italy	2,0%	2,0%
Turkey	7,0%	7,0%

3 Estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The assumptions and estimates principally relate to the consolidation of business combinations, the assessment of the recoverability of the carrying amount of intangible assets (in particular goodwill), the group-wide determination of useful lives of material assets, taxation and the recognition of deferred tax assets and the measurement and recognition of provisions for pensions and other provisions. Assumptions and estimates are based on premises derived from knowledge at the time.

In preparing these consolidated interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the business year ended December 31, 2015.

4 Changes in the composition of the Group

As of March 31, 2016 the Group's consolidated interim financial statements included, besides Paternoster Holding III GmbH, a total 29 subsidiaries.

5 Significant events and transactions

On March 31, 2015, Paternoster Holding IV GmbH, a wholly owned subsidiary of Paternoster Holding III GmbH, acquired 100% of the shares and voting interests in Wittur International Holding GmbH and therefore obtained control from the former owner TryWay HoldCo AB, Stockholm, Sweden. The deal was based on the Share and Purchase Agreement (SPA) dated December 22, 2014. Please refer to the audited financial statements of the business year ended December 31, 2015 for further information on that transaction and its accounting.

On August 11, 2015 Wittur and Sematic agreed to merge and therefore, create a leading global supplier in the elevators and elevator components manufacturing industry. The agreement between Bain Capital, as the owner of Wittur, and The Carlyle Group and the Zappa family, as joint owners of Sematic, is to transfer a controlling interest in Sematic to Wittur. The acquisition process was completed on April 1, 2016. For further information please refer to the Note 11 "Events after the balance sheet date".

6 Seasonality or cyclicality of interim operations

The financial results of the interim financial statements of the Group are not materially affected by seasonal or cyclical events.

7 Financial risk management

The financial liabilities used by the Company mainly comprise of High Yield Bond, Bain Term Loan B, other bank loans and overdrafts, finance leases, trade payables, hire purchase contracts and other loans granted. The main purpose of these financial liabilities is the financing of the Group's business activities. Various financial assets such as trade receivables and cash which result directly from business activities continue to be available to the Group.
The Group is exposed to the following risks from financial instruments:

- credit risk,
- liquidity risk and
- market risk

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as of December 31, 2015.

There have been no changes in the risk management department or in any risk management policies since the end of business year.

8 Notes to the consolidated statement of comprehensive income and balance sheet

8.1 Revenues

KEUR	Jan. 1 – Mar. 31 2016	Jan. 1 – Mar. 31 2015
Sales of goods		
Europe	61.071	-
Asia	54.331	-
Rest of World	10.756	-
Revenues	**126.159**	**-**

8.2 Segmental reporting

The Group produces and sells elevator components such as automatic elevator doors, cabins, safety components, drives, elevator frames and complete elevators. Paternoster III Group products are used in new installations and modernizations. They are integrated in elevator systems for people, cargo and in special applications such as cruise ships.

Material operative decisions on a worldwide basis are made by the Management Board consisting of the Chief Executive Officer and the Chief Financial Officer.

Due to the business model of the Group and the governance structure, the Paternoster III Group is considered as one operating segment.

Geographic information

The below given geographic information of Group’s sales and non-current assets are split into the Group’s country of domicile and the other countries. All information provided are based on the geographic location of the supplier of the goods (Group companies) respectively the assets.

KEUR	Jan. 1 – Mar. 31 2016	Jan. 1 – Mar. 31 2015
Germany	9.100	-
China	48.624	-
Austria	24.443	-
Other countries	43.992	-
Revenues	**126.159**	**-**

KEUR	Mar. 31, 2016	Dec. 31, 2015
Germany	493.755	499.3693
Austria	92.512	92.027
Other countries	81.886	82.750
Non-current assets*	**668.153**	**674.170**

*Non-current assets excluding financial assets and deferred taxes assets

The non-current assets overview includes the purchase price allocation as well as the trademark related to acquisition of the Wittur Group in the KEUR 493.755 (2015: KEUR 499.393) for Germany as the allocation to single entities is not available and the cost to develop these information would be excessive.

For regional information on revenues please refer to Note 8.1 “Revenues”.

Product information

Paternoster III Group’s sales per product category were the following in three months periods of 2016 and 2015:

KEUR	Jan. 1 – Mar. 31 2016	Jan. 1 – Mar. 31 2015
Doors	88.773	-
Other products	37.386	-
Revenues	**126.159**	**-**

Major customer

Paternoster III Group’s customer base is diverse in regard to size of revenue as well as location of the customers. The two major customer of the Group represent KEUR 55.678 (2015: KEUR 0) respectively KEUR 18.325 (2015: KEUR 0) or 59% (2015: 0%) of total Group’s revenue.

8.3 Expenses by nature

Expenses by nature mainly consist of:

KEUR	Jan. 1 – Mar. 31 2016	Jan. 1 – Mar. 31 2015
Direct material costs	60.049	-
Employee benefit expense	26.929	-
Depreciation, amortization and impairment charges	7.887	-

8.4 Other income

KEUR	Jan. 1 – Mar. 31 2016	Jan. 1 – Mar. 31 2015
Income from R&D or research funding	0	-
Release of provisions and allowances	100	-
Government income for tax benefits, premiums and subsidies	148	-
Income from rented property	96	-
Income of indemnification for damages	15	-
Currency translation gain – net	37	-
Licence fee income	0	-
Gain on sale of fixed assets	9	-
Income from insurance companies	9	-
Others	92	-
Other income	**545**	**-**

“Others” contain many different items each below KEUR 30.

8.6 Other expenses

KEUR	**Jan. 1 – Mar. 31 2016**	**Jan. 1 – Mar. 31 2015**
Other taxes	455	-
Currency translation loss - net	-	-
Others	3	-
Other expenses	**458**	**-**

8.7 Finance expenses

KEUR	**Jan. 1 – Mar. 31 2016**	**Jan. 1 – Mar. 31 2015**
Interest on borrowings	7.771	33
Borrowing rating & consultancy costs	79	8.912
Amortization of transaction costs	398	50
Discounting of provisions	296	**-**
Currency transaction loss on intercompany loans	-	**-**
Interest expenses for finance leases	29	**-**
Other financial expenses	617	5
Total finance expense that is not measured at fair value through profit and loss	**9.189**	**9.000**
Loss on financial instruments at fair value through profit or loss	263	**-**
Finance expense	**9.452**	**9.000**

Loss on financial instruments at fair value through profit or loss relates to interest rate derivative (2016: KEUR 1, 2015: KEUR 0) and to foreign currency derivatives (2016: KEUR 262, 2015: KEUR 0).

8.8 Finance income

KEUR	**Jan. 1 – Mar. 31 2016**	**Jan. 1 – Mar. 31 2015**
Other finance income	124	-
Amortization of Bond repurchase option	312	-
Currency transaction gain on Intercompany loans	707	-
Total finance income that is not measured at fair value through profit and loss	**1.144**	-
Gain on financial instruments at fair value through profit or loss	2.986	-
Finance income	**4.129**	**-**

Gain on financial instruments at fair value through profit or loss relates to the Bond repurchase option (2016: KEUR 2.986, 2015: KEUR 0).

8.9 Income taxes

The income taxes amount to KEUR -156 (2015: KEUR -4.855). The decrease in income taxes is due to the deferred taxes recognized in 2015 as a result of the acquisition of Wittur Group by Bain. In 2016, income taxes represent the taxes as a result of ordinary business activities.

8.10 Intangible assets

KEUR	Mar. 31, 2016	Dec. 31, 2015
Goodwill	150.056	150.056
Customer relationship, licenses and other rights	299.173	303.950
Trademark	133.419	133.419
Development costs	8.179	7.596
Intangible assets	**590.826**	**595.020**

8.11 Property, plant and equipment

KEUR	Mar. 31, 2016	Dec. 31, 2015
Land and buildings	41.389	41.356
Plant and machinery	19.409	18.811
Furniture & equipment	6.305	6.703
Prepayments & construction in progress	3.168	5.168
Assets under Finance lease	4.253	4.301
Intangible assets	**74.525**	**76.339**

8.12 Other non-current financial assets

KEUR	Mar. 31, 2016	Dec. 31, 2015
Bond repurchase option	9.795	6.809
Foreign currency derivatives	43	115
Guarantees and deposits	18	18
Investments	2.536	9
Interest rate derivatives	-	0
Other non-current financial assets	**12.393**	**6.953**

8.13 Other non-current assets

KEUR	Mar. 31, 2016	Dec. 31, 2015
VAT receivables long-term	934	944
Others	75	66
Other non-current assets	**1.009**	**1.011**

8.14 Inventories

KEUR	Mar. 31, 2016	Dec. 31, 2015
Raw materials and supplies	26.090	25.805
Finished goods and work in progress	19.758	18.223
Prepayments on inventory	330	256
Inventories	**46.177**	**44.284**

Inventories recognised as expense amounted to KEUR 60.049 as of March 31, 2016 (2015: KEUR 0). As of March 31, 2016 the write downs of inventories recognized as expense amount to KEUR 112 (2015: KEUR 0).

8.15 Other current financial assets

KEUR	Mar. 31, 2016	Dec. 31, 2015
Loan	1	0
Foreign currency derivatives	33	162
Interest rate derivatives	0	1
Other current financial assets	**34**	**164**

8.16 Other current assets

KEUR	Mar. 31, 2016	Dec. 31, 2015
VAT receivable	6.001	5.508
Prepaid expenses	2.608	1.532
Income tax receivables	1.582	1.044
Withholding tax receivable	433	289
Government grant	314	367
Others	1.268	1.351
Other current assets	**12.207**	**10.090**

8.17 Interest bearing loans and borrowings

Non-current interest bearing loans and borrowings

KEUR	Mar. 31, 2016	Dec. 31, 2015
Term Loan B	186.790	186.562
High Yield Bond	230.402	230.545
Non-current bank loans	199	190
Non-current interest-bearing loans and borrowings	**417.391**	**417.297**

Current interest bearing loans and borrowings

KEUR	Mar. 31, 2016	Dec. 31, 2015
Current bank loans	19.113	15.110
Revolving Credit Facility	20.500	5.500
Ancillary Credit Facility	1.817	6.027
Current interest-bearing loans and borrowings	**41.430**	**26.636**

8.18 Provision for pensions

KEUR	Mar. 31, 2016	Dec. 31, 2015
Present value of Defined Benefit Obligation (DBO)	9.846	9.898
Net liability	**9.846**	**9.898**

8.19 Other provisions

KEUR	Mar. 31, 2016	
	current	non-current
Warranty provisions	2.492	4.643
Jubilee provision	-	1.290
Indemnity for termination of employment	4	-
Others	5.931	11.384
Other current & non-current provisions	**8.426**	**17.317**

KEUR	Dec. 31, 2015	
	current	non-current
Warranty provisions	2.537	4.882
Jubilee provision	-	1.260
Indemnity for termination of employment	160	-
Others	5.979	11.246
Other current & non-current provisions	**8.677**	**17.388**

8.20 Other non-current financial liabilities

KEUR	Mar. 31, 2016	Dec. 31, 2015
Non-current finance lease liabilities	3.225	3.251
Other non-current financial liabilities	142	150
Other non-current financial liabilities	**3.367**	**3.400**

8.21 Trade and other payables

KEUR	Mar. 31, 2016	Dec. 31, 2015
Trade accounts payable	86.792	79.471
Payroll liabilities	21.045	19.013
Advance payments received	3.439	4.445
VAT payable	3.965	1.072
Withholding tax payable	41	19
Others	8.544	9.533
Trade and other payables	**123.826**	**113.553**

8.22 Other current financial liabilities

KEUR	Mar. 31, 2016	Dec. 31, 2015
Accrued interest	2.516	4.031
Current finance lease liabilities	264	250
Foreign currency derivatives	155	123
Other current financial liabilities	**2.934**	**4.404**

9 Additional disclosures on financial instruments

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments. The disclosures have to be made in accordance with the characteristics of the financial instruments. At Paternoster, the breakdown is provided by balance sheet items:

KEUR	Category in accordance with IAS 39	**Carrying amount Mar. 31, 2016**	**Amounts recognised in balance sheet according to IAS 39**		**Amounts recognised in balance sheet according to IAS 17**	**Amounts recognised in balance sheet not in scope of IFRS 7**	**Fair value Mar. 31, 2016**
			Amortised cost	Fair Value			
Assets							
Non-current assets							
Other non-current assets							
VAT receivables long-term	n/a	**934**	934	-	-	-	**n/a**
Other receivables	LaR	**75**	75	-	-	-	**n/a**
Other non-current financial assets							
Interest rate derivatives	FAFV	**-**	-	-	-	-	**-**
Foreign currency derivatives	FAFV	**43**	-	43	-	-	**43**
Bond repurchase option	FAFV	**9.795**	-	9.795	-	-	**9.795**
Investments	LaR	**2.536**	2.536	-	-	-	**2.536**
Guarantees and deposits	LaR	**18**	18	-	-	-	**18**
Current assets							
Trade and other receivables	LaR	**105.095**	105.095	-	-	-	**n/a**
Other current financial assets							
Foreign currency derivatives	FAFV	**33**	-	33	-	-	**33**
Interest rate derivative	FAFV	**0**	-	0	-	-	**0**
Loan	LaR	**1**	1	-	-	-	**n/a**
Cash and cash equivalents	LaR	**41.351**	41.351	-	-	-	**n/a**
Liabilities							
Non-current liabilities							
Interest-bearing loans and borrowings	FLAC	**417.391**	417.391	-	-	-	**375.535**
Other financial liabilities							
Finance lease obligations	n/a	**3.225**	-	-	3.225	-	**3.670**
Foreign currency derivatives	FLFV	**-**	-	-	-	-	**-**
Other financial liabilities	FLAC	**142**	142	-	-	-	**142**
Current liabilities							
Interest-bearing loans and borrowings	FLAC	**41.430**	41.430	-	-	-	**n/a**
Trade and other payables	FLAC	**123.826**	86.792	-	-	37.034	**n/a**
Other financial liabilities							
Finance lease obligations	n/a	**264**	-	-	264	-	**n/a**
Foreign currency derivatives	FLFV	**155**	-	155	-	-	**155**
Accrued interest	FLAC	**2.516**	2.516		-	-	**n/a**
Aggregated by category in accordance with IAS 39							
Loans and receivables (LaR)		**149.076**					
Financial liabilities at fair value (FLFV) through profit or loss		**155**					
Financial assets at fair value (FAFV) through profit or loss		**9.871**					
Financial liabilities measured at amortized cost (FLAC)		**585.306**					

KEUR	Category in accordance with IAS 39	**Carrying amount Dec. 31, 2015**	**Amounts recognised in balance sheet according to IAS 39**		**Amounts recognised in balance sheet according to IAS 17**	**Amounts recognised in balance sheet not in scope of IFRS 7**	**Fair value Dec. 31, 2015**
			Amortised cost	Fair Value			
Assets							
Non-current assets							
Other non-current assets							
VAT receivables long-term	n/a	**944**	944	-	-	-	**n/a**
Other receivables	LaR	**66**	66	-	-	-	**66**
Other non-current financial assets							
Interest rate derivatives	FAFV	**0**	-	0	-	-	**0**
Foreign currency derivatives	FAFV	**115**	-	115	-	-	**115**
Bond repurchase option	FAFV	**6.809**	-	6.809	-	-	**6.809**
Investments	LaR	**9**	9	-	-	-	**9**
Guarantees and deposits	LaR	**18**	18	-	-	-	**18**
Current assets							
Trade and other receivables	LaR	**108.502**	108.502	-	-	-	**n/a**
Other current financial assets							
Foreign currency derivatives	FAFV	**162**	-	162	-	-	**162**
Interest rate derivative	FAFV	**1**	-	1	-	-	**1**
Loan	LaR	**-**	-	-	-	-	**n/a**
Cash and cash equivalents	LaR	**24.373**	24.373	-	-	-	**n/a**
Liabilities							
Non-current liabilities							
Interest-bearing loans and borrowings	FLAC	**417.297**	417.297	-	-	-	**371.299**
Other financial liabilities							
Finance lease obligations	n/a	**3.251**	-	-	3.251	-	**3.639**
Foreign currency derivatives	FLFV	**-**	-	-	-	-	**-**
Other financial liabilities	FLAC	**150**	150	-	-	-	**149**
Current liabilities							
Interest-bearing loans and borrowings	FLAC	**26.636**	26.636	-	-	-	**n/a**
Trade and other payables	FLAC	**113.553**	79.471	-	-	34.082	**n/a**
Other financial liabilities							
Finance lease obligations	n/a	**250**	-	-	250	-	**n/a**
Foreign currency derivatives	FLFV	**123**	-	123	-	-	**123**
Accrued interest	FLAC	**4.031**	4.031		-	-	**n/a**
Aggregated by category in accordance with IAS 39							
Loans and receivables (LaR)		**132.969**					
Financial liabilities at fair value (FLFV) through profit or loss		**123**					
Financial assets at fair value (FAFV) through profit or loss		**7.089**					
Financial liabilities measured at amortized cost (FLAC)		**561.668**					

* For financial instruments with current maturities including cash and cash equivalents, accounts receivable and payable as well as other receivables and payables it is assumed that their carrying amounts approximate their fair values.

The carrying amount of the finance lease obligations largely corresponds to the fair value.

2016 **KEUR**	**From interest**	**Currency translation**	**Changes in fair values**	**Impairment**	**Net result recognized in profit or loss**
Financial assets at fair value (FAFV) through profit or loss	-	-	2.783	-	2.783
Loans and receivables (LaR)	-	-	-	-448	-448
Financial liabilities at fair value (FLFV) through profit or loss	-	-	-32	-	-32
Financial liabilities measured at amortised cost (FLAC)	-7.771	-	-	-	-7.771
Net income (loss) from financial instruments per category	**-7.771**	**-**	**2.751**	**-448**	**-5.468**

2015 **KEUR**	**From interest**	**Currency translation**	**Changes in fair values**	**Impairment**	**Net result recognized in profit or loss**
Financial assets at fair value (FAFV) through profit or loss	-	-	-	-	-
Loans and receivables (LaR)	-	-	-	-7.193	**-7.193**
Financial liabilities at fair value (FLFV) through profit or loss	-	-	-	-	**-**
Financial liabilities measured at amortised cost (FLAC)	-33	-	-	-	**-33**
Net income (loss) from financial instruments per category	**-33**	**-**	**-**	**-7.193**	**-7.225**

For financial instruments with current maturities including cash and cash equivalents, accounts receivable and payable as well as other receivables and payables it is assumed that their carrying amounts approximate their fair values.

The fair values of non-current financial instruments are calculated as the present values of the estimated future cash flows using market interest rates for discounting.

The fair values of non-current financial liabilities with variable interest rates are estimated to be equal to their carrying amounts since the interest rates agreed and those available on the market do not significantly differ.

The fair value of interest rate caps is calculated using the applicable option pricing formulas. The fair value of forward foreign exchange contracts is determined using a net present value calculation based on quoted forward exchange rates at the balance sheet date.

The fair value of the Bond repurchase option is measured the following:

- The benefit of exercising the repurchase option depends on the interest rate conditions Paternoster would receive for an alternative financing. The refinancing rate is the market rate plus a specific risk premium. This is compared to the implied yield of the loan, which is determined by the floating interest rate element. As a result, it is then economical to exercise the option, when the rate of the alternative financing is below the implied yield of the loan at the exercise date. Thus, the fair value of the derivative depends also mainly from this factor and its expected volatility.
- To determine the economic benefit of exercising the option, the yield and the default rate are simulated using a Hull and White single-factor model (1990). The input parameters of the valuation model are the yield and credit spread volatilities, the yield curve and benchmark credit default swap (CDS) rates at the respective valuation dates.

The following overview provides the fair value measurement hierarchy of the Group’s non-current assets and liabilities:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions.

- Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means (“market-corroborated inputs”).
- Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

In the period until March 31, 2016 there are no fair values derived according to the fair value hierarchy Level 1. The fair value of derivative instruments represents the Level 2. It is measured based on price information derived from active markets and commonly used valuation methods provided by issuing banks.

As of March 31, 2016, the fair values for the High Yield Bond and the Bain Term Loan B were calculated. The carrying amounts to KEUR 225.000 (2015: KEUR 225.000) for the High Yield Bond and to KEUR 195.000 (2015: KEUR 195.000) for the Bain Term Loan B. The fair value is measured based on observable market data. The fair value of the High Yield Bond amounts to KEUR 211.678 (2015: KEUR 208.373); the fair value of the Term Loan B amounts to KEUR 163.878 (2015: KEUR 162.926).

The Group’s policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There have been no transfers between Level 1, Level 2 and Level 3 during 2016.

Quantitative disclosures fair value measurements hierarchy for assets as at March 31, 2016:

Mar. 31, 2016 **KEUR**		**Fair value measurement using**			
	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	**Total**
Assets measured at fair value:					
Non-current derivative financial assets	31.03.2016	-	9.838		**9.838**
Current derivative financial assets	31.03.2016	-	33		**33**
Assets for which fair values are disclosed:					
	31.03.2016	-	2.555		**2.555**

Quantitative disclosures fair value measurements hierarchy for liabilities as at December 31, 2015:

Mar. 31, 2016 **KEUR**		**Fair value measurement using**			
	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	**Total**
Liabilities measured at fair value:					
Non-current derivative financial liabilities	31.03.2016	-	-		**-**
Current derivative financial liabilities	31.03.2016	-	155		**155**
Liabilities for which fair values are disclosed:					
Interest bearing loans and borrowing	31.03.2016	-	379.348		**379.348**

For each financial position which is not measured at fair value in the statement of financial position but for which a fair value is disclosed, the fair value is categorised within Level 2.

Quantitative disclosures fair value measurements hierarchy for assets as at December 31, 2015:

Dec. 31, 2015 **KEUR**		**Fair value measurement using**			
	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	**Total**
Assets measured at fair value:					
Non-current derivative financial assets	31.12.2015	-	6.925	-	**6.925**
Current derivative financial assets	31.12.2015	-	164	-	**164**
Assets for which fair values are disclosed:					
	31.12.2015	-	-	-	-

Quantitative disclosures fair value measurements hierarchy for liabilities as at December 31, 2014:

Dec. 31, 2014 **KEUR**		**Fair value measurement using**			
	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	**Total**
Liabilities measured at fair value:					
Non-current derivative financial liabilities	31.12.2015	-	-	-	-
Current derivative financial liabilities	31.12.2015	-	123	-	**123**
Liabilities for which fair values are disclosed:					
Interest bearing loans and borrowing	31.12.2015	-	371.299	-	**371.299**

For each financial position which is not measured at fair value in the statement of financial position but for which a fair value is disclosed, the fair value is categorised within Level 2.

10 Share-based payment

The executive managers of Paternoster III Group entities (herein after referred to as “beneficiaries”) have been granted the right to acquire shares of Elevate (BC) ScA, a partnership limited by shares, which indirectly holds 100% of the shares in Paternoster III Group, in order to align the interest of the management with the development of the enterprise value of Paternoster III Group after closing. In this context, the beneficiaries have acquired class A shares, and class B shares. The fair values of the shares on the acquisition date have been determined on the basis of an option pricing model which reflects the preference entitlement of class A shares to receive distributions from Elevate (BC) ScA. In total, the beneficiaries have acquired 13% of class A shares and 100% of class B shares of Elevate (BC) ScA.

Holding shares in Elevate (BC) ScA, the beneficiaries benefit either from distributions of Paternoster III Group or from an appreciation of the share price on transfer of shares. Beneficiaries are restricted to dispose their shares, except if the majority shareholder disposes shares in Elevate (BC) ScA, which will entitle and require the beneficiaries to sell a proportionate amount of their shares to the new majority shareholder.

If and to the extent that a beneficiary ceases his employment before a disposal of his shares on an exit event, the majority shareholder of Elevate (BC) ScA holds a call option to purchase all of the beneficiary’s shares (leaver shares). The purchase price for the leaver shares will be determined, depending on the reasons and the timing for leaving, at maximum at a price equal to the higher of the original cost and a market-related value of the leaver shares. The beneficiary's' entitlement to receive approximately a market-related value on a repurchase of their shares will vest in full at the earlier of the expiry of a 3,5 year period starting on the date of the acquisition of the shares, and the date of a public offering or the sale of a majority of shares.

Furthermore, Elevate (BC) ScA issued to its main shareholder and to the beneficiaries Preferred Equity Certificates ("PEC's") bearing an annual interest rate of 8%. The interest rate is applied on the sum of the original cost of such PEC plus any unpaid PEC Return for all previous accrual periods. The returns of such PEC's are paid out when the company has sufficient funds available or are capitalized if this is not the case. The PEC's remain outstanding for 29 years following the date of issuance but the company is entitled to redeem any or all of the PEC's on a certain date at a certain call price. This date is the date when a beneficiary leaves the Group. Similar to the shares purchased by beneficiaries, the strike price of the company's call option depends on the reasons and the timing for leaving and is either a price per PEC equal to Fair Value or a price per PEC equal to the lower of original cost plus PEC return and Fair Value.

The purchases of shares and PECs by the beneficiaries qualify as equity-settled share-based payments of Paternoster III Group subject to IFRS 2, as Paternoster III Group has no obligation to settle the entitlements at any time (neither in case of a share transfer nor in case of a leaver event). Since the beneficiaries disbursed a price close to the grant date fair value on acquisition of the shares as well as a price equal to grand date fair value on the acquisition of the PECs and no material benefits were granted, the recognition of expenses has been omitted.

11 Events after the balance sheet date

General Information

As of March 7, 2016 Dr. Walter Rohregger resigned as CEO. Patrik Wohlhauser was declared as his successor and took over his responsibilities as CEO on April 11, 2016.

Sematic Acquisition

On August 10, 2015 Wittur Group and Sematic S.p.A., Osio Sotto, Italy, ("Sematic") signed an agreement on the acquisition of the share capital of Sematic by Wittur Group. The agreement was conditional on obtaining merger control clearance by German and Austrian antitrust authorities. The transaction was cleared in late 2015. On April 1, 2016 Wittur has successfully completed the acquisition process of Sematic.

Sematic's activities include the production and distribution of standard and special automatic elevator doors, rope and hydraulic complete elevators, subsystems and components, home lifts as well as cabins, car packages and entrances. It offers standard and one-of-a-kind solutions for high-rise, residential and civil buildings to marine, commercial and heavy-duty applications as well as specific solutions for modernization. It has more than 1.100 employees within its manufacturing facilities and commercial offices in Italy, UK, Germany, Hungary, Turkey, China, Singapore, Hong Kong, India, Mexico and the USA.

The financial statements of Sematic for the financial year of 2015 were prepared according to Italian GAAP. The total balance sheet summed up to KEUR 186.701 as of December 31, 2015 with equity amounting to KEUR 58.002. In 2015 Sematic realized revenues of KEUR 145.034 according to Italian GAAP.

Goodwill arising from the acquisition is attributable to the anticipated increase of Group's customer and geographic diversification, including its access to the North American market via Sematics existing footprint. The acquisition also increases the presence of Wittur in the recurring aftermarket and modernization business. Benefits are also expected from improved cross-selling opportunities and synergies arising primarily from procurement and efficiency gains. In addition, the combined entity is expected to profit from its large scale, the sharing of best practices across its global footprint and best-in-class innovation resulting from the merging of R&D expertise.

Total consideration comprises of KEUR 209.500 paid in cash.

Acquisition-related costs included in administration and finance expenses in Paternoster's consolidated income statement for the year 2015 amounted to KEUR 3.896.

As the process of fair valuing the Sematic's business has not been completed as at April 26, 2016, the initial accounting for the business combination is incomplete. As a result, the Group is unable to disclose the following information regarding the acquisition:

- the gross contractual amount, fair value amount, or estimated contractual cash flows not expected to be collected of/from the receivables acquired
- the amounts recognised as of the acquisition date for each major class of assets and liabilities acquired/assumed
- the existence of or the values relating to any contingent liabilities recognised in accordance with IAS 37 on acquisition
- the amount of goodwill acquired and the amount of goodwill that is expected to be deductible for tax purposes.

No further events occurred between March 31, 2016 and May 27, 2016 that would require adjustments to the amounts recognised in these consolidated financial statements or would need to be disclosed under this heading.

Wiedenzhausen, May 27, 2016

Patrik Wohlhauser	Frank Schulkes
CEO	CFO