Our first Quarter

Interim Report first Quarter

December 2016 – February 2017

GERRESHEIMER

GROUP KEY FIGURES

Financial Year end November 30	**Q1 2017**	Q1 2016	Change in %[8]	FY 2016
Results of Operations during Reporting Period in EUR m				
Revenues	302.8	320.2	-5.4	1,375.5
Adjusted EBITDA[1]	59.9	63.5	-5.7	307.8
in % of revenues	19.8	19.8	–	22.4
Adjusted EBITA[2]	37.2	42.3	-11.9	220.9
in % of revenues	12.3	13.2	–	16.1
Result of operations	28.2	31.6	-10.6	180.5
Net income from continuing operations	13.3	16.2	-18.0	104.5
Adjusted net income from continuing operations[3]	18.7	22.7	-17.7	127.8
Net Assets as of Reporting Date in EUR m				
Total assets	2,373.7	2,358.8	0.6	2,374.3
Equity	789.9	688.0	14.8	763.3
Equity ratio in %	33.3	29.2	–	32.1
Net working capital	222.1	229.1	-3.1	200.3
in % of revenues of the last twelve months	16.4	17.3	–	14.6
Capital expenditure	15.1	13.7	10.5	113.2
Net financial debt	789.8	894.4	-11.7	788.2
Adjusted EBITDA leverage[4]	2.6	2.9	–	2.6
Financial and Liquidity Position during Reporting Period in EUR m				
Cash flow from operating activities	10.4	-6.2	–	173.5
Cash flow from investing activities	-13.4	-14.8	9.7	7.9
thereof cash paid for capital expenditure	*-15.1*	*-13.7*	*-10.5*	*-110.7*
Free cash flow before financing activities	-2.9	-21.0	–	181.3
Employees				
Employees as of the reporting date (total)	9,807	10,708	-8.4	9,904
Stock Data				
Number of shares as of reporting date in million	31.4	31.4	–	31.4
Share price[5] as of reporting date in EUR	74.01	65.94	12.2	68.85
Market capitalization as of reporting date in EUR m	2,323.9	2,070.5	12.2	2,161.9
Share price high[5] during reporting period in EUR	76.56	75.02	–	76.86
Share price low[5] during reporting period in EUR	67.14	57.10	–	57.10
Adjusted earnings from continuing operations per share[6] in EUR	0.60	0.72	-16.7	4.07
Dividend per share in EUR	–	–	–	1.05[7]

[1] Adjusted EBITDA: Earnings before income taxes, net finance expense, amortization of fair value adjustments, depreciation and amortization, impairment losses, restructuring expenses, and one-off income and expenses.
[2] Adjusted EBITA: Earnings before income taxes, net finance expense, amortization of fair value adjustments, amortization, impairment losses, restructuring expenses, and one-off income and expenses.
[3] Adjusted net income from continuing operations: Consolidated net income from continuing operations after non-controlling interests before non-cash amortization of fair value adjustments, restructuring expenses, impairment losses, one-off income and expenses (including significant non-cash expenses), and the related tax effects.
[4] Adjusted EBITDA leverage: The relation of net financial debt to adjusted EBITDA of the last twelve months according to the credit agreement currently in place.
[5] Xetra closing price.
[6] Adjusted earnings from continuing operations after non-controlling interests divided by 31.4m shares.
[7] Proposed appropriation of net earnings.
[8] The change has been calculated on a EUR k basis.

DIVISIONS

› Plastics & Devices

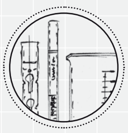
The product portfolio of the Plastics & Devices Division includes complex, customer-specific products for the simple and safe administration of medicines, such as insulin pens, inhalers and prefillable syringes. Also included are diagnostics and medical technology products such as lancets and test systems as well as pharmaceutical plastic containers for liquid and solid medicines with closure and safety systems.

in EUR m	**Q1 2017**	Q1 2016	Change in %[3]	**FY 2016**
Revenues[1]	164.6	177.6	-7.3	765.4
Adjusted EBITDA[2]	40.3	42.1	-4.3	204.0
in % of revenues	24.5	23.7	–	26.6
Capital expenditure	6.7	8.7	-22.8	51.6

› Primary Packaging Glass

The Primary Packaging Glass Division produces glass primary packaging for medicines and cosmetics, such as pharma jars, ampoules, injection vials, cartridges, perfume flacons and cream jars, plus special glass containers for the food and beverage industry.

in EUR m	**Q1 2017**	Q1 2016	Change in %[3]	**FY 2016**
Revenues[1]	138.6	142.7	-2.9	610.6
Adjusted EBITDA[2]	24.3	26.2	-7.1	124.7
in % of revenues	17.5	18.3	–	20.4
Capital expenditure	5.9	4.8	24.3	58.8



› Life Science Research (sold as of October 31, 2016)

The Life Science Research Division produces reusable laboratory glassware for research, development and analytics, such as beakers, Erlenmeyer flasks and measuring cylinders as well as disposable laboratory products such as culture tubes, pipettes, chromatography vials and other specialty laboratory glassware. For further information we refer to note (2) in the notes to the consolidated financial statements 2016.

in EUR m	**Q1 2017**	Q1 2016	Change in %[3]	**FY 2016**
Revenues[1]	–	–	–	–
Adjusted EBITDA[2]	–	–	–	–
in % of revenues	–	–	–	–
Capital expenditure	–	0.2	–	1.4

[1] Revenues by segment include intercompany revenues.
[2] Adjusted EBITDA: Earnings before income taxes, net finance expense, amortization of fair value adjustments, depreciation and amortization, impairment losses, restructuring expenses, and one-off income and expenses.
[3] The change has been calculated on a EUR k basis.

KEY FACTS FIRST QUARTER 2017

- Despite a 5.4% decrease in revenues to EUR 302.8m (EUR 301.1m at constant exchange rates), the adjusted EBITDA margin, at 19.8%, remains at the same level as in the prior-year period (Q1 2016: 19.8%). Adjusted EBITDA consequently comes to EUR 59.9m, marking a decrease of EUR 3.6m
- Adjusted net income from continuing operations is EUR 19.2m (Q1 2016: EUR 23.3m)
- Adjusted earnings from continuing operations per share after non-controlling interests is EUR 0.60, compared with EUR 0.72 in the prior-year quarter
- Solid operating cash flow of EUR 24.7m; EBITDA leverage is unchanged at 2.6x
- Guidance for the financial year 2017 confirmed. As a result of the expected difficult start to the financial year 2017, our revenue expectation remains, for the time being, at the lower end of our communicated guidance range of EUR 1.405bn to EUR 1.455bn

CONTENTS

GERRESHEIMER ON THE CAPITAL MARKETS

GERRESHEIMER SHARES SHOW SHARP RECOVERY IN FIRST QUARTER

The international stock market recovery that took hold at the end of the financial year 2016 continued during the first quarter of the financial year 2017, despite ongoing global political uncertainties.

Gerresheimer shares followed the positive trend in the MDAX – the second most important German stock index and our benchmark index – with a rise in the share price. At the end of the quarter on February 28, 2017, our shares closed at EUR 74.01, marking an increase of 7.5% on the share price at the end of November 2016. Gerresheimer shares performed slightly less well than the MDAX as a whole, with a difference of 4.4%.

PROPOSED DIVIDEND: EUR 1.05 PER SHARE

In light of the favorable performance in the past financial year, the Management Board and Supervisory Board will be jointly proposing at the Annual General Meeting on April 26, 2017 that a dividend of EUR 1.05 per share be distributed for the financial year 2016 (prior year: EUR 0.85 per share). This represents a total dividend distribution of EUR 33.0m – an increase of 23.5% against the prior-year dividend – and would mark the sixth dividend increase in succession. The dividend ratio amounts to 24.9% of adjusted net income after non-controlling interests. This distribution is in line with our dividend policy of distributing to shareholders between 20% and 30% of adjusted net income after non-controlling interests, depending on operating performance.

MAJORITY BUY RECOMMENDATION FROM ANALYSTS

As before, the majority of the 16 bank analysts who covered Gerresheimer shares up to the reporting date gave a buy recommendation. Just one analyst gave a sell recommendation. The average target price as of February 28, 2017 was EUR 80.19.

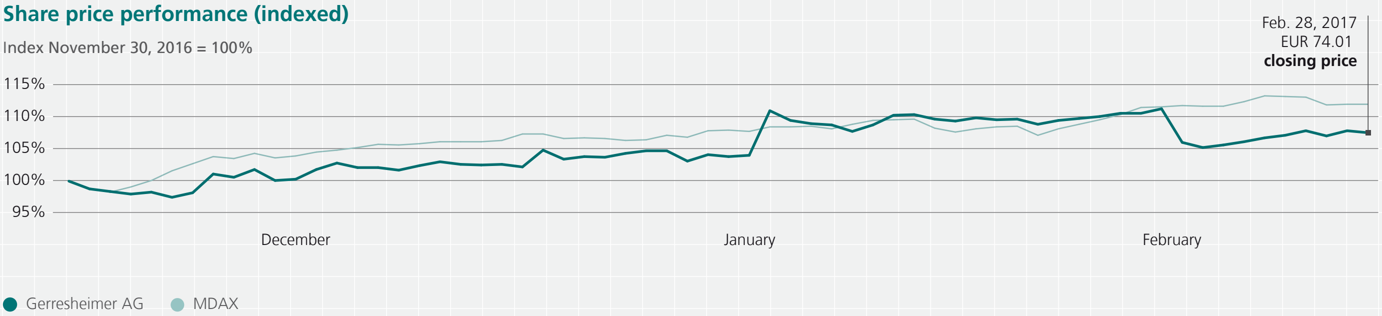
Gerresheimer Shares: Key Data

	Q1 2017	Q1 2016	FY 2016
Number of shares at reporting date in million	31.4	31.4	31.4
Share price[1] at reporting date in EUR	74.01	65.94	68.85
Market capitalization at reporting date in EUR m	2,323.9	2,070.5	2,161.9
Share price high[1] during reporting period in EUR	76.56	75.02	76.86
Share price low[1] during reporting period in EUR	67.14	57.10	57.10
Adjusted earnings from continuing operations per share[2] in EUR	0.60	0.72	4.07
Dividend per share in EUR	–	–	1.05[3]

[1] Xetra closing price.
[2] Adjusted earnings from continuing operations after non-controlling interests divided by 31.4m shares.
[3] Proposed appropriation of net earnings.

Share price performance (indexed)

Index November 30, 2016 = 100%



GERRESHEIMER BOND PRICE

The Gerresheimer bond price remained stable at a high level. As of the February 28, 2017 reporting date, the bonds stood at 105.9%, with an effective interest rate of approximately 0.3% p.a. The bonds can be traded in Frankfurt in floor trading as well as on regional exchanges in Germany. Rating agencies Moody’s and Standard & Poor’s rate Gerresheimer Baa3 and BBB- respectively as of the February 28, 2017 reporting date, and thus as an investment grade investment.

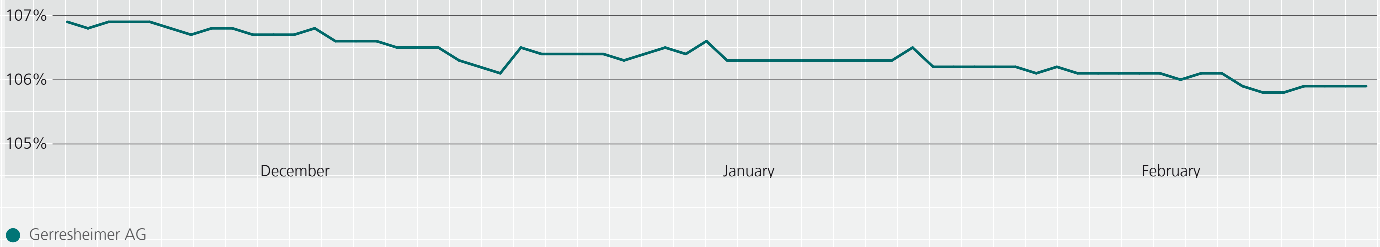
Bond Reference Data

ISIN	XS0626028566
WKN	A1H3VP
Issuer	Gerresheimer AG
Volume	EUR 300m
Coupon/coupon date	5% p.a./May 19
Maturity date	May 19, 2018
Bond price[1] at reporting date	105.9%
Effective annual interest rate[2] at reporting date	0.3% p.a.
Bond rating at reporting date	Standard & Poor's: BBB-, stable outlook Moody's: Baa3, negative outlook
Corporate rating at reporting date	Standard & Poor's: BBB-, stable outlook Moody's: Baa3, negative outlook
Denomination	EUR 1,000.00 par value
Listings	Berlin, Duesseldorf, Frankfurt (floor trading), Hamburg, Hanover, Munich, Stuttgart

[1] Closing price, Stuttgart Stock Exchange.
[2] Based on the closing price on Stuttgart Stock Exchange.

Bond price

Market price November 30, 2016 = 106.9%



INTERIM GROUP MANAGEMENT REPORT DECEMBER 2016 – FEBRUARY 2017

BUSINESS ENVIRONMENT

In its January economic outlook update[1], the International Monetary Fund (IMF) forecasts a slight increase in global economic growth in 2017. However, it says that the prevailing high level of uncertainty regarding the new US government and its implications for the global economy mean that forecasting uncertainty is currently also increased. The IMF experts have nonetheless reaffirmed their projection for the coming year with a growth forecast of 3.4% for the world economy in 2017, compared with an estimated 3.1% in 2016. Growth expectations for industrialized economies have reportedly improved, however, while the projections for emerging and developing countries have been revised downward due to a deterioration in the macroeconomic situation in a number of countries.

The IMF has marginally lifted its forecast for economic growth in the eurozone by 0.1 of a percentage point, from 1.5% in October 2016 to 1.6% today (2016 estimate: 1.7%). Among other factors, this trend is driven by higher domestic demand, the growth-oriented monetary policy of the European Central Bank (ECB) and the fall in the euro against other currencies such as the US dollar. Countries including, for instance, Italy and Spain, which saw relatively slow growth over the past few years, are also reportedly starting to regain traction.

For Germany, following a 0.2 percentage point increase in October 2016, the IMF once again raised its forecast for economic growth in 2017 from 1.4% to 1.5% in its January update.

January saw a marginal increase in the IMF projection for US economic growth in 2017 to 2.3% based on the assumption of an expected fiscal stimulus package. In addition, following a weak first half in 2016, the US economy is reportedly approaching full employment. However, the IMF emphasizes that forecasting uncertainty for the USA is at a particularly high level due to the political situation.

Emerging and developing countries show a mixed picture. While the growth rate in China is said to have been better than expected recently due to the ongoing economic stimulus program, a number of Latin American countries such as Argentina and Brazil have fallen short of expectations. In general, however, the IMF expects that growth in emerging and developing countries is strengthening overall. The current expectation here is 4.5% growth, compared with an estimated 4.1% in 2016. For China, the forecast has been increased by 0.3 of a percentage point to 6.5%. Nonetheless, there is reported to be a risk of a substantial economic slowdown due to dependence on stimulus packages combined with the rapid expansion in government debt and only little progress in imposing budget restrictions on state enterprises. This could even lead to an increased outflow of capital. The forecast for Latin America has been reduced due to muted expectations regarding a short-term recovery in Argentina and Brazil, higher interest rates and a stronger headwind as a result of US political uncertainties in Mexico.

Research organization Quintiles IMS Institute[2] forecasts annual average spending growth for the global pharma market of between 4% and 7% for the period 2016 to 2021, reaching some USD 1.5tn in 2021. For the USA, which remains the world's biggest pharma market, Quintiles IMS projects that spending will grow at an annual average of between 6% and 9% through to 2021. In European countries, it expects growth in the lower single-digit percentage range. The emerging markets by contrast are expected to sustain average annual growth rates of 6% to 9% over the coming five years. According to the report, volume growth – which is the indicator relevant to Gerresheimer – will be driven by a further increase in generics and slightly more moderate growth in healthcare provision in the emerging markets than in previous years. As in the period from 2011 to 2016, Quintiles IMS anticipates annual average global volume growth of 3% for 2016 to 2021, primarily driven by the emerging markets.

[1] International Monetary Fund: "World Economic Outlook (WEO) Update", January 2017.

[2] Quintiles IMS Institute: "Outlook for Global Medicines through 2021".

The euro-US dollar exchange rate moved in a corridor between 1.04 and 1.08 US dollars to the euro in the first quarter of 2017, with the end-of-quarter rate about level with the rate as of November 30, 2016. A temporary gain in the euro was lost toward the end of 2016 ahead of the US presidential election and after announcement of the outcome; also, a further hike in the US Federal Funds Rate became more likely, and indeed followed in mid-March after the close of our first quarter.

DEVELOPMENT OF THE BUSINESS

The start of the financial year 2017 went as expected for Gerresheimer Group. Revenues totaled EUR 302.8m in the first quarter of 2017. This was 5.4% down on the comparative figure from the prior-year quarter. On an organic basis – meaning at constant exchange rates and adjusted for acquisitions and divestments –, Gerresheimer Group revenues decreased by 6.2% in the first quarter of 2017. As of October 31, 2016, we sold the Life Science Research Division to the Duran Group. The manufacture of laboratory glassware had few or no synergies with our core business, the manufacture of primary pharma packaging and products for safe and simple drug delivery. In selling the Life Science Research Division, we reduced our number of plants by five. For further details and background information, please see our Annual Report 2016.

Adjusted EBITDA came to EUR 59.9m in the first quarter of 2017, compared with EUR 63.5m in the same quarter of the prior year. The adjusted EBITDA margin was 19.8% in the quarter under review, at the same level as in the prior-year quarter despite the 5.4% drop in revenues.

Results of operations, at EUR 28.2m, showed a reduction of EUR 3.4m on the EUR 31.6m recorded in the prior-year quarter. The main factor behind the decrease in results of operations was the lower level of revenues compared with the prior-year quarter. Net income from continuing operations was EUR 13.3m in the first quarter of 2017, EUR 2.9m below the figure of EUR 16.2m in the same quarter a year earlier. Reconciling the net income from continuing operations to the net income of EUR 17.6m for the first quarter of 2016, the Life Science Research Division sold as of October 31, 2016 generated net income of EUR 1.4m in the first quarter of 2016.

Our net asset position has stayed very solid. The equity ratio of 33.3% showed a slight increase on November 30, 2016 (32.1%). Non-current assets as a percentage of total assets came to 77.0%, at the same level as November 30, 2016 (77.1%). Calculated pursuant to the current credit line agreement as the ratio of net financial debt to adjusted EBITDA over the last twelve months, adjusted EBITDA leverage stood at 2.6x and was thus unchanged relative to November 30, 2016. We generated operating cash flow of EUR 24.7m in the first quarter of 2017, compared with EUR 33.5m in the prior-year period.

Our strong international presence exposes the Gerresheimer Group’s results of operations to external factors such as currency movements. In light of this, we additionally state revenue growth in the management report on a constant exchange rate basis. For the financial year 2017, we have assumed an USD exchange rate for budgeting purposes of USD 1.10 per EUR 1.00. Given our production locations in the USA and financial debt in US dollars, fluctuations in the US dollar/euro exchange rate have no material effect on Group earnings performance and essentially only lead to translation effects. As in prior years, external factors such as the development of energy and commodity prices had little impact on the Gerresheimer Group’s results of operations in the reporting period. Price fluctuations for raw materials and energy are largely offset by contractually agreed price escalation clauses, hedging transactions, productivity gains and price increases.

Overall, performance in the first quarter of the financial year 2017 met our expectations.

REVENUE PERFORMANCE

The Gerresheimer Group generated revenues of EUR 302.8m in the first quarter of 2017, down by 5.4% on the EUR 320.2m recorded in the prior-year quarter. On an organic basis – meaning at constant exchange rates and adjusted for acquisitions and divestments –, revenues decreased by 6.2% in the first quarter of 2017.

in EUR m	**Q1 2017**	Q1 2016	Change in %[1]
Revenues			
Plastics & Devices	164.6	177.6	-7.3
Primary Packaging Glass	138.6	142.7	-2.9
Subtotal	**303.2**	**320.3**	**-5.3**
Intra-Group revenues	-0.4	-0.1	> 100.0
Total revenues	**302.8**	**320.2**	**-5.4**

[1] The changes have been calculated on a EUR k basis.

Revenues in the Plastics & Devices Division went down by 7.3% or EUR 13.0m to EUR 164.6m in the first quarter of 2017. The decrease was mostly accounted for by the medical systems business. This is on the one hand due to a reduction in tooling revenues in the first quarter of 2017 compared to the first quarter of 2016. Temporary fluctuations throughout the year are normal in the tooling business and essentially track the billing of large-scale projects. On the other hand, lower demand stemming from some pharma customers, where we act as single source supplier also contributed to the decrease in revenues year-on-year, a trend we had already indicated at the beginning of the financial year. Overall, measured on an organic basis, revenues in the Plastics & Devices Division were 9.0% down on the prior-year quarter.

Revenues in the Primary Packaging Glass Division came to EUR 138.6m, down 2.9% compared to the level of EUR 142.7m recorded in the prior-year quarter. The main reason for the lower revenues compared with the prior-year quarter was especially a decrease in revenues in the North America region. Here, the increased uncertainty associated with the new US administration resulted in a relatively pronounced reticence amongst our large pharma customers to place orders. On an organic growth basis, revenues decreased by 2.5% in the first quarter of 2017 relative to the prior-year quarter. Conversely, in the cosmetics business we generated organic revenue growth in the first quarter of 2017.

RESULTS OF OPERATIONS

Adjusted EBITDA decreased from EUR 63.5m in the first quarter of 2016 to EUR 59.9m. This is primarily due to the reduction in revenues as described. At constant exchange rates, adjusted EBITDA stood at EUR 59.8m. Despite the decrease in revenues, the adjusted EBITDA margin was stabilized at a record level for a first quarter of 19.8%.

			Margin in %	
in EUR m	**Q1 2017**	Q1 2016	**Q1 2017**	Q1 2016
Adjusted EBITDA				
Plastics & Devices	40.3	42.1	24.5	23.7
Primary Packaging Glass	24.3	26.2	17.5	18.3
Subtotal	**64.6**	**68.3**	**–**	**–**
Head office/ consolidation	-4.7	-4.8	–	–
Total adjusted EBITDA	**59.9**	**63.5**	**19.8**	**19.8**

In the Plastics & Devices Division, the adjusted EBITDA margin improved from 23.7% in the prior-year quarter to 24.5% in the first quarter of 2017, even though adjusted EBITDA fell overall by EUR 1.8m to EUR 40.3m. The positive change in the margin mainly resulted from the reduced share of lower-margin engineering and tooling revenues compared with the prior-year quarter.

In the Primary Glass Division, adjusted EBITDA came to EUR 24.3m, down some EUR 1.9m compared to EUR 26.2m against the same quarter a year earlier. The adjusted EBITDA margin stood at 17.5% in the first quarter of 2017, 0.8 of a percentage point down on the 18.3% recorded in the prior-year quarter. One favorable outcome was an improvement in the adjusted EBITDA margin in the Tubular Glass Converting Business Unit compared to the prior-year quarter, notably due to the positive cost impact of implementing the machinery strategy for vials. In contrast, the adjusted EBITDA margin in the Moulded Glass Business Unit decreased. Reasons include the furnace repair in Belgium planned for and carried out in the quarter under review. In addition, lower expected demand from a number of major pharma customers was responded to with extended plant shutdowns in the first quarter of 2017, in order to enhance productivity.

The table below shows the reconciliation of adjusted EBITDA to results of operations:

in EUR m	Q1 2017	Q1 2016	Change
Adjusted EBITDA	**59.9**	**63.5**	**-3.6**
Depreciation	-22.7	-21.2	-1.5
Adjusted EBITA	**37.2**	**42.3**	**-5.1**
Sale of the glass tubing business	–	0.3	-0.3
Portfolio optimization	–	-1.1	1.1
One-off income and expenses[1]	-0.1	-0.2	0.1
Total of one-off effects	**-0.1**	**-1.0**	**0.9**
Amortization of fair value adjustments[2]	-8.9	-9.7	0.8
Results of operations	**28.2**	**31.6**	**-3.4**

[1] The one-off income/expenses item consists of one-off items that cannot be taken as an indicator of ongoing business. These comprise, for example, various reorganization and restructuring measures that are not included in restructuring expenses under IFRS.
[2] Amortization of fair value adjustments relates to the assets identified at fair value in connection with the acquisitions of Gerresheimer Regensburg in January 2007; the pharma glass business of Comar Inc., USA, in March 2007; the acquisitions of Gerresheimer Zaragoza and Gerresheimer Sao Paulo in January 2008; the acquisition of Vedat in March 2011; the acquisition of Neutral Glass in April 2012; the acquisition of Triveni in December 2012; and the acquisition of Centor in September 2015. Amortization of fair value adjustments relates to amortization of identified intangible assets.

Adjusted EBITA came to EUR 37.2m in the first quarter of 2017 (prior-year quarter: EUR 42.3m) based on adjusted EBITDA of EUR 59.9m in the first quarter of 2017 (prior-year quarter: EUR 63.5m) less depreciation of EUR 22.7m (prior-year quarter: EUR 21.2m). This reconciles to the EUR 28.2m results of operations for the first quarter of 2017 – compared with EUR 31.6m in the prior-year period – by deducting one-off effects in the reporting period in the amount of EUR 0.1m (prior-year quarter: EUR 1.0m) and amortization of fair value adjustments in the amount of EUR 8.9m (Q1 2016: EUR 9.7m). In the first quarter of 2016, the one-off effects mainly related to not previously accounted-for effects of the portfolio optimization decided and carried out in the financial year 2015 and, to a minor extent, purchase price adjustment in connection with the sale of the glass tubing business in the financial year 2015.

in EUR m	Q1 2017	Q1 2016	Change
Results of operations	**28.2**	**31.6**	**-3.4**
Net finance expense	-8.5	-8.4	-0.1
Income taxes	-6.4	-7.0	0.6
Net income from continuing operations	**13.3**	**16.2**	**-2.9**

Net finance expense stood at EUR 8.5m in the first quarter of 2017, close to the figure of EUR 8.4m for the prior-year quarter. This is the net outcome of a slight EUR 0.1m decrease in interest expense, identical interest income to the prior-year quarter, and a EUR 0.2m increase in other financial expenses that was mainly due to higher exchange differences.

Income taxes came to EUR 6.4m in the reporting period, compared with EUR 7.0m in the first quarter of 2016. The tax ratio was 32.6% as of February 28, 2017, higher than the 30.2% tax ratio in the prior-year quarter. This is mainly due to a decrease of approximately EUR 0.3m in tax-free income relative to the prior-year quarter.

The Gerresheimer Group generated net income from continuing operations of EUR 13.3m in the period December 1, 2016 to February 28, 2017. This was EUR 2.9m below the comparative figure of EUR 16.2m for the prior-year quarter.

in EUR m	Q1 2017	Q1 2016	Change
Net income from continuing operations	**13.3**	**16.2**	**-2.9**
One-off income and expenses	-0.1	-1.0	0.9
Related tax effect	–	0.4	-0.4
Amortization of fair value adjustments	-8.9	-9.7	0.8
Related tax effect	3.1	3.2	-0.1
Adjusted net income from continuing operations	**19.2**	**23.3**	**-4.1**
Attributable to non-controlling interests	**0.4**	**0.5**	**-0.1**
Amortization of fair value adjustments	-0.2	-0.1	-0.1
Related tax effect	0.1	–	0.1
Adjusted net income from continuing operations attributable to non-controlling interests	**0.5**	**0.6**	**-0.1**
Adjusted net income from continuing operations after non-controlling interests	**18.7**	**22.7**	**-4.0**
Adjusted earnings from continuing operations per share in EUR after non-controlling interests	0.60	0.72	-0.12

Adjusted net income from continuing operations (defined as net income from continuing operations, including net income attributable to non-controlling interests, before non-cash amortization of fair value adjustments, total one-off effects and related tax items) came to EUR 19.2m in the first quarter of 2017, compared with EUR 23.3m in the prior-year quarter. Adjusted net income from continuing operations after non-controlling interests stood at EUR 18.7m (Q1 2016: EUR 22.7m), showing a decrease of EUR 4.0m. Adjusted earnings from continuing operations per share after non-controlling interests consequently came to EUR 0.60 in the first quarter of 2017 (prior-year quarter: EUR 0.72).

in EUR m	Q1 2017	Q1 2016	Change
Net income from continuing operations	**13.3**	**16.2**	**-2.9**
Net income from discontinued operations	–	1.4	-1.4
Net income	**13.3**	**17.6**	**-4.3**

The EUR 1.4m net income from discontinued operations in the first quarter of 2016 represents the ongoing net income of the Life Science Research Division sold as of October 31, 2016.

NET ASSETS

BALANCE SHEET

The Gerresheimer Group's net assets changed as follows in the first quarter of 2017:

ASSETS in EUR m	Feb. 28, 2017	Nov. 30, 2016	Change in %[1]
Intangible assets, property, plant, equipment and investment property	1,806.8	1,809.8	-0.2
Investment accounted for using the equity method	0.2	0.3	-29.8
Other non-current assets	21.8	21.5	1.5
Non-current assets	**1,828.8**	**1,831.6**	**-0.1**
Inventories	171.1	155.4	10.1
Trade receivables	215.6	232.1	-7.1
Other current assets	158.2	155.2	1.9
Current assets	**544.9**	**542.7**	**0.4**
Total assets	**2,373.7**	**2,374.3**	**–**

Equity and Liabilities in EUR m	Feb. 28, 2017	Nov. 30, 2016	Change in %[1]
Equity and non-controlling interests	**789.9**	**763.3**	**3.5**
Non-current provisions	167.6	167.5	0.1
Financial liabilities	745.5	744.6	0.1
Other non-current liabilities	158.2	157.8	0.2
Non-current liabilities	**1,071.3**	**1,069.9**	**0.1**
Financial liabilities	194.8	185.4	5.1
Trade payables	128.0	157.0	-18.5
Other current provisions and liabilities	189.7	198.7	-4.5
Current liabilities	**512.5**	**541.1**	**-5.3**
Total equity and liabilities	**2,373.7**	**2,374.3**	**–**

[1] The changes have been calculated on a EUR k basis.

Total assets in the Gerresheimer Group decreased relative to November 30, 2016 by EUR 0.6m to EUR 2,373.7m as of February 28, 2017. There were no significant changes in balance sheet structure.

At EUR 1,828.8m, non-current assets were EUR 2.8m below the figure as of November 30, 2016. Intangible assets increased by EUR 1.0m relative to the November 30, 2016 figure. This relates to a EUR 4.1m increase in goodwill due to exchange rate changes and a EUR 6.0m decrease in customer relationships, comprising EUR 8.7m relating to amortization of fair value adjustments versus a EUR 2.7m increase attributable to exchange rate changes. In addition, a license acquired in connection with the development of the new Gx RTF® vials product portfolio of prefillable sterile injection vials was recognized as an intangible asset in the amount of EUR 2.3m. Property, plant and equipment decreased by EUR 4.0m. Non-current assets accounted for 77.0% of total assets as of February 28, 2017 and 77.1% as of November 30, 2016. At EUR 544.9m, current assets were more or less on a par with the November 30, 2016 figure.

The Gerresheimer Group's consolidated equity, including non-controlling interests, increased from EUR 763.3m as of November 30, 2016 to EUR 789.9m as of February 28, 2017. This increase reflected net income in the reporting period and exchange rate changes that likewise had a positive impact on equity. The equity ratio went up from 32.1% as of November 30, 2016 to 33.3% as of February 28, 2017.

Non-current liabilities were EUR 1,071.3m at the end of February 2017, marking a slight EUR 1.4m increase on the figure of EUR 1,069.9m at the end of November 2016.

Current liabilities went down by EUR 28.6m to EUR 512.5m. This change mainly related to the significant reduction in trade payables.

NET WORKING CAPITAL

The Gerresheimer Group's net working capital stood at EUR 222.1m as of February 28, 2017, a rise of EUR 21.8m compared with November 30, 2016.

in EUR m	Feb. 28, 2017	Nov. 30, 2016	Feb. 29, 2016
Inventories	171.1	155.4	188.3
Trade receivables	215.6	232.1	221.7
Trade payables	128.0	157.0	142.6
Prepayments received	36.6	30.2	38.3
Net working capital	**222.1**	**200.3**	**229.1**

The increase in net working capital compared with November 30, 2016 mainly resulted from the decrease in trade payables. These factors were countered by a slight increase in prepayments received. The increase in inventories and the decrease in trade receivables effectively cancel each other out. On a constant exchange rate basis, the increase in net working capital in the first quarter of 2017 came to just EUR 20.1m, compared with EUR 18.8m in the first quarter of 2016.

Expressed as a percentage of revenues in the past twelve months, average net working capital decreased from 17.3%[3] in the prior year to 16.1% in the reporting period. This is already in line with the target of approximately 16% as of the end of the financial year 2018.

FINANCIAL LIABILITIES AND CREDIT FACILITIES

The Gerresheimer Group's net financial debt developed as follows:

in EUR m	Feb. 28, 2017	Nov. 30, 2016	Feb. 29, 2016
Financial debt			
Syndicated facilities			
Revolving credit facility (since June 15, 2015)[1]	165.2	162.7	241.6
Total syndicated facilities	**165.2**	**162.7**	**241.6**
Senior notes – euro bond	300.0	300.0	300.0
Bonded loans	425.0	425.0	425.0
Local borrowings incl. bank overdrafts[1]	15.0	11.7	10.5
Finance lease liabilities	7.2	7.2	5.6
Total financial debt	**912.4**	**906.6**	**982.7**
Cash and cash equivalents	122.6	118.4	88.3
Net financial debt	**789.8**	**788.2**	**894.4**

[1] The exchange rates used for the translation of US dollar loans to euros were as follows: as of February 28, 2017: EUR 1.00/USD 1.0579; as of November 30, 2016: EUR 1.00/USD 1.0635; as of February 29, 2016: EUR 1.00/USD 1.0888.

Net financial debt increased slightly by EUR 1.6m to EUR 789.8m as of February 28, 2017 (November 30, 2016: EUR 788.2m). The increase in net financial debt as of February 28, 2017 is mostly attributable to larger drawings on the revolving credit facility, larger local borrowings including bank overdrafts and, in the opposite direction, an increase in cash and cash equivalents. Calculated pursuant to the current credit line agreement as the ratio of net financial debt to adjusted EBITDA over the last twelve months, adjusted EBITDA leverage stood at 2.6x and was thus unchanged relative to November 30, 2016.

Drawings on the EUR 450m revolving credit facility totaled EUR 165.2m as of February 28, 2017.

CAPITAL EXPENDITURE

Gerresheimer incurred capital expenditure on property, plant and equipment and intangible assets as follows in the first quarter of 2017:

in EUR m	Q1 2017	Q1 2016	Change in %[1]
Plastics & Devices	6.7	8.7	-22.8
Primary Packaging Glass	5.9	4.8	24.3
Life Science Research	-	0.2	-100.0
Head office	2.5	–	> 100.0
Total capital expenditure	**15.1**	**13.7**	**10.5**

[1] The changes have been calculated on a EUR k basis.

We continue to invest heavily in the strong growth prospects of our business as well as in our quality and productivity initiatives. Capital expenditure totaled EUR 15.1m in the first quarter of 2017 (prior-year quarter: EUR 13.7m). The lion's share of capital expenditure was incurred in the Plastics & Devices Division. Divisional capital expenditure focused on the purchase of a site and the creation of additional production capacity, in both cases in the USA. In the Primary Packaging Glass Division, capital expenditure mainly related to the furnace repair at our location in Belgium as well as to vial and cartridge machinery for the purpose of global standardization in the Tubular Glass Converting Business Unit. As in prior years, we also invested in molds, tools and modernization. Head office capital expenditure mainly relates to the development of a new product portfolio of prefillable sterile injection Gx RTF® vials, together with technological know-how.

[3] Excluding the Life Science Research Division.

OPERATING CASH FLOW

in EUR m	Q1 2017	Q1 2016
Adjusted EBITDA	**59.9**	**66.0**[1]
Change in net working capital	-20.1	-18.8
Capital expenditure	-15.1	-13.7
Operating cash flow	**24.7**	**33.5**
thereof operating cash flow without Life Science Research Division	*24.7*	*29.2*
Net interest paid	-0.9	-0.7
Net taxes paid	-16.6	-43.2
Pension benefits paid	-2.9	-2.7
Other	-8.5	-6.6
Free cash flow before acquisitions/divestments	**-4.2**	**-19.7**
thereof free cash flow before acquisitions/divestments without Life Science Research Division	*-4.2*	*-21.2*
Acquisitions/divestments	1.4	-1.3
Financing activity	2.5	14.6
Changes in financial resources	**-0.3**	**-6.4**

[1] The presentation of adjusted EBITDA in connection with the calculation of operating cash flow includes the adjusted EBITDA of the discontinued operation comprised by the Life Science Research Division.

We generated operating cash flow of EUR 24.7m in the first quarter of 2017. That represents a decrease of EUR 8.8m from the EUR 33.5m in the comparative prior-year period. This is primarily due to the lower adjusted EBITDA and also partly to higher capital expenditure compared with the prior-year period. Both divisions show positive operating cash flows. More detailed information is provided in the segmental overview in the notes to this interim report.

CASH FLOW STATEMENT (CONDENSED)

in EUR m	Q1 2017	Q1 2016
Cash flow from operating activities	10.4	-6.2
Cash flow from investing activities	-13.3	-14.8
Cash flow from financing activities	2.6	14.6
Changes in financial resources	**-0.3**	**-6.4**
Effect of exchange rate changes on financial resources	1.9	-2.3
Financial resources at the beginning of the period	107.7	87.1
Financial resources at the end of the period	109.3	78.4

Our operating activities generated a cash inflow of EUR 10.4m in the first quarter of 2017 (Q1 2016: EUR 6.2m cash outflow). Lower tax payments relative to the prior-year period were the main driver of the increase in cash inflow from operating activities.

At EUR 13.3m, the net cash outflow comprising cash flow from investing activities was EUR 1.5m lower than in the prior-year quarter. The cash outflow in both reporting quarters contains payments for property, plant and equipment and intangible assets; in the quarter under review, it additionally includes a receipt of EUR 1.4m in connection with a purchase price adjustment on the sale of the Life Science Research Division. Proceeds from asset disposals played a secondary role in both periods.

The cash inflow in cash flow from financing activities came to EUR 2.6m in the first quarter of 2017, compared with EUR 14.6m in the first quarter of 2016. Financial resources consequently stood at EUR 109.3m, compared with EUR 78.4m at the end of the first quarter of 2016.

EMPLOYEES

The Gerresheimer Group employed 9,807 people as of February 28, 2017 (November 30, 2016: 9,904).

	Feb. 28, 2017	Nov. 30, 2016
Emerging markets	3,566	3,599
Germany	3,346	3,375
Europe (excluding Germany)	1,864	1,885
Americas	1,031	1,045
Total	**9,807**	**9,904**

As of the balance sheet date, the Gerresheimer Group employed 36% of the workforce in emerging markets, 34% in Germany, 19% in Europe (excluding Germany) and 11% in the Americas.

REPORT ON OPPORTUNITIES AND RISKS

In the financial year 2017, Gerresheimer continues to focus on growth in primary pharma packaging and drug delivery devices. Global economic trends, exchange rate factors, rising commodity and energy prices as well as uncertainties about the future development of national healthcare systems and customer demand represent risks that may affect the course of business in the long term. We are conscious of these risks and carefully observe their impacts to our business.

No risks have currently been identified that raise doubt about the ability of the Gerresheimer Group to continue as a going concern. There has been no material change to the information provided in the Opportunities and Risks section of our Annual Report 2016.

OUTLOOK

The forward-looking statements on the business performance of the Gerresheimer Group and Gerresheimer AG presented in the following and the assumptions deemed significant regarding the economic development of the market and industry are based on our own assessments, which we currently believe realistic according to the information we have available. However, such assessments entail uncertainty and the inevitable risk that projected developments may not correlate in direction or extent with actual developments.

DEVELOPMENT OF THE ECONOMIC ENVIRONMENT

Global and regional economic development

Assessments of the economic environment have not changed fundamentally compared with the information provided in our Annual Report. We therefore refer to the Outlook section in our Annual Report 2016. While the IMF experts have reaffirmed their projection for the coming year and are forecasting growth of 3.4% for the world economy in 2017, current high levels of uncertainty in connection with the new US government and its implications for the global economy mean that forecasting uncertainty is currently also increased.

MARKET AND BUSINESS OPPORTUNITIES FOR THE GERRESHEIMER GROUP

Prospects for the financial year 2017

Assessments of the prospects for the financial year 2017 have not changed fundamentally compared with the information provided in our Annual Report. We therefore refer to the Outlook section in our Annual Report 2016.

Overall Group
In the following, we set out our expectations for the financial year 2017, in each case based on constant exchange rates. For the US dollar – which is expected to have the largest currency impact on our Group currency, accounting for about a third of Group revenues in 2017 – we have assumed an exchange rate of approximately USD 1.10 to EUR 1.00.

On current information, our expectation for consolidated revenues at constant exchange rates in the financial year 2017 remains, for the time being, at the lower end of our communicated guidance range of EUR 1.405bn to EUR 1.455bn, compared with EUR 1,375.5m in 2016. This is against the backdrop of increased forecasting uncertainty in relation to the new US government, a view we share with the IMF experts. Given the ensuing potential changes in the US and global pharma markets, we are seeing significantly enhanced caution among our major pharma customers when it comes to placing orders, which will have implications for the first half of 2017. With regard to adjusted EBITDA, we are more optimistic because changes in our cost structure effected in the preceding years have enabled us to respond consistently to changes in customer ordering patterns, and we have put that response into action. We expect that this key figure will increase from EUR 308m in 2016 to some EUR 320m (plus or minus EUR 10m) in the financial year 2017. Based on the improvement in adjusted EBITDA, adjusted earnings per share after non-controlling interests – the basis of Gerresheimer AG's dividend policy – is projected to rise to a figure ranging between EUR 4.20 per share and EUR 4.55 per share (2016 adjusted for the discontinued operation comprising the Life Science Research Division: EUR 4.07 per share).

Largely due to our favorable growth prospects as well as driven by our initiatives to boost productivity and quality, capital expenditure in the financial year 2017 is expected to amount to around 8% of revenues at constant exchange rates.

Furthermore, our expectations through to the end of 2018 are as follows:

- We are aiming for average organic revenue growth of 4% to 5%.
- For the adjusted EBITDA margin, our target is some 23% for the financial year 2018. We are thus raising our previous expectation of above 22% for this ratio.
- In order to meet these targets, we will in all probability require annual capital expenditure of around 8% of revenues at constant exchange rates.
- Alongside the operating measures, our net working capital profile has also significantly improved, attributable among other factors to the sale of the glass tubing business and the Life Science Research Division coupled with the acquisition of Centor. Going forward, we therefore anticipate that average net working capital as a percentage of revenues will be approximately 16% (previously some 17%).
- We expect that our operating cash flow margin will be around 13%, as before.

Our long-term target remains:

- As before, attainment of at least 12% ROCE.
- We believe a net financial debt to adjusted EBITDA ratio of 2.5x to be right for Gerresheimer, with temporary variation above or below this tolerated because expedient M&A activity cannot be planned in detail.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 2016 – FEBRUARY 2017

CONSOLIDATED INCOME STATEMENT

for the Period from December 1, 2016 to February 28, 2017

in EUR k	Note	Q1 2017	Q1 2016
Revenues		302,813	320,153
Cost of sales		-214,370	-226,272
Gross profit		**88,443**	**93,881**
Selling and administrative expenses		-62,373	-63,139
Other operating income	(4)	3,940	3,000
Restructuring expenses		-9	–
Other operating expenses		-1,765	-2,142
Results of operations		**28,236**	**31,600**
Interest income		758	805
Interest expense		-8,007	-8,093
Other financial expenses		-1,264	-1,095
Net finance expense		**-8,513**	**-8,383**
Net income before income taxes		19,723	23,217
Income taxes	(6)	-6,437	-7,023
Net income from continuing operations		**13,286**	**16,194**
Net income from discontinued operations		–	1,368
Net income		**13,286**	**17,562**
Attributable to equity holders of the parent		12,920	16,245
Attributable to non-controlling interests		366	1,317
Earnings per share (in EUR)[1)]		**0.41**	**0.52**

[1)] The basic earnings per share figure stated here also corresponds in absence of potential diluted shares to diluted earnings per share.

Notes (1) to (14) are an integral part of these interim consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the Period from December 1, 2016 to February 28, 2017

in EUR k	Q1 2017	Q1 2016
Net income	**13,286**	**17,562**
Changes in the fair value of interest rate swaps and available for sale financial assets	–	-4
Income taxes	–	1
Other comprehensive income from financial instruments	**–**	**-3**
Currency translation	13,312	-27,661
Other comprehensive income from currency translation reserve	**13,312**	**-27,661**
Other comprehensive income that will be reclassified to profit or loss when specific conditions are met	**13,312**	**-27,664**
Other comprehensive income	**13,312**	**-27,664**
Total comprehensive income	**26,598**	**-10,102**
Attributable to equity holders of the parent	24,877	-10,591
Attributable to non-controlling interests	1,721	489

Notes (1) to (14) are an integral part of these interim consolidated financial statements.

CONSOLIDATED BALANCE SHEET

as of February 28, 2017

ASSETS

in EUR k	Note	Feb. 28, 2017	Nov. 30, 2016	Feb. 29, 2016
Non-current assets				
Intangible assets		1,194,941	1,193,902	1,211,748
Property, plant and equipment		606,164	610,169	584,790
Investment property		5,732	5,732	5,791
Investments accounted for using the equity method		184	262	237
Income tax receivables		1,293	1,173	957
Other financial assets		5,276	5,262	5,234
Other receivables		1,438	1,481	4,137
Deferred tax assets		13,803	13,570	8,336
		1,828,831	**1,831,551**	**1,821,230**
Current assets				
Inventories	(8)	171,135	155,433	188,307
Trade receivables		215,604	232,051	221,667
Income tax receivables		1,987	7,118	4,138
Other financial assets		8,859	10,555	7,557
Other receivables		24,666	19,157	27,610
Cash and cash equivalents		122,624	118,391	88,285
		544,875	**542,705**	**537,564**
Total assets		**2,373,706**	**2,374,256**	**2,358,794**

EQUITY AND LIABILITIES

in EUR k	Note	Feb. 28, 2017	Nov. 30, 2016	Feb. 29, 2016
Equity				
Subscribed capital		31,400	31,400	31,400
Capital reserve		513,827	513,827	513,827
IAS 39 reserve		-41	-41	-39
Currency translation reserve		-14,485	-26,442	-58,771
Retained earnings		220,333	207,413	129,397
Equity attributable to equity holders of the parent		**751,034**	**726,157**	**615,814**
Non-controlling interests		38,859	37,138	72,215
		789,893	**763,295**	**688,029**
Non-current liabilities				
Deferred tax liabilities		157,980	157,633	140,418
Provisions for pensions and similar obligations		158,772	159,590	158,662
Other provisions		8,846	7,928	6,376
Other financial liabilities		745,510	744,551	740,522
Other liabilities		203	198	303
		1,071,311	**1,069,900**	**1,046,281**
Current liabilities				
Provisions for pensions and similar obligations		13,348	13,621	16,587
Other provisions		52,576	53,446	59,752
Trade payables		127,962	156,996	142,622
Other financial liabilities		194,828	185,428	266,241
Income tax liabilities		11,336	25,001	20,999
Other liabilities		112,452	106,569	118,283
		512,502	**541,061**	**624,484**
		1,583,813	**1,610,961**	**1,670,765**
Total equity and liabilities		**2,373,706**	**2,374,256**	**2,358,794**

Notes (1) to (14) are an integral part of these interim consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the Period from December 1, 2016 to February 28, 2017

			Other comprehensive income					
in EUR k	Subscribed capital	Capital reserve	IAS 39 reserve	Currency translation reserve	Retained earnings	Equity holders of the parent	Non-controlling interests	**Total equity**
As of November 30/December 1, 2015	**31,400**	**513,827**	**-36**	**-31,938**	**113,152**	**626,405**	**71,726**	**698,131**
Net income	–	–	–	–	16,245	16,245	1,317	17,562
Other comprehensive income	–	–	-3	-26,833	–	-26,836	-828	-27,664
Total comprehensive income	**–**	**–**	**-3**	**-26,833**	**16,245**	**-10,591**	**489**	**-10,102**
As of February 29, 2016	**31,400**	**513,827**	**-39**	**-58,771**	**129,397**	**615,814**	**72,215**	**688,029**
As of November 30/December 1, 2016	**31,400**	**513,827**	**-41**	**-26,442**	**207,413**	**726,157**	**37,138**	**763,295**
Net income	–	–	–	–	12,920	12,920	366	13,286
Other comprehensive income	–	–	–	11,957	–	11,957	1,355	13,312
Total comprehensive income	**–**	**–**	**–**	**11,957**	**12,920**	**24,877**	**1,721**	**26,598**
As of February 28, 2017	**31,400**	**513,827**	**-41**	**-14,485**	**220,333**	**751,034**	**38,859**	**789,893**

Notes (1) to (14) are an integral part of these interim consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

for the Period from December 1, 2016 to February 28, 2017

in EUR k	Note	Q1 2017	Q1 2016
Net income		13,286	17,562
Income taxes	(6)	6,437	7,357
Depreciation of property, plant and equipment		22,132	20,842
Amortization of intangible assets		9,383	10,903
Portfolio adjustment		–	68
Change in other provisions		-318	-2,869
Change in provisions for pensions and similar obligations		-2,054	-2,093
Gain (-)/Loss (+) on the disposal of non-current assets/liabilities		-21	-11
Net finance expense		8,513	8,389
Interest paid		-1,355	-1,045
Interest received		459	364
Income taxes paid		-18,678	-43,828
Income taxes received		2,119	635
Change in inventories		-14,502	-4,684
Change in trade receivables and other assets		13,405	-7,599
Change in trade payables and other liabilities		-27,123	-16,636
Other non-cash expenses/income		-1,255	6,461
Cash flow from operating activities		**10,428**	**-6,184**
Cash received from disposals of non-current assets		416	167
Cash paid for capital expenditure			
in property, plant and equipment		-11,979	-13,267
in intangible assets		-3,110	-385
Cash received in connection with divestments, net of cash paid	(2)	1,356	-2,275
Cash paid for the acquisition of subsidiaries, net of cash received	(2)	–	1,013
Cash flow from investing activities		**-13,317**	**-14,747**
Distributions from third parties		78	–
Raising of loans		16,699	39,920
Repayment of loans		-14,075	-25,208
Cash paid for finance lease		-161	-112
Cash flow from financing activities		**2,541**	**14,600**
Changes in financial resources		**-348**	**-6,331**
Effect of exchange rate changes on financial resources		1,906	-2,347
Financial resources at the beginning of the period		107,742	87,090
Financial resources at the end of the period		**109,300**	**78,412**
Components of the financial resources			
Cash and cash equivalents		122,624	88,285
Bank overdrafts		-13,324	-9,873
Financial resources at the end of the period		**109,300**	**78,412**

Notes (1) to (14) are an integral part of these interim consolidated financial statements.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

of Gerresheimer AG for the Period from December 1, 2016 to February 28, 2017

(1) General

The Gerresheimer Group based in Duesseldorf, Germany, comprises Gerresheimer AG and its direct and indirect subsidiaries.

The present interim consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRSs), applicable as of the reporting date, issued by the International Accounting Standards Board (IASB) as adopted by the European Union as well as with regulations under commercial law as set fourth in section 315a of the German Commercial Code (Handelsgesetzbuch/HGB) and in accordance with IAS 34 "Interim Financial Reporting". These notes to the interim consolidated financial statements therefore do not contain all the information and details required by IFRS for consolidated financial statements at the end of a financial year, and should be read in conjunction with the consolidated financial statements as of November 30, 2016. The present financial statements have not been reviewed by our auditors.

The consolidated income statement was drawn up using the function of expense method and is supplemented by a consolidated statement of comprehensive income. The same accounting principles generally apply as in the consolidated financial statements for 2016.

The first time adoption of the following standards was mandatory:

- IFRS 10, IFRS 12, IAS 28, Investment Entities – Applying the Consolidation Exception
- IFRS 11, Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations
- IAS 1, Presentation of Financial Statements – Disclosure Initiative
- IAS 16, Property, Plant and Equipment and IAS 38, Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation
- IAS 16, Property, Plant and Equipment and IAS 41, Agriculture: Bearer Plants
- IAS 27, Separate Financial Statements – Equity Method in Separate Financial Statements
- IFRS Annual Improvements
  In September 2014, the IASB published the seventh set of annual improvements with a total of five amendments modifying four different standards. The amendments are effective for annual periods beginning on or after January 1, 2016.

The application of the above-mentioned standards has not had any material effect on these interim consolidated financial statements.

Preparation of the consolidated financial statements in compliance with the financial reporting principles applied requires estimates, assumptions and judgments that affect the recognition and measurement of assets and liabilities as of the balance sheet date, the disclosure of contingent liabilities and receivables as of the balance sheet date and the amounts of income and expenses reported in the reporting period. Although estimates are made to the best of management's knowledge of current events and transactions, actual future results may differ from the estimated amounts.

The interim consolidated financial statements are presented in euros, the functional currency of the parent company. Individual values as well as subtotal values reflect the value with the smallest rounding difference. Consequently, minor differences to subtotal values can occur when adding up reported individual values. The following exchange rates are used to translate the major currencies in the Group into reporting currency:

		Closing rate		Average rate	
1 EUR		**Feb. 28, 2017**	Feb. 29, 2016	**Q1 2017**	Q1 2016
Argentina	ARS	16.3973	16.8918	16.7283	14.0980
Brazil	BRL	3.2810	4.3394	3.4192	4.2747
Switzerland	CHF	1.0648	1.0914	1.0715	1.0944
China	CNY	7.2780	7.1351	7.3289	7.0440
Czech Republic	CZK	27.0210	27.0570	27.0308	27.0355
Denmark	DKK	7.4332	7.4602	7.4363	7.4615
India	INR	70.6290	74.3825	71.9705	72.8872
Mexico	MXN	21.0800	19.8005	21.7537	19.0624
Poland	PLN	4.3148	4.3543	4.3743	4.3266
United States of America	USD	1.0597	1.0888	1.0632	1.0828

The consolidated financial statements of Gerresheimer AG as of November 30, 2016, are published in German in the Federal Law Gazette (Bundesanzeiger) and on the Internet at www.gerresheimer.com.

(2) Cash Flow Statement

The cash flow statement shows how the financial resources of the Gerresheimer Group have changed due to cash inflows and outflows during the financial year. The cash flow effects of the initial consolidation of acquisitions, divestments and other changes in the consolidated group are eliminated. Financial resources as reported in the cash flow statement comprise cash and cash equivalents, which is cash on hand, checks, bills of exchange and bank balances, diminished by bank overdrafts. The item "Cash received in connection with divestments, net of cash paid" in the reporting period mainly includes the sale of the Life Science Research Division and contains cash inflow from a purchase price adjustment of prior-year accounted receivables. In the prior year it mainly includes the sale of the glass tubing business and results from payments of prior-year accounted liabilities from purchase price adjustments. The item "Cash paid for the acquisition of subsidiaries, net of cash received" in the prior year contains cash inflow from a purchase price adjustment for the US group Centor, which was part of the sale and purchase agreement.

(3) Seasonal Effects on Business Activity

The business is subject to seasonal influences, as revenues and cash flows in Europe and North America are usually lowest in the holiday period in December/January and during the summer months.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(4) Other Operating Income

Income from refund claims against third parties amounting to EUR 1,234k (comparative prior-year period: EUR 470k) and income from the reversal of provisions of EUR 774k (comparative prior-year period: EUR 872k) are included in other operating income.

(5) Amortization of Fair Value Adjustments

The amortization of fair value adjustments relates to the acquisitions of the Gerresheimer Regensburg Group (formerly Wilden Group) in early January 2007, the pharmaceutical glass business of Comar Inc., US, in March 2007, Gerresheimer Zaragoza and Gerresheimer Plasticos Sao Paulo in January 2008, Vedat Tampas Hermeticas Ltda. (merged with Gerresheimer Plasticos Sao Paulo) in March 2011, Neutral Glass in April 2012, Triveni in December 2012 and Centor in September 2015. Amortization of fair value adjustments relates to amortization of identified intangible assets.

The amortization of fair value adjustments is fully disclosed in the functional area selling expenses.

In the reporting period no impairment losses have been included in the amortization of fair value adjustments (comparative prior-year period: impairment losses on customer relationship in the Plastics & Devices Division of EUR 277k).

(6) Income Taxes

Income taxes break down as follows:

in EUR k	**Q1 2017**	Q1 2016
Current income taxes	-7,996	-8,922
Deferred income taxes	1,559	1,899
Income taxes	**-6,437**	**-7,023**

The Group's current tax ratio is 32.6% (comparative prior-year period: 30.3%).

(7) Distributions to Third Parties

There were no distributions to third parties in the first quarter of 2017 and 2016.

(8) Inventories

Inventories break down as follows:

in EUR k	**Feb. 28, 2017**	Nov. 30, 2016
Raw materials, consumables and supplies	51,452	49,968
Work in progress	19,280	18,429
Finished goods and merchandise	97,245	83,983
Prepayments made	3,158	3,053
Inventories	**171,135**	**155,433**

Expenses arising from write-downs on inventory amount to EUR 1,684k in the reporting period (comparative prior-year period: EUR 1,934k). If the reasons which led to a write-down cease to exist, write-downs previously set up are reversed. Such reversals amount to EUR 96k in the reporting period (comparative prior-year period: EUR 220k).

(9) Financial Liabilities

In connection with the refinancing of the previous syndicated loans, a new revolving loan agreement of EUR 450,000k was signed on June 9, 2015 with a five-year term to maturity. This was used to redeem the bank loan for an initial EUR 400,000k on June 15, 2015 that was otherwise due to expire in 2016. As of the balance sheet date, EUR 165,150k of the revolving credit facility had been drawn.

The EUR 300,000k bond remains in place. It was issued on May 19, 2011 with an issue price of 99.4%, a coupon of 5.0% p.a. and a term to maturity ending in May 2018.

On November 10, 2015, bonded loans for a total of EUR 425,000k were launched with maturities of five, seven and ten years.

(10) Reporting on Financial Instruments

The Group's capital management objectives primarily consist of maintaining and ensuring the best-possible capital structure to reduce cost of capital, ensuring a sufficient level of cash and cash equivalents as well as active management of net working capital. Net financial debt as of February 28, 2017 amounts to EUR 789,791k (November 30, 2016: EUR 788,188k); net working capital is EUR 222,084k (November 30, 2016: EUR 200,300k).

The Gerresheimer Group's risk management system for credit risk, liquidity risk and individual market risks, including interest risks, currency risks and price risks, is described, including its objectives, policies and processes, in the Opportunity and Risk Report section of the Management Report of the consolidated financial statements as of November 30, 2016.

Information on financial instruments by category and class

By type of determination of the fair values of financial assets and financial liabilities, three hierarchy level must be distinguished. Gerresheimer reviews the categorization of fair value measurements to levels in the fair value hierarchy at the end of each reporting period.

Level 1: Fair values are determined on the basis of quoted prices in an active market.

Level 2: If no active market for a financial asset or a financial liability exists, fair value is established by using valuation techniques. The fair value measurements categorized in Level 2 were determined on the basis of prices in the most recent transactions with willing and independent parties or using prices in observable current market transactions for similar assets or liabilities.

Level 3: The fair value measurements are based on models incorporating unobservable inputs that are significant to the measurement.

	Feb. 28, 2017				Nov. 30, 2016			
in EUR k	**Level 1**	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Financial assets designated "available for sale"								
Securities	646	–	–	646	646	–	–	646
Financial assets designated "at fair value through profit and loss"								
Derivative financial assets	–	70	–	70	–	77	–	77
Measured at fair value	**646**	**70**	**–**	**716**	**646**	**77**	**–**	**723**
Financial liabilities designated "at fair value through profit and loss"								
Derivative financial liabilities	–	1,494	–	1,494	–	2,990	–	2,990
Put options	–	–	15,542	15,542	–	–	14,706	14,706
Measured at fair value	**–**	**1,494**	**15,542**	**17,036**	**–**	**2,990**	**14,706**	**17,696**

The following table shows the carrying amounts and fair values of the individual financial assets and liabilities for each individual category of financial instruments and reconciles them to the corresponding balance sheet items:

	Feb. 28, 2017			
	At amortized cost		At fair value	
in EUR k	Carrying amount	*For information purposes: Fair value*	Carrying amount	**Balance sheet amount**
Trade receivables	188,347	*188,347*	–	188,347[1]
Loans and receivables	188,347	*188,347*	–	
Other financial assets	13,419	*13,183*	716	14,135
Available-for-sale financial assets	236[2]	–	646	
At fair value through profit or loss	–	–	70	
Loans and receivables	13,183	*13,183*	–	
Cash and cash equivalents	122,624	*122,624*	–	122,624
Financial assets	**324,390**	***324,154***	**716**	**325,106**
Other financial liabilities	923,302	*941,683*	17,036	940,338
At amortized cost	923,302	*941,683*	–	
At fair value through profit or loss	–	–	17,036	
Trade payables	127,962	*127,962*	–	127,962
At amortized cost	127,962	*127,962*	–	
Financial liabilities	**1,051,264**	***1,069,645***	**17,036**	**1,068,300**

	Nov. 30, 2016			
	At amortized cost		At fair value	
in EUR k	Carrying amount	*For information purposes: Fair value*	Carrying amount	**Balance sheet amount**
Trade receivables	211,265	*211,265*	–	211,265[3]
Loans and receivables	211,265	*211,265*	–	
Other financial assets	15,094	*14,859*	723	15,817
Available-for-sale financial assets	235[4]	–	646	
At fair value through profit and loss	–	–	77	
Loans and receivables	14,859	*14,859*	–	
Cash and cash equivalents	118,391	*118,391*	–	118,391
Financial assets	**344,750**	***344,515***	**723**	**345,473**
Other financial liabilities	912,283	*933,982*	17,696	929,979
At amortized cost	912,283	*933,982*	–	
At fair value through profit or loss	–	–	17,696	
Trade payables	156,996	*156,996*	–	156,996
At amortized cost	156,996	*156,996*	–	
Financial liabilities	**1,069,279**	***1,090,978***	**17,696**	**1,086,975**

[1] Receivables under construction contracts are additionally recognized in the balance sheet in the amount of EUR 27,257k.
[2] Due to the non-availability of a reliably estimable quoted price, the fair value of investments with a carrying amount of EUR 236k is not stated.
[3] Receivables under construction contracts are additionally recognized in the balance sheet in the amount of EUR 20,786k.
[4] Due to the non-availability of a reliably estimable quoted price, the fair value of investments with a carrying amount of EUR 235k is not stated.

Liabilities measured at amortized cost include finance lease liabilities for which Group companies are the lessees. As of February 28, 2017, these liabilities amount to EUR 7,158k (November 30, 2016: EUR 7,245k).

The fair values of receivables, loans and liabilities are measured at the present value of future cash flows discounted at the current interest rate as of the balance sheet date. The fair values are discounted at an interest rate, taking into account the maturity of the asset or the remaining term of the liability and the counterparty's credit standing as of the balance sheet date.

Due to the predominantly short terms, the fair values of trade receivables, trade payables, other financial assets, other financial liabilities as well as cash and cash equivalents do not differ significantly from their carrying amounts.

(11) Other Financial Obligations

Other financial obligations break down as follows:

in EUR k	**Feb. 28, 2017**	Nov. 30, 2016
Obligations under rental and lease agreements	44,843	44,172
Capital expenditure commitments	9,955	11,391
Sundry other financial obligations	8,782	7,564
Other financial obligations	**63,580**	**63,127**

The obligations from rental and lease agreements mainly relate to plant and to land and buildings used for operating purposes.

(12) Segment Reporting

Segment reporting follows internal reporting according to the management approach.

In the Gerresheimer Group, the Management Board of Gerresheimer AG, as the chief operating decision maker, allocates resources to the operating segments and assesses their performance. The reportable segments and regions as well as the performance data shown are consistent with the internal management and reporting system.

The Gerresheimer Group is managed through strategic business units organized as divisions. These are aggregated into reporting segments based on their specific production technologies and the materials we use in our products. Following the sale of the Life Science Research Division as of October 31, 2016, our business model is divided into two operating divisions for reporting purposes: Plastics & Devices, and Primary Packaging Glass.

Our product portfolio in the **Plastics & Devices Division** includes complex, customer-specific products for simple and safe drug delivery. These include insulin pens, inhalers and prefillable syringes. The division also covers diagnostics and medical technology products such as skin-prick aids and test systems as well as pharmaceutical plastic containers for liquid and solid medicines with closure and safety systems.

In the **Primary Packaging Glass Division**, we produce primary packaging made of glass for medicines and cosmetics. This includes pharma jars, ampoules, injection vials, cartridges, perfume flacons and cream jars, plus special glass containers for the food and beverage industry.

The effects of services of Gerresheimer AG, consolidation measures and intersegment reconciliations are presented in the segment reporting as "Head office/consolidation". The measurement principles for segment reporting are based on the IFRSs applied in the consolidated financial statements.

In the following, the used key performance indicators to assess the performance of the divisions of Gerresheimer AG are shown:

Segment data by division

in EUR k	Plastics & Devices		Primary Packaging Glass		Life Science Research[2)]		Head office/ consolidation		Group	
	Q1 2017	Q1 2016	**Q1 2017**	Q1 2016	**Q1 2017**	Q1 2016	**Q1 2017**	Q1 2016	**Q1 2017**	Q1 2016
Segment revenues	164,585	177,615	138,603	142,695	–	–	–	–	303,188	320,310
Intragroup revenues	-203	-101	-172	-56	–	–	–	–	-375	-157
Revenues with third parties	**164,382**	**177,514**	**138,431**	**142,639**	**–**	**–**	**–**	**–**	**302,813**	**320,153**
Adjusted EBITDA	40,296	42,121	24,309	26,165	–	–	-4,749	-4,838	59,856	63,448
Depreciation	-11,333	-10,397	-11,124	-10,714	–	–	-184	-87	-22,641	-21,198
Adjusted EBITA	28,963	31,724	13,185	15,451	–	–	-4,933	-4,925	37,215	42,250
Net working capital	116,032	107,645	108,393	101,171	–	24,047	-2,341	-3,758	222,084	229,105
Operating cash flow[1)]	24,195	25,130	7,982	9,015	–	4,327	-7,523	-5,018	24,654	33,454
Capital expenditure	6,730	8,721	5,881	4,731	–	191	2,478	9	15,089	13,652
Employees	4,540	4,684	5,172	5,173	–	754	95	97	9,807	10,708

[1)] Operating cash flow: Adjusted EBITDA plus or minus change in net working capital less capital expenditure.
[2)] Prior-year figures in the income statement as well as in the statement of other comprehensive income have been adjusted due to the sale of the Life Science Research Division in the prior year. In contrast, the Life Science Research Division is still completely included in the prior-year figures of the balance sheet, in the prior-year cash flow statement as well as in the employee figures.

Reconciliation from Adjusted EBITA of the divisions to net income from continuing operations of the Group is shown in the following table:

in EUR k	**Q1 2017**	Q1 2016
Adjusted segment EBITA	42,148	47,175
Head office/consolidation	-4,933	-4,925
Adjusted Group EBITA	**37,215**	**42,250**
Sale of the glass tubing business	–	325
Portfolio optimization	-21	-1,140
One-off expenses and income	-84	-170
Amortization of fair value adjustments	-8,874	-9,665
Result of operations	**28,236**	**31,600**
Net finance expense	-8,513	-8,383
Net income before income taxes	**19,723**	**23,217**
Income taxes	-6,437	-7,023
Net income from continuing operations	**13,286**	**16,194**

Transfer prices between the divisions are based on customary market terms on an arm's length basis.

OTHER NOTES

(13) Related Party Disclosures

In the course of our operating activities, we conduct business with legal entities and individuals who are able to exert influence on Gerresheimer AG or its subsidiaries or are controlled or significantly influenced by Gerresheimer AG or its subsidiaries.

Related parties include companies that are related parties of members of the Supervisory Board of Gerresheimer AG, non-consolidated companies and associates, and members of the Gerresheimer AG Supervisory Board and Management Board.

The table below shows transactions with related parties:

	Q1 2017		**Feb. 28, 2017**		Q1 2016		Feb. 29, 2016	
in EUR k	**Sale of goods and services**	**Purchase of goods and services**	**Trade receivables**	**Trade payables**	Sale of goods and services	Purchase of goods and services	Trade receivables	Trade payables
Company in relation to a member of the Gerresheimer AG Supervisory Board	562	–	355	–	632	–	248	–
Associated companies	–	746	–	78	–	654	–	159
	562	**746**	**355**	**78**	**632**	**654**	**248**	**159**

The transactions carried out include the Vetter Pharma-Fertigungs GmbH & Co. KG, Ravensburg, Germany, which is related to a member of the supervisory board.

All transactions are conducted at market prices and on arm’s length terms.

(14) Events after the Balance Sheet Date

There were no subsequent events after February 28, 2017, which had a significant effect on the net assets, financial position or results of operations of the Gerresheimer Group.

The Management Board approved the interim consolidated financial statements on April 5, 2017, after discussion with the Audit Committee of the Supervisory Board.

FINANCIAL CALENDAR

April 26, 2017	Annual General Meeting 2017
July 13, 2017	Interim Report 2nd Quarter 2017
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Note to the Interim Report
This Interim Report is the English translation of the original German version; in case of deviations between these two, the German version prevails.

Note regarding the rounding of figures
Due to the commercial rounding of figures and percentages, small deviations may occur.

Disclaimer
This Interim Report contains certain future-oriented statements. Future-oriented statements include all statements which do not relate to historical facts and events and contain future-oriented expressions such as “believe”, “estimate”, “assume”, “expect”, “forecast”, “intend”, “could” or “should” or expressions of a similar kind. Such future-oriented statements are subject to risks and uncertainties since they relate to future events and are based on the Company’s current assumptions, which may not in the future take place or be fulfilled as expected. The Company points out that such future-oriented statements provide no guarantee for the future and that actual events including the financial position and profitability of the Gerresheimer Group and developments in the economic and regulatory fundamentals may vary substantially (particularly on the down side) from those explicitly or implicitly assumed or described in these statements. Even if the actual results for the Gerresheimer Group, including its financial position and profitability and the economic and regulatory fundamentals, are in accordance with such future-oriented statements in this Interim Report, no guarantee can be given that this will continue to be the case in the future.

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