OUR FIRST QUARTER

INTERIM REPORT FIRST QUARTER

DECEMBER 2017 – FEBRUARY 2018

Q1

GERRESHEIMER

GROUP KEY FIGURES

Financial Year-end November 30	Q1 2018	Q1 2017	Change in %[9]
Results of Operations during Reporting Period in EUR m			
Revenues at constant exchange rates[1]	299.2	298.0	0.4
Revenues	290.4	302.8	-4.1
Adjusted EBITDA at constant exchange rates[2]	54.9	59.0	-7.0
Adjusted EBITDA[3]	52.6	59.9	-12.1
in % of revenues	18.1	19.8	–
Adjusted EBITA[4]	29.4	37.2	-21.0
in % of revenues	10.1	12.3	–
Results of operations	17.3	28.2	-38.7
Adjusted net income[5]	58.8	19.2	> 100.0
Net Assets as of Reporting Date in EUR m			
Total assets	2,388.5	2,373.7	0.6
Equity	823.9	789.9	4.3
Equity ratio in %	34.5	33.3	–
Net working capital	224.0	222.1	0.8
in % of revenues of the last twelve months	16.8	16.4	–
Capital expenditure	10.8	15.1	-28.2
Net financial debt	726.9	789.8	-8.0
Adjusted EBITDA leverage[6]	2.4	2.6	–
Financial and Liquidity Position during Reporting Period in EUR m			
Cash flow from operating activities	-2.3	10.4	> -100.0
Cash flow from investing activities	-10.7	-13.3	-19.9
thereof cash paid for capital expenditure	*-10.8*	*-15.1*	*-28.2*
Free cash flow before financing activities	-13.0	-2.9	> -100.0
Employees			
Employees as of the reporting date (total)	9,773	9,807	-0.3
Stock Data			
Number of shares at reporting date in million	31.4	31.4	–
Share price[7] at reporting date in EUR	63.10	74.01	-14.7
Market capitalization at reporting date in EUR m	1,981.3	2,323.9	-14.7
Share price high[7] during reporting period in EUR	73.25	76.56	–
Share price low[7] during reporting period in EUR	60.90	67.14	–
Earnings per share in EUR	1.55	0.41	> 100.0
Adjusted earnings per share[8] in EUR	1.85	0.60	> 100.0

[1] Revenues at constant exchange rates of the first quarter 2017 were, for a better comparability, translated at the budget rates 2018, which are equivalent to the average rates of the financial year 2017 and can be found in Note (1) of the interim consolidated financial statements.
[2] Adjusted EBITDA at constant exchange rates: 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. For a better comparability, adjusted EBITDA of the first quarter 2017 at constant exchange rates was translated at the budget rates 2018, which are equivalent to the average rates of the financial year 2017 and can be found in Note (1) of the interim consolidated financial statements.
[3] 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.
[4] Adjusted EBITA: Earnings before income taxes, net finance expense, amortization of fair value adjustments, impairment losses, restructuring expenses, and one-off income and expenses.
[5] Adjusted net income: Consolidated net income 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.
[6] 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.
[7] Xetra closing price.
[8] Adjusted earnings per share after non-controlling interests divided by 31.4m shares.
[9] Change 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 2018**	Q1 2017	Change in %[5]
Revenues at constant exchange rates[1]	162.7	161.9	0.5
Revenues[2]	157.3	164.6	-4.5
Adjusted EBITDA at constant exchange rates[3]	39.6	39.5	0.2
Adjusted EBITDA[4]	37.6	40.3	-6.6
in % of revenues	23.9	24.5	–
Capital expenditure	5.9	6.7	-11.8

› 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.

in EUR m	**Q1 2018**	Q1 2017	Change in %[5]
Revenues at constant exchange rates[1]	136.5	136.5	–
Revenues[2]	133.1	138.6	-3.9
Adjusted EBITDA at constant exchange rates[3]	20.6	24.2	-14.9
Adjusted EBITDA[4]	20.3	24.3	-16.3
in % of revenues	15.3	17.5	–
Capital expenditure	4.2	5.9	-28.0

[1] Revenues at constant exchange rates by division include intercompany revenues and were in the first quarter 2017, for a better comparability, translated at the budget rates 2018, which are equivalent to the average rates of the financial year 2017 and can be found in Note (1) of the interim consolidated financial statements.
[2] Revenues by division include intercompany revenues.
[3] Adjusted EBITDA at constant exchange rates: 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. Adjusted EBITDA at constant exchange rates of the first quarter 2017 was, for a better comparability, translated at the budget rates 2018, which are equivalent to the average rates of the financial year 2017 and can be found in Note (1) of the interim consolidated financial statements.
[4] 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.
[5] Change calculated on a EUR k basis.

KEY FACTS FIRST QUARTER 2018

- Revenues at constant exchange rates amounting to EUR 299.2m in the first quarter of 2018—as expected, stable relative to prior-year period; organic revenue growth of 0.4%
- Adjusted EBITDA at constant exchange rates amounts to EUR 54.9m, as budgeted below the EUR 59.0m in the prior-year quarter
- The development of the US dollar against the Euro—which, on average, fell from USD 1.06 in the prior-year quarter to USD 1.21 in the first quarter of 2018—led to a 4.1% decrease in revenues to EUR 290.4m and in adjusted EBITDA to EUR 52.6m solely based on currency effects
- Adjusted earnings per share increased to EUR 1.85, compared with EUR 0.60 in the prior-year quarter, primarily due to effects of the US tax reform
- Guidance for the financial year 2018 confirmed
- Call option for acquisition of the remaining 25% of shares in Triveni Polymer Private Ltd. (New Delhi/India) exercised by Gerresheimer on April 9, 2018

CONTENTS

GERRESHEIMER ON THE CAPITAL MARKETS

GERRESHEIMER SHARES

Global stock markets started the new year on a positive trend. This was supported by good global economic growth and the US tax reform adopted in December 2017. International stock markets underwent a noticeable correction in early February 2018. This was thought to be driven by concerns that the US Federal Reserve would implement the interest rate rises announced some time ago more quickly than previously expected.

Gerresheimer shares followed this movement, as did our benchmark index, the MDAX. Up to mid-February 2018, our share price performance was well above that of the MDAX. The Gerresheimer share price marked its first quarter 2018 high of EUR 73.25 on January 23, 2018, having up to that point gained 9.2% since the beginning of our financial year 2018.

With the publication of the consolidated results for our financial year 2017 on February 22, 2018, the Gerresheimer share price fell briefly to close on February 23, 2018 at EUR 60.90, its lowest level in the first quarter of 2018. Our share price soon started recovering from February 26, 2018 and closed the first quarter on February 28, 2018 at EUR 63.10.

Compared with the MDAX, the Gerresheimer share price was 3.1% below the performance of the index in the period from December 1, 2017 to February 28, 2018.

Our share price continued to recover through to March 9, 2018, when it closed 0.1% down on December 1, 2017, while the MDAX had fallen further, by 3.3%.

PROPOSED DIVIDEND OF EUR 1.10 PER SHARE

At the Annual General Meeting on April 25, 2018, the Management Board and Supervisory Board will propose an increased dividend of EUR 1.10 per share for the financial year 2017 (2016: EUR 1.05 per share). This represents a total dividend distribution of EUR 34.5m—an increase of 4.8% against the prior-year dividend—and, subject to approval, would mark the seventh dividend increase in succession. The dividend distribution ratio amounts to 27.1% of adjusted net income after non-controlling interests. This distribution is in line with our dividend policy of distributing to our shareholders between 20% and 30% of adjusted net income after non-controlling interests, depending on our operating performance.

POSITIVE ANALYST RECOMMENDATIONS CONTINUE TO OUTWEIGH SIGNIFICANTLY

Gerresheimer shares were covered by 16 bank analysts as of the end of the first quarter of 2018. With seven buy, seven hold and two sell recommendations, positive ratings continued to outweigh significantly. The average target price as of February 28, 2018 was EUR 71.15.

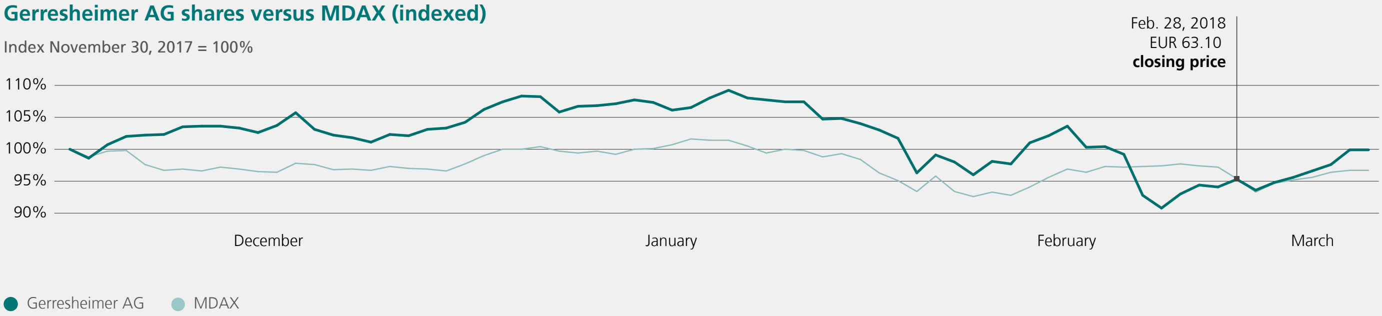
Gerresheimer Shares: Key Data

	Q1 2018	Q1 2017	FY 2017
Number of shares at reporting date in million	31.4	31.4	31.4
Share price[1] at reporting date in EUR	63.10	74.01	67.06
Market capitalization at reporting date in EUR m	1,981.3	2,323.9	2,105.7
Share price high[1] during reporting period in EUR	73.25	76.56	78.01
Share price low[1] during reporting period in EUR	60.90	67.14	61.03
Earnings per share in EUR	1.55	0.41	3.21
Dividend per share in EUR	–	–	1.10[2]

[1] Xetra closing price.
[2] Proposed appropriation of retained earnings.

Gerresheimer AG shares versus MDAX (indexed)

Index November 30, 2017 = 100%



GERRESHEIMER BOND

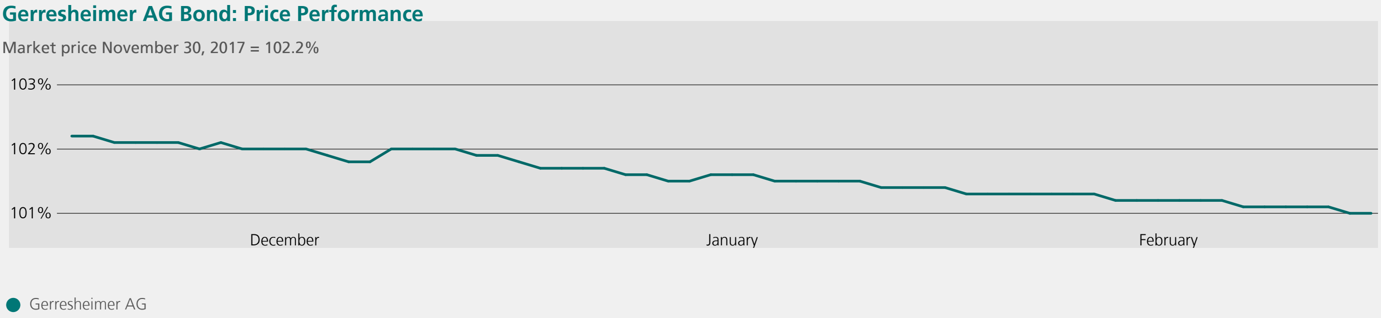
The Gerresheimer bond price (ISIN: XS0626028566) remained at a high level. As of February 28, 2018, the bond price closed at 101.0%. The background to the change in the price is the repayment of the bond on May 19, 2018. Because of this, the effective interest rate as of February 28, 2018 is 0.1%. Rating agencies Moody's and Standard & Poor's both retain investment grade ratings for Gerresheimer at Baa3 and BBB- respectively. The bond can be traded in floor trading in Frankfurt as well as on regional exchanges in Germany.

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	101.0%
Effective annual interest rate (yield to maturity)[2] at reporting date	0.1% 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.

Gerresheimer AG Bond: Price Performance



INTERIM GROUP MANAGEMENT REPORT DECEMBER 2017 – FEBRUARY 2018

DEVELOPMENT OF THE ECONOMIC ENVIRONMENT

In its January 2018 economic outlook, the International Monetary Fund (IMF)[1] raised its forecast for global economic growth in 2018 by 0.2 percentage points to 3.9%. The reasons given are a generally improved growth momentum and the expected effects of the US tax reform. However, the IMF stresses as before that the outlook fundamentally remains skewed to the downside over the medium term. As potential threats, it notes among other things a tightening of the global financial environment due to a faster than expected pace of monetary policy normalization, potentially leading to rising interest rates. It also mentions financial market turbulence in emerging markets where, for example, China's transformation towards consumption and services is currently losing pace and, in conjunction with high debt levels, could lead to a sharp growth slowdown.

For the USA, the IMF expects growth of 2.7% for 2018. It thus increased its October forecast by 0.4 percentage points. Alongside the stronger than expected economic activity in conjunction with a rise in external demand, this is notably attributed to the anticipated macroeconomic effects of the US tax reform.

For the eurozone, estimates for 2018 project a slight decrease in economic growth to about 2.2%—compared with growth of some 2.4% in 2017. The reason cited by the IMF are weaker productivity, demographic change in a number of countries and a public and private debt overhang.

According to the Federal Ministry for Economic Affairs and Energy (BMWi), the German economy is in a strong upturn. In addition to industrial new orders, which hit new records in December, consumer propensity to spend and retail sentiment also remain positive.[2] The IMF nonetheless projects a slight decrease in economic growth for Germany to 2.3% in 2018, compared with 2.5% in 2017.

The IMF's growth rate forecast for emerging markets in 2018 is 4.9%, slightly above the prior-year figure of 4.7%. That is substantially higher than the growth rate in industrialized nations. Specifically, the IMF expects 6.6% gross domestic product (GDP) growth for China (2017: 6.8%) and an increase of 7.4% for India (2017: 6.7%); in Brazil, GDP is projected to show growth of 1.9% (2017: 1.1%).

Global pharma market growth weakened significantly in 2017. As well as in price erosion reported by various pharma groups, this also made itself felt in volume growth, which is the indicator relevant to us and which according to IQVIA[3] came to only 0.1% in 2017. On this basis, IQVIA calculates an average annual growth rate of 2.1% for the years 2012 to 2017, with 3% growth in the period 2011 to 2016 as against 6% in the period 2006 to 2011. Whereas the pharmerging markets[4] recorded average volume growth of 3.9% in the years 2012 to 2017, the corresponding trend in other markets was substantially more negative. These even saw volumes fall by an average of 0.2% a year over the last five years.

The generics subsegment, which is subject to very strong price pressure in the North American market especially, recorded volume growth of 1.0% at global level in 2017. The average annual growth rate here in the years 2012 to 2017 was 3.1%. On a regional comparison, the pharmerging markets showed an average of 3.9% growth per year for the last five years, whereas average annual volume growth in other markets was just 0.8%.

[1] International Monetary Fund: World Economic Outlook Update, January 2018.

[2] Federal Ministry for Economic Affairs and Energy: Monthly report, March 2018.
[3] IQVIA (formerly Quintiles IMS), January 10, 2018.
[4] For a definition of pharmerging markets (emerging markets), please see Note (8) of the Notes to the Consolidated Financial Statements.

Based on this trend, IQVIA projects average annual volume growth in the global pharma market of 2.0% for the years 2017 to 2022, compared with the 3.0% expected in the prior year for the years 2016 to 2021. The expectation for pharmerging markets is for an average of 3.0% per year in the next five years, whereas average volume growth of 1.7% is projected for other markets. This expectation underscores IQVIA's opinion that the current weakness in other pharma markets is likely to be temporary in nature. For the generics subsegment, IQVIA expects volume growth at an average of 2.7% for the next five years, with 3.1% anticipated for the pharmerging markets and 1.7% for other markets.

CURRENCY EFFECTS

The Gerresheimer Group's strong international presence exposes our revenue performance and results of operations to external factors such as currency movements. For this reason, we additionally state revenues, revenue growth and adjusted EBITDA in the management report at constant exchange rates. The figures are calculated using actual average exchange rates in the financial year 2017. 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 budgeted for the financial year 2018 or about 40% of adjusted EBITDA—we have assumed an exchange rate of approximately USD 1.12 to EUR 1.00. As before, a rise or fall in the US dollar against the euro by about one cent has an impact of around EUR 4m on revenues and EUR 1m on adjusted EBITDA. 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 in the procurement markets for raw materials and energy are largely offset by contractually agreed price escalation clauses, hedging transactions, productivity gains and price adjustments.

REVENUE PERFORMANCE

The Gerresheimer Group increased revenues at constant exchange rates from EUR 298.0m in the prior-year quarter to EUR 299.2m in the first quarter of 2018. On an organic basis—meaning adjusted for exchange rate effects, acquisitions and divestments—revenues consequently went up by 0.4% on the prior-year quarter. Mainly due to the development of the USD exchange rate, which, on average, fell from USD 1.06 per EUR 1.00 in the first quarter of 2017 to USD 1.21 per EUR 1.00 in the reporting period, reported revenues decreased over the same period from EUR 302.8m to EUR 290.4m.

	as reported			at constant exchange rates		
in EUR m	**Q1 2018**	Q1 2017	Change in %[1]	**Q1 2018**	Q1 2017	Change in %[1]
Revenues						
Plastics & Devices	157.3	164.6	-4.5	162.7	161.9	0.5
Primary Packaging Glass	133.1	138.6	-3.9	136.5	136.5	–
Subtotal	**290.4**	**303.2**	**-4.2**	**299.2**	**298.4**	**0.2**
Intra-Group revenues	–	-0.4	-98.9	–	-0.4	-98.9
Total revenues	**290.4**	**302.8**	**-4.1**	**299.2**	**298.0**	**0.4**

[1] Change calculated on a EUR k basis.

In the Plastics & Devices Division, revenues at constant exchange rates went up by 0.5% from EUR 161.9m in the first quarter of 2017 to EUR 162.7m in the first quarter of 2018. Within the total, we recorded significantly lower revenues in the engineering and tooling business. Temporary fluctuations troughout the year are normal here, however, and essentially track the billing of larger-scale customer projects. The parts business in Medical Plastic Systems developed positively. Notably the good performance of our inhaler project in Peachtree City (Georgia/USA) more than made up for continued lower demand from customers for whom we are the sole supplier. The Plastic Packaging Business unit saw growth pick up significantly in the emerging markets of Brazil and India. In addition, demand for plastic vials for prescription drugs in the USA was quite high, partly due to the severe influenza season. However, mainly due to the development of the USD exchange rate, which, on average, fell significantly in the current reporting period, reported revenues decreased by 4.5% from EUR 164.6m to EUR 157.3m.

Revenues at constant exchange rates in the Primary Packaging Glass Division, at EUR 136.5m, were unaltered in the first quarter of 2018 relative to the prior-year quarter. Revenues in the North America region are once again down. A noteworthy factor here is the relatively pronounced reticence among our large pharma customers to place orders. This has persisted since the beginning of the financial year 2017 and, in our view, is improving only gradually. However, we have been able to fully compensate for the decrease with positive revenue performance in all other regions. The key drivers here have been strong growth in China and in the cosmetics business. Reported revenues—including exchange rate changes—decreased by 3.9% in the Primary Packaging Glass Division from EUR 138.6m in the first quarter of 2017 to EUR 133.1m in the reporting period.

RESULTS OF OPERATIONS

At constant exchange rates, adjusted EBITDA decreased—as expected—from EUR 59.0m in the prior-year quarter to EUR 54.9m in the first quarter of 2018. Adjusted EBITDA after exchange rate effects came to EUR 52.6m, compared with EUR 59.9m in the first quarter of 2017. Consequently, at 18.1%, the adjusted EBITDA margin is thus likewise below the 19.8% recorded in the prior-year quarter.

	as reported					at constant exchange rates	
				Margin in %			
in EUR m	**Q1 2018**	Q1 2017	Change in %[1]	**Q1 2018**	Q1 2017	**Q1 2018**	Q1 2017
Adjusted EBITDA							
Plastics & Devices	37.6	40.3	-6.6	23.9	24.5	39.6	39.5
Primary Packaging Glass	20.3	24.3	-16.3	15.3	17.5	20.6	24.2
Subtotal	**57.9**	**64.6**	**-10.3**	**–**	**–**	**60.2**	**63.7**
Head office/ consolidation	-5.3	-4.7	12.7	–	–	-5.3	-4.7
Total adjusted EBITDA	**52.6**	**59.9**	**-12.1**	**18.1**	**19.8**	**54.9**	**59.0**

[1] Change calculated on a EUR k basis.

In the Plastics & Devices Division, we generated adjusted EBITDA at constant exchange rates of EUR 39.6m in the first quarter of 2018, compared with EUR 39.5m in the same quarter of the prior year. The revenue performance in the engineering and tooling business had a slight negative impact on adjusted EBITDA here. Adjusted EBITDA was also adversely affected by higher costs of plastic granulate, which we can only pass on to customers with a time lag of several months. Adjusted EBITDA in the Medical Plastic Systems segment was negatively affected by lower demand from customers for whom we are the sole supplier and the associated lower capacity utilization at our plants, as planned. Furthermore, the margin of our inhaler project in Peachtree City (Georgia/USA) is not optimal due to the plant's ramp-up phase. Unadjusted for exchange rates, adjusted EBITDA in the Plastics & Devices Division went down from EUR 40.3m in the first quarter of 2017 to EUR 37.6m in the reporting period. The adjusted EBITDA margin was thus 23.9%, below the 24.5% recorded in the prior-year quarter.

Adjusted EBITDA at constant exchange rates in the Primary Packaging Glass Division fell from EUR 24.2m in the prior-year quarter to EUR 20.6m in the first quarter of 2018. A key factor here comprised lower revenues in the North America region with the attendant lower utilization of installed capacity. To be ready for the anticipated rise in demand at any time—and unlike in the prior-year quarter—we largely refrained from using the least-cost option of adjusting capacity via holiday shutdowns in the first quarter of 2018. As in the prior-year quarter, we also carried out a scheduled furnace overhaul. Unadjusted for exchange rates, adjusted EBITDA in the Primary Packaging Glass Division went down from EUR 24.3m to EUR 20.3m in the first quarter of 2018. The adjusted EBITDA margin was consequently 15.3%, compared with 17.5% in the first quarter of 2017.

We also had higher expenditure in the first quarter of 2018 in connection with Gx Solutions unit, which is geared to the emerging biotech sector.

The head office expenses and consolidation items come to EUR 5.3m, EUR 0.6m more than in the prior-year quarter. This primarily relates to higher expenses in connection with the Management Board of Gerresheimer AG as well as to regular salary adjustments.

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

in EUR m	**Q1 2018**	Q1 2017	Change
Adjusted EBITDA	**52.6**	**59.9**	**-7.3**
Depreciation	-23.2	-22.7	-0.5
Adjusted EBITA	**29.4**	**37.2**	**-7.8**
Portfolio optimization	-0.1	–	-0.1
One-off income and expenses[1]	-4.3	-0.1	-4.2
Total of one-off items	**-4.4**	**-0.1**	**-4.3**
Amortization of fair value adjustments[2]	-7.7	-8.9	1.2
Results of operations	**17.3**	**28.2**	**-10.9**

[1] The one-off income and expenses item consists of one-off items that cannot be taken as an indicator of ongoing business. These include, for example, various reorganization and structure changes that are not reportable as restructuring expenses in accordance with IFRS.
[2] Amortization of fair value adjustments relates to the intangible 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 amounted to EUR 29.4m in the first quarter of 2018 (Q1 2017: EUR 37.2m), based on adjusted EBITDA of EUR 52.6m in the first quarter of 2018 (Q1 2017: EUR 59.9m) less slightly increased depreciation of EUR 23.2m (Q1 2017: EUR 22.7m). This is reconciled to the EUR 17.3m results of operations for the first quarter of 2018—compared with EUR 28.2m in the prior-year period—by deducting one-off effects in the total amount of EUR 4.4m in the reporting period (Q1 2017: EUR 0.1m), mainly in connection with the unexpected departure from the Gerresheimer AG Management Board, due to personal reasons, of the new Chief Executive Officer appointed as of September 1, 2017, and amortization of fair value adjustments in the amount of EUR 7.7m (Q1 2017: EUR 8.9m) mostly relating to the acquisition of Centor in the financial year 2015.

in EUR m	**Q1 2018**	Q1 2017	Change
Results of operations	**17.3**	**28.2**	**-10.9**
Net finance expense	-9.4	-8.5	-0.9
Income taxes	41.3	-6.4	47.7
Net income	**49.2**	**13.3**	**35.9**

Net finance expense, at EUR 9.4m in the first quarter of 2018, was EUR 0.9m higher than the EUR 8.5m recorded in the prior-year quarter. Interest income in the amount of EUR 0.6m (Q1 2017: EUR 0.8m) was countered by interest expenses of EUR 8.6m (Q1 2017: EUR 8.0m). Other net finance expenses came to EUR -1.4m, slightly greater than the EUR -1.3m in the prior-year quarter.

The income tax expense item for the reporting period shows tax income of EUR 41.3m. This mainly relates to the remeasurement of the recognized deferred tax assets and liabilities of our US subsidiaries included in the consolidated financial statements due to the US tax reform signed on December 22, 2017. Without this positive one-off effect in the amount of USD 52.9m, which corresponds to EUR 43.6m at current exchange rates, the item would have shown an income tax expense of EUR 2.3m. This would mean an effective tax rate of 28.7% as of February 28, 2018, below the 32.6% effective tax rate in the prior-year quarter primarily because of a lower tax rate in the USA due to the tax reform that entered into force at the beginning of this calendar year.

The Gerresheimer Group generated net income of EUR 49.2m in the period December 1, 2017 to February 28, 2018. This is EUR 35.9m higher than the figure of EUR 13.3m recorded in the prior-year quarter, primarily as a result of the positive effect of the remeasurement of deferred taxes in connection with the US tax reform.

in EUR m	**Q1 2018**	Q1 2017	Change
Net income	**49.2**	**13.3**	**35.9**
Portfolio optimization	-0.1	–	-0.1
Related tax effect	–	–	–
One-off income and expenses	-4.3	-0.1	-4.2
Related tax effect	1.2	–	1.2
Amortization of fair value adjustments	-7.7	-8.9	1.2
Related tax effect	1.9	3.1	-1.2
One-off effects in the net finance expense	-0.8	–	-0.8
Related tax effect	0.2	–	0.2
Adjusted net income	**58.8**	**19.2**	**39.6**
Attributable to non-controlling interests	**0.6**	**0.4**	**0.2**
Amortization of fair value adjustments	-0.1	-0.2	0.1
Related tax effect	–	0.1	-0.1
Adjusted net income attributable to non-controlling interests	**0.7**	**0.5**	**0.2**
Adjusted net income after non-controlling interests	**58.1**	**18.7**	**39.4**
Adjusted earnings per share in EUR after non-controlling interests	1.85	0.60	1.25

In the first quarter of 2018, adjusted net income (defined as consolidated net income 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) came to EUR 58.8m, compared with EUR 19.2m in the prior-year quarter. Adjusted net income after non-controlling interests was EUR 58.1m (Q1 2017: EUR 18.7m) and thus increased by EUR 39.4m. Accordingly, adjusted earnings per share after non-controlling interests came to EUR 1.85 in the first quarter of 2018 (Q1 2017: EUR 0.60).

One-off effects included in net finance expense consist of EUR 0.8m in expenses due to the early refinancing of the bond maturing in May 2018.

NET ASSETS

BALANCE SHEET

The Gerresheimer Group's net assets changed as follows in the first quarter of 2018:

Assets in EUR m	**Feb. 28, 2018**	Nov. 30, 2017	Change in %[1]
Intangible assets, property, plant and equipment and investment property	1,662.0	1,709.5	-2.8
Investment accounted for using the equity method	0.3	0.3	–
Other non-current assets	17.9	19.1	-6.1
Non-current assets	**1,680.2**	**1,728.9**	**-2.8**
Inventories	168.0	148.4	13.2
Trade receivables	221.3	242.7	-8.8
Other current assets	319.0	324.1	-1.6
Current assets	**708.3**	**715.2**	**-1.0**
Total assets	**2,388.5**	**2,444.1**	**-2.3**

Equity and Liabilities in EUR m	**Feb. 28, 2018**	Nov. 30, 2017	Change in %[1]
Equity and non-controlling interests	**823.9**	**789.5**	**4.4**
Non-current provisions	150.8	155.3	-2.9
Financial liabilities	681.1	681.3	–
Other non-current liabilities	96.2	144.6	-33.5
Non-current liabilities	**928.1**	**981.2**	**-5.4**
Financial liabilities	347.5	337.7	2.9
Trade payables	130.6	176.3	-25.9
Other current provisions and liabilities	158.4	159.4	-0.6
Current liabilities	**636.5**	**673.4**	**-5.5**
Total equity and liabilities	**2,388.5**	**2,444.1**	**-2.3**

[1] Change calculated on a EUR k basis.

Total assets of the Gerresheimer Group decreased relative to November 30, 2017 by EUR 55.6m to EUR 2,388.5m as of February 28, 2018. There were no significant changes in balance sheet structure.

At EUR 1,680.2m, non-current assets were EUR 48.7m below the figure as of November 30, 2017. The change mainly reflects the decrease in intangible assets and property, plant and equipment. Intangible assets went down by EUR 27.1m relative to the figure as of November 30, 2017. This relates to a EUR 8.0m decrease in goodwill due to exchange rate changes and a EUR 19.6m reduction in customer relationships, comprising EUR 7.7m relating to amortization of fair value adjustments and EUR 11.9m attributable to exchange rate changes. Property, plant and equipment fell by EUR 20.2m, mostly due to depreciation and exchange rate effects. Non-current assets accounted for 70.3% of total assets as of February 28, 2018 and 70.7% as of November 30, 2017. Current assets were EUR 708.3m, slightly down by EUR 6.9m from the figure as of November 30, 2017.

The Gerresheimer Group's consolidated equity, including non-controlling interests, increased substantially from EUR 789.5m as of November 30, 2017 to EUR 823.9m as of February 28, 2018. This increase is an outcome of the EUR 49.2m net income in the reporting period and, in the opposite direction, foreign currency movements, which had a negative impact on equity. The equity ratio went up from 32.3% as of November 30, 2017 to 34.5% as of February 28, 2018.

Non-current liabilities were EUR 928.1m at the end of February 2018, marking a substantial EUR 53.1m decrease on the EUR 981.2m figure at the end of November 2017. The most significant effect here relates from the remeasurement of deferred tax liabilities due to the US tax reform signed in late December 2017.

Current liabilities went down by EUR 36.9m to EUR 636.5m. This change mainly relates to the significant reduction in trade payables.

NET WORKING CAPITAL

The Gerresheimer Group's net working capital stood at EUR 224.0m as of February 28, 2018, a rise of EUR 38.3m compared with November 30, 2017.

in EUR m	Feb. 28, 2018	Nov. 30, 2017	Feb. 28, 2017
Inventories	168.0	148.4	171.1
Trade receivables	221.3	242.7	215.6
Trade payables	130.6	176.3	128.0
Prepayments received	34.7	29.1	36.6
Net working capital	**224.0**	**185.7**	**222.1**

Our first quarter is typically characterized by an increase in inventories and a decrease in trade receivables. In comparison with the strong revenues in the fourth quarter of 2017 combined with a significant fall in inventories, customer demand tends to be more subdued at the beginning of a new financial year, partly due to holiday shutdowns around Christmas and New Year, resulting in lower trade receivables in the first quarter. At the same time, we build up inventories during the first quarter to ensure delivery capacity in the quarters to follow. Trade payables went down mainly because of settlement of amounts due. At constant exchange rates, the increase in net working capital in the first quarter of 2018 came to EUR 39.5m, compared with EUR 20.1m in the first quarter of 2017.

Relative to revenues in the last twelve months, average net working capital increased slightly from 16.1% in the prior-year quarter to 16.7% in the first quarter of 2018. The increase was mostly due to slightly higher inventories and lower trade payables in percentage terms.

FINANCIAL LIABILITIES AND CREDIT FACILITIES

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

in EUR m	Feb. 28, 2018	Nov. 30, 2017	Feb. 28, 2017
Financial debt			
Syndicated facilities			
Revolving credit facility (since June 15, 2015)[1]	–	–	165.2
Total syndicated facilities	**–**	**–**	**165.2**
Senior notes – euro bond	300.0	300.0	300.0
Promissory loans – November 2015	425.0	425.0	425.0
Promissory loans – September 2017	250.0	250.0	–
Local borrowings incl. bank overdrafts[1]	19.6	16.7	15.0
Finance lease liabilities	7.8	8.0	7.2
Total financial debt	**1,002.4**	**999.7**	**912.4**
Cash and cash equivalents	275.5	287.0	122.6
Net financial debt	**726.9**	**712.7**	**789.8**

[1] The exchange rates used for the translation of US dollar loans to euros were as follows: as of February 28, 2018: EUR 1.00/USD 1.2214; as of November 30, 2017: EUR 1.00/USD 1.1849; as of February 28, 2017: EUR 1.00/USD 1.0597.

Net financial debt increased slightly by EUR 14.2m to EUR 726.9m as of February 28, 2018 (November 30, 2017: EUR 712.7m). The rise in net financial debt as of February 28, 2018 is primarily due to lower cash and cash equivalents, which decreased mainly as a result of the settlement of trade payables. Calculated as the ratio of net financial debt to adjusted EBITDA over the last twelve months, adjusted EBITDA leverage, according to the credit agreement currently in place, stood at 2.4x, which is below the medium-term target of 2.5x.

Drawings on the revolving credit facility (facility amount of EUR 450.0m) were EUR 0.0m as of February 28, 2018 and thus showed no change relative to November 30, 2017. Consequently, the entire EUR 450.0m facility amount under the revolving credit facility was available to us as of February 28, 2018 for capital expenditure, acquisitions and other operational requirements.

Making use of the favorable market environment, the bond that matures in May 2018 was refinanced ahead of schedule on September 27, 2017 by means of EUR 250.0m promissory loans.

CAPITAL EXPENDITURE

Gerresheimer incurred capital expenditure on property, plant and equipment and intangible assets as follows in the first quarter of 2018:

in EUR m	Q1 2018	Q1 2017	Change in %[1]
Plastics & Devices	5.9	6.7	-11.8
Primary Packaging Glass	4.2	5.9	-28.0
Head office	0.7	2.5	-73.1
Total capital expenditure	**10.8**	**15.1**	**-28.2**

[1] Change 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 10.8m in the first quarter of 2018 (Q1 2017: EUR 15.1m). Primarily accounted for by the Plastics & Devices Division, capital expenditure was mainly focused there on the Medical Plastic Systems business, including the expansion of our inhaler production in the USA and additions to the product portfolio. Capital expenditure in the Primary Packaging Glass Division chiefly related to the scheduled furnace overhaul in the USA and, as in prior years, to molds, tooling and modernization measures.

OPERATING CASH FLOW

in EUR m	Q1 2018	Q1 2017
Adjusted EBITDA	**52.6**	**59.9**
Change in net working capital	-39.5	-20.1
Capital expenditure	-10.8	-15.1
Operating cash flow	**2.3**	**24.7**
Net interests paid	-0.4	-0.9
Net taxes paid	-5.0	-16.6
Pension benefits paid	-2.9	-2.9
Other	-7.0	-8.5
Free cash flow before acquisitions/divestments	**-13.0**	**-4.2**
Acquisitions/divestments	–	1.4
Financing activity	0.8	2.5
Changes in financial resources	**-12.2**	**-0.3**

We generated operating cash flow of EUR 2.3m in the first quarter of 2018. This is EUR 22.4m less than the EUR 24.7m recorded in the comparative prior-year period. The main cause is a substantial increase in net working capital compared with the first quarter of 2017. Both divisions show positive operating cash flows.

CASH FLOW STATEMENT

in EUR m	Q1 2018	Q1 2017
Cash flow from operating activities	-2.3	10.4
Cash flow from investing activities	-10.7	-13.3
Cash flow from financing activities	0.8	2.6
Changes in financial resources	**-12.2**	**-0.3**
Effect of exchange rate changes on financial resources	-1.4	1.9
Financial resources at the beginning of the period	271.6	107.7
Financial resources at the end of the period	258.0	109.3

Operating activities generated a cash outflow of EUR 2.3m in the first quarter of 2018 (Q1 2017: cash inflow of EUR 10.4m). The shortfall mainly relates to the net income generated in the period and the related income taxes. However, the significantly lower income tax payments were more than offset by the increase in net working capital.

At EUR 10.7m, the net cash outflow from investing activities was a slight EUR 2.6m lower than in the prior-year quarter. The cash outflow in both reported quarters contains payments for property, plant and equipment and intangible assets; in the prior-year quarter, it additionally included 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 from financing activities came to EUR 0.8m in the first quarter of 2018, compared with EUR 2.6m in the first quarter of 2017. Cash and cash equivalents consequently stood at EUR 258.0m, compared with EUR 109.3m at the end of the first quarter of 2017.

EMPLOYEES

The workforce of the Gerresheimer Group comprised 9,773 employees as of February 28, 2018 (November 30, 2017: 9,749 employees).

	Feb. 28, 2018	Nov. 30, 2017
Emerging markets	3,501	3,482
Germany	3,382	3,385
Europe	1,834	1,858
Americas	1,056	1,024
Total	**9,773**	**9,749**

As of the reporting date, 36% of the workforce was employed in emerging markets, 34% in Germany, 19% in Europe and 11% in the Americas.

REPORT ON OPPORTUNITIES AND RISKS

In the financial year 2018, 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 monitor their impact on 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 Report on Opportunities and Risks section of our Annual Report 2017.

OUTLOOK

The forward-looking statements on the business performance of the Gerresheimer Group 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

The assessment of the economic conditions has not materially changed compared with our disclosures in our Annual Report. We therefore refer to the Outlook section in our Annual Report 2017.

MARKET AND BUSINESS OPPORTUNITIES FOR THE GERRESHEIMER GROUP

Prospects for the financial year 2018

Assessments of the prospects for the financial year 2018 have not fundamentally changed compared with the information provided in our Annual Report. We therefore refer to the Outlook section in our Annual Report 2017.

Overall Group

The Gerresheimer Group pursues a successful, clear-cut strategy geared to sustained and profitable growth. Our expectations for the financial year 2018, in each case assuming constant exchange rates and excluding acquisitions and divestments, remain as follows: 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 2018 or about 40% of adjusted EBITDA—we have assumed an exchange rate of approximately USD 1.12 to EUR 1.00. As before, a rise or fall in the US dollar against the euro by about one cent has an impact of around EUR 4m on revenues and EUR 1m on adjusted EBITDA.

In terms of revenues, the figure attained in the financial year 2017 represents the lower limit of our expectation for the financial year 2018. At the upper end, we expect Group revenues at constant exchange rates of up to around EUR 1.4bn. For adjusted EBITDA at constant exchange rates, we project a range of EUR 305m to 315m for the financial year 2018, compared with adjusted EBITDA of EUR 307.2m[5)] in the financial year 2017. Additional positive effects below the level of adjusted EBITDA follow, firstly, from redemption of the EUR 300.0m bond issue in May 2018 using the refinancing already completed with EUR 250.0m promissory loans. We expect that this alone will, at constant exchange rates, lead to an approximately EUR 5.5m improvement in net finance expense compared with the financial year 2017. Secondly, as a company that largely serves the US market from US-based production, we also gain an one-off positive effect from the US tax reform in the amount of approximately USD 52.9m as a result of remeasurement of deferred taxes accounted for in the now completed first quarter of 2018. Had the impact of the US tax reform already applied in the financial year 2017, there would have been a positive effect in the low single-digit millions of euros on current income taxes and our net income for 2017.

Largely due to our favorable growth prospects, and driven by our initiatives to boost productivity and quality, capital expenditure in the financial year 2018 is expected to amount to around 8% of revenues at constant exchange rates.

Our net working capital profile has improved significantly in recent years. We continue to anticipate net working capital as a percentage of revenues to be around 16% as of the financial year-end 2018. Depending on our revenue performance, average net working capital can also slightly exceed 16% in the course of the year, as it may be necessary to produce in advance for some customers in order to meet any higher demand in the second half of 2018 or also for the financial year 2019.

Our long-term targets are as follows:

- Our Gx ROCE guidance is to be around 15% (previously at least 12%), not least with a view to the many new products and services, as well as in consideration of further optimization measures as part of the usual productivity improvements at our plants, which we are currently putting in place and refining with our customers and cooperation partners.
- We continue to 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 M&A activity cannot be planned in exact detail.
- That leaves us with substantial leeway, especially for acquisitions, before reaching a ratio of 3.5 times net financial debt to adjusted EBITDA. We have attained this notably by means of rigorous cash flow management coupled with productivity improvements, without having to adjust our financing structures. This means we should at all times be in a position to leverage opportunities on the markets relevant to us primarily by using external financing.

5) Excluding the effect from fair value measurement of the Triveni put option.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 2017 – FEBRUARY 2018

CONSOLIDATED INCOME STATEMENT

for the Period from December 1, 2017 to February 28, 2018

in EUR k	Notes	Q1 2018	Q1 2017
Revenues		290,366	302,813
Cost of sales		-209,250	-214,370
Gross profit		**81,116**	**88,443**
Selling and administrative expenses		-62,070	-62,373
Other operating income	(4)	4,940	3,940
Restructuring expenses		-63	-9
Other operating expenses	(5)	-6,612	-1,765
Results of operations		**17,311**	**28,236**
Interest income		551	758
Interest expense		-8,598	-8,007
Other financial expenses		-1,359	-1,264
Net finance expense		**-9,406**	**-8,513**
Net income before income taxes		7,905	19,723
Income taxes	(6)	41,307	-6,437
Net income		**49,212**	**13,286**
Attributable to equity holders of the parent		48,658	12,920
Attributable to non-controlling interests		554	366
Diluted and non-diluted earnings per share (in EUR)		**1.55**	**0.41**

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, 2017 to February 28, 2018

in EUR k	Q1 2018	Q1 2017
Net income	**49,212**	**13,286**
Income taxes from the revaluation of defined benefit plans	-57[1]	–
Other comprehensive income that will not be reclassified subsequently to profit or loss	**-57**	**–**
Changes in the fair value of available for sale financial assets	-1	–
Other comprehensive income from financial instruments	**-1**	**–**
Currency translation	-14,760	13,312
Other comprehensive income from currency translation	**-14,760**	**13,312**
Other comprehensive income that will be reclassified to profit or loss when specific conditions are met	**-14,761**	**13,312**
Other comprehensive income	**-14,818**	**13,312**
Total comprehensive income	**34,394**	**26,598**
Attributable to equity holders of the parent	34,148	24,877
Attributable to non-controlling interests	246	1,721

[1] Effect of the revaluation of deferred tax assets on provisions for pensions and similar obligations under the US tax reform signed on December 22, 2017.

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

CONSOLIDATED BALANCE SHEET

as of February 28, 2018

ASSETS

in EUR k	Notes	Feb. 28, 2018	Nov. 30, 2017	Feb. 28, 2017
Non-current assets				
Intangible assets		1,074,138	1,101,229	1,194,941
Property, plant and equipment		582,345	602,577	606,164
Investment property		5,565	5,732	5,732
Investments accounted for using the equity method		252	252	184
Income tax receivables		1,647	1,394	1,293
Other financial assets		5,077	5,077	5,276
Other receivables		1,660	1,594	1,438
Deferred tax assets		9,550	11,030	13,803
		1,680,234	**1,728,885**	**1,828,831**
Current assets				
Inventories	(8)	168,014	148,362	171,135
Trade receivables		221,275	242,684	215,604
Income tax receivables		4,220	2,522	1,987
Other financial assets		17,779	17,020	8,859
Other receivables		21,465	17,588	24,666
Cash and cash equivalents		275,495	287,036	122,624
		708,248	**715,212**	**544,875**
Total assets		**2,388,482**	**2,444,097**	**2,373,706**

EQUITY AND LIABILITIES

in EUR k	Notes	Feb. 28, 2018	Nov. 30, 2017	Feb. 28, 2017
Equity				
Subscribed capital		31,400	31,400	31,400
Capital reserve		513,827	513,827	513,827
IAS 39 reserve		-6	-5	-41
Currency translation reserve		-85,473	-71,021	-14,485
Retained earnings		327,463	278,862	220,333
Equity attributable to equity holders of the parent		**787,211**	**753,063**	**751,034**
Non-controlling interests		36,708	36,462	38,859
		823,919	**789,525**	**789,893**
Non-current liabilities				
Deferred tax liabilities		95,186	143,539	157,980
Provisions for pensions and similar obligations		140,293	145,104	158,772
Other provisions		10,516	10,190	8,846
Other financial liabilities	(9) + (10)	681,051	681,304	745,510
Other liabilities		1,039	1,092	203
		928,085	**981,229**	**1,071,311**
Current liabilities				
Provisions for pensions and similar obligations		13,437	13,580	13,348
Other provisions		31,781	35,214	52,576
Trade payables		130,607	176,303	127,962
Other financial liabilities	(9) + (10)	347,474	337,667	194,828
Income tax liabilities		7,246	9,387	11,336
Other liabilities		105,933	101,192	112,452
		636,478	**673,343**	**512,502**
		1,564,563	**1,654,572**	**1,583,813**
Total equity and liabilities		**2,388,482**	**2,444,097**	**2,373,706**

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, 2017 to Feb. 28, 2018

			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, 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**
As of November 30/December 1, 2017	**31,400**	**513,827**	**-5**	**-71,021**	**278,862**	**753,063**	**36,462**	**789,525**
Net income	–	–	–	–	48,658	48,658	554	49,212
Other comprehensive income	–	–	-1	-14,452	-57	-14,510	-308	-14,818
Total comprehensive income	**–**	**–**	**-1**	**-14,452**	**48,601**	**34,148**	**246**	**34,394**
As of February 28, 2018	**31,400**	**513,827**	**-6**	**-85,473**	**327,463**	**787,211**	**36,708**	**823,919**

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

CONSOLIDATED CASH FLOW STATEMENT

for the Period from December 1, 2017 to February 28, 2018

in EUR k	Notes	Q1 2018	Q1 2017
Net income		49,212	13,286
Income taxes	(6)	-41,307	6,437
Amortization/impairment losses of intangible assets		8,475	9,383
Depreciation/impairment losses of property, plant and equipment		22,463	22,132
Change in other provisions		-2,604	-318
Change in provisions for pensions and similar obligations		-4,877	-2,054
Gain (-)/Loss (+) on the disposal of non-current assets/liabilities		45	-21
Net finance expense		9,406	8,513
Interests paid		-714	-1,355
Interests received		269	459
Income taxes paid		-7,212	-18,678
Income taxes received		2,243	2,119
Change in inventories		-20,868	-14,502
Change in trade receivables and other assets		13,217	13,405
Change in trade payables and other liabilities		-39,710	-27,123
Other non-cash expenses/income		9,640	-1,255
Cash flow from operating activities		**-2,322**	**10,428**
Cash received from disposals of non-current assets		170	416
Cash paid for capital expenditure			
in intangible assets		-1,659	-3,110
in property, plant and equipment		-9,175	-11,979
Cash received in connection with divestments, net of cash paid	(2)	–	1,356
Cash flow from investing activities		**-10,664**	**-13,317**
Distributions from third parties		–	78
Raising of loans		6,323	16,699
Repayment of loans		-5,386	-14,075
Cash paid for finance lease		-167	-161
Cash flow from financing activities		**770**	**2,541**
Changes in financial resources		**-12,216**	**-348**
Effect of exchange rate changes on financial resources		-1,356	1,906
Financial resources at the beginning of the period		271,596	107,742
Financial resources at the end of the period		**258,024**	**109,300**
Components of the financial resources			
Cash and cash equivalents		275,495	122,624
Bank overdrafts		-17,471	-13,324
Financial resources at the end of the period		**258,024**	**109,300**

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, 2017 to February 28, 2018

(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 315e paragraph 1 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, 2017. 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 2017.

The following revised standards were additionally adopted for the first time:

› Amendments to IAS 7, Disclosure Initiative
› Amendments to IAS 12, Recognition of Deferred Tax Assets for Unrealised Losses
› Annual Improvements to IFRSs 2014 – 2016 Cycle

First-time adoption of the above-mentioned standards have not had any significant effect on these interim consolidated financial statements.

Preparation of the interim consolidated financial statements requires estimates, assumptions and judgments that affect the recognition and measurement of assets and liabilities, the amount of recognized income and expense and the disclosure of contingent liabilities and receivables. Although the estimates are subject to ongoing review and 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, 2018**	Nov. 30, 2017	Feb. 28, 2017	**Q1 2018**	FY 2017	Q1 2017
Argentina	ARS	24.5780	20.6670	16.3973	23.0905	18.5051	16.7283
Brazil	BRL	3.9615	3.8668	3.2810	3.9345	3.5972	3.4192
Switzerland	CHF	1.1520	1.1699	1.0648	1.1638	1.1060	1.0715
China	CNY	7.7285	7.8377	7.2780	7.8012	7.5925	7.3289
Czech Republic	CZK	25.4180	25.4910	27.0210	25.4290	26.4608	27.0308
Denmark	DKK	7.4465	7.4417	7.4332	7.4438	7.4383	7.4363
India	INR	79.6230	76.3875	70.6290	77.9490	73.3309	71.9705
Mexico	MXN	22.9437	22.0035	21.0800	22.9587	21.3084	21.7537
Poland	PLN	4.1781	4.1955	4.3148	4.1752	4.2764	4.3743
Singapore	SGD	1.6162	1.5986	–	1.6115	1.5518	–
United States of America	USD	1.2214	1.1849	1.0597	1.2128	1.1200	1.0632

The consolidated financial statements of Gerresheimer AG as of November 30, 2017, are published in German in the Federal Law Gazette (Bundesanzeiger) and on the Internet at www.gerresheimer.com.

(2) Consolidated Cash Flow Statement

The consolidated 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 acquisitions, divestments and other changes in the consolidated group are presented separately. The item "Cash received in connection with divestments, net of cash paid" in the prior year refers to the sale of the Life Science Research Division and contains cash inflow from a purchase price adjustment of previously accounted receivables. Financial resources as reported in the consolidated cash flow statement comprise cash and cash equivalents, which is cash on hand, checks and bank balances, diminished by bank overdrafts.

(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 the reversal of provisions of EUR 1,975k (comparative prior-year period: EUR 774k) and income from refund claims against third parties amounting to EUR 144k (comparative prior-year period: EUR 1,234k) are included in other operating income. Income from the reversal of provisions mainly results from provisions for guarantees, which have been accounted for in prior periods and are no longer needed.

(5) Other Operating Expenses

Other operating expenses amounting to EUR 6,612k (comparative prior-year period: EUR 1,765k) mainly relate to the unexpected departure of the new CEO appointed since September 1, 2017 for personal reasons from the Management Board of Gerresheimer AG.

(6) Income Taxes

Income taxes break down as follows:

in EUR k	Q1 2018	Q1 2017
Current income taxes	-1,951	-7,996
Deferred income taxes	43,258	1,559
Income taxes	**41,307**	**-6,437**

In the reporting period, income from income taxes of EUR 41,307k was significantly influenced by the revaluation of the recognized deferred taxes of our US subsidiaries included in the consolidated financial statements due to the US tax reform signed on December 22, 2017. Without this positive one-off effect of USD 52,851k, which corresponds to EUR 43,577k at current exchange rates, there would have been an income tax expense of EUR 2,270k. As of February 28, 2018, the Group's current tax ratio would thus amount to 28.7% (comparative prior-year period: 32.6%).

(7) Distributions to Third Parties

There were no distributions to third parties in the first quarter of 2018 as well as in the first quarter of 2017.

(8) Inventories

Inventories break down as follows:

in EUR k	Feb. 28, 2018	Nov. 30, 2017
Raw materials, consumables and supplies	54,167	49,921
Work in progress	16,597	14,993
Finished goods and merchandise	94,544	81,381
Prepayments made	2,706	2,067
Inventories	**168,014**	**148,362**

Write-downs of inventories totaling EUR 2,372k (comparative prior-year period: EUR 1,684k) were recognized as an expense in the reporting period. When the circumstances that caused a write-down no longer exist, the write-down is reversed. Reversals of write-downs amounted to EUR 52k (comparative prior-year period: EUR 96k) in the reporting period. Further information on the development of inventories is provided in the "net working capital" section of the Interim Group Management Report.

(9) Financial Liabilities

In connection with the refinancing of the syndicated loans, a new revolving loan agreement of EUR 450,000k was signed on June 9, 2015 with a five-year term to maturity. As of the balance sheet date, and already as of November 30, 2017, EUR 0k of the revolving credit facility had been drawn.

The EUR 300,000k bond issue 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 on May 19, 2018.

On November 10, 2015, promissory loans for a total of EUR 425,000k were launched with maturities of five, seven and ten years. In connection with the refinancing of the bond which matures in May 2018, promissory loans for a total of EUR 250,000k were issued on September 27, 2017 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, 2018 amounts to EUR 726,863k (November 30, 2017: EUR 712,660); net working capital is EUR 223,950k (November 30, 2017: EUR 185,715k).

The Gerresheimer Group's risk management system for credit risk, liquidity risk and individual market risks, including interest risks, currency risks and other price risks, is described, including its objectives, policies and processes and their measures to monitor the covenants to be complied with, in the Opportunity and Risk Report section of the Group Management Report of the consolidated financial statements as of November 30, 2017.

Information on financial instruments by category and class

By type of determination of the fair values of financial assets and financial liabilities, three hierarchy levels 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 valuation techniques that only take into account directly or indirectly observable inputs.

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

	Feb. 28, 2018				Nov. 30, 2017			
in EUR k	**Level 1**	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Financial assets designated "available-for-sale"								
Securities	74	–	–	74	75	–	–	75
Financial assets designated "at fair value through profit and loss"								
Derivative financial assets	–	4,201	–	4,201	–	1,037	–	1,037
Measured at fair value	**74**	**4,201**	**–**	**4,275**	**75**	**1,037**	**–**	**1,112**
Financial liabilities designated "at fair value through profit and loss"								
Derivative financial liabilities	–	1,493	–	1,493	–	372	–	372
Put options	–	–	11,676	11,676	–	–	11,897	11,897
Measured at fair value	**–**	**1,493**	**11,676**	**13,169**	**–**	**372**	**11,897**	**12,269**

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

	Feb. 28, 2018			
	At amortized cost		At fair value	
in EUR k	Carrying amount	*For information purposes: Fair value*	Carrying amount	**Balance sheet amount**
Trade receivables	196,711	*196,711*	–	196,711[1]
Loans and receivables	196,711	*196,711*	–	
Other financial assets	18,581	*18,355*	4,275	22,856
Available-for-sale financial assets	226[2]	–	74	
At fair value through profit or loss	–	–	4,201	
Loans and receivables	18,355	*18,355*	–	
Cash and cash equivalents	275,495	*275,495*	–	275,495
Financial assets	**490,787**	***490,561***	**4,275**	**495,062**
Other financial liabilities	1,015,356	*1,018,591*	13,169	1,028,525
At amortized cost	1,015,356	*1,018,591*	–	
At fair value through profit or loss	–	–	13,169	
Trade payables	130,607	*130,607*	–	130,607
At amortized cost	130,607	*130,607*	–	
Financial liabilities	**1,145,963**	***1,149,198***	**13,169**	**1,159,132**

	Nov. 30, 2017			
	At amortized cost		At fair value	
in EUR k	Carrying amount	*For information purposes: Fair value*	Carrying amount	**Balance sheet amount**
Trade receivables	217,841	*217,841*	–	217,841[1]
Loans and receivables	217,841	*217,841*	–	
Other financial assets	20,985	*20,757*	1,112	22,097
Available-for-sale financial assets	228[2]	–	75	
At fair value through profit or loss	–	–	1,037	
Loans and receivables	20,757	*20,757*	–	
Cash and cash equivalents	287,036	*287,036*	–	287,036
Financial assets	**525,862**	***525,634***	**1,112**	**526,974**
Other financial liabilities	1,006,702	*1,013,615*	12,269	1,018,971
At amortized cost	1,006,702	*1,013,615*	–	
At fair value through profit or loss	–	–	12,269	
Trade payables	176,303	*176,303*	–	176,303
At amortized cost	176,303	*176,303*	–	
Financial liabilities	**1,183,005**	***1,189,918***	**12,269**	**1,195,274**

[1] Receivables under construction contracts are additionally recognized in the consolidated balance sheet in the amount of EUR 24,564k (November 30, 2017: EUR 24,843k).
[2] Due to the non-availability of a reliably estimable quoted price, the fair value of investments with a carrying amount of EUR 226k (November 30, 2017: EUR 228k) is not stated. The valuation standard is the acquisition cost.

Liabilities measured at amortized cost include finance lease liabilities for which Group companies are the lessees. As of February 28, 2018, these liabilities amount to EUR 7,776k (November 30, 2017: EUR 8,004k).

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 not recognized in the balance sheet break down as follows:

in EUR k	**Feb. 28, 2018**	Nov. 30, 2017
Obligations under rental and operating lease agreements	40,534	39,810
Capital expenditure commitments	12,952	9,822
Sundry other financial obligations	7,816	7,516
Other financial obligations	**61,302**	**57,148**

The obligations from rental and operating lease agreements mainly relate to plant as well as 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.

Already with the start of the financial year 2014, Gerresheimer realigned its formerly three divisions. The organization was geared more closely to customer needs while businesses with similar technologies were pooled. The sale of the Life Science Research Division was closed on October 31, 2016 after approval of the relevant antitrust authorities. Since then, Gerresheimer Group has been partitioned into two divisions: Plastics & Devices and Primary Packaging Glass.

Our product portfolio in the **Plastics & Devices Division** encompasses 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 glass primary packaging products for drugs 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 inter-segment reconciliations are presented in the segment reporting in the column "Head office/consolidation". The measurement principles for segment reporting are based on the IFRSs applied in the consolidated financial statements.

In the following, the key indicators used by Gerresheimer AG for assessing the performance of the divisions are shown:

Segment Data by Division

in EUR k	Plastics & Devices		Primary Packaging Glass		Head office/ consolidation		Group	
	Q1 2018	Q1 2017	**Q1 2018**	Q1 2017	**Q1 2018**	Q1 2017	**Q1 2018**	Q1 2017
Segment revenues at constant exchange rates[1]	162,672	161,936	136,469	136,482	–	–	299,141	298,418
Exchange rate effects	-5,435	2,649	-3,336	2,121	–	–	-8,771	4,770
Segment revenues	157,237	164,585	133,133	138,603	–	–	290,370	303,188
Intra-Group revenues	-4	-203	–	-172	–	–	-4	-375
Revenues with third parties	**157,233**	**164,382**	**133,133**	**138,431**	**–**	**–**	**290,366**	**302,813**
Adjusted EBITDA at constant exchange rates[2]	39,602	39,535	20,612	24,232	-5,350	-4,749	54,864	59,018
Exchange rate effects	-1,969	761	-265	77	–	–	-2,234	838
Adjusted EBITDA	37,633	40,296	20,347	24,309	-5,350	-4,749	52,630	59,856
Depreciation and amortization	-10,822	-11,333	-11,914	-11,124	-485	-184	-23,221	-22,641
Adjusted EBITA	26,811	28,963	8,433	13,185	-5,835	-4,933	29,409	37,215
Net Working Capital	115,893	116,032	111,013	108,393	-2,956	-2,341	223,950	222,084
Operating Cash Flow[3]	5,901	24,195	3,567	7,982	-7,143	-7,523	2,325	24,654
Capital expenditure	5,934	6,730	4,234	5,881	666	2,478	10,834	15,089
Employees (average)	4,463	4,540	5,197	5,172	113	95	9,773	9,807

[1] Revenues at constant exchange rates of the first quarter 2017 were, for a better comparability, translated at the budget rates 2018, which are equivalent to the average rates of the financial year 2017 and can be found in Note (1) of the interim consolidated financial statements.
[2] Adjusted EBITDA at constant exchange rates: 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. For a better comparability, adjusted EBITDA of the first quarter 2017 at constant exchange rates was translated at the budget rates 2018, which are equivalent to the average rates of the financial year 2017 and can be found in Note (1) of the interim consolidated financial statements.
[3] Operating cash flow: Adjusted EBITDA plus or minus change in net working capital at constant exchange rates less capital expenditure.

Reconciliation from adjusted segment EBITA of the divisions to net income before income taxes of the Group is shown in the following table:

in EUR k	**Q1 2018**	Q1 2017
Adjusted segment EBITA	35,244	42,148
Head office/consolidation	-5,835	-4,933
Adjusted Group EBITA	**29,409**	**37,215**
Portfolio optimization	-93	-21
One-off expenses and income	-4,288	-84
Amortization of fair value adjustments	-7,717	-8,874
Results of operations	**17,311**	**28,236**
Net finance expense	-9,406	-8,513
Net income before income taxes	**7,905**	**19,723**

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

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 2018		**Feb. 28, 2018**		Q1 2017		Feb. 28, 2017	
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	623	–	339	–	562	–	355	–
Associated companies	3	486	–	6	–	746	–	78
	626	**486**	**339**	**6**	**562**	**746**	**355**	**78**

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

On April 9, 2018, Gerresheimer has exercised the call option on the acquisition of the remaining 25% stake in Triveni Polymers Private Ltd., New Delhi (India). The purchase price for this share is expected to be in the low double-digit million euro range.

Beyond that there were no further subsequent events after February 28, 2018 that are expected to have a material impact 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 11, 2018, after discussion with the Audit Committee of the Supervisory Board.

FINANCIAL CALENDAR

April 25, 2018	Annual General Meeting 2018
July 12, 2018	Interim Report 2nd Quarter 2018
October 11, 2018	Interim Report 3rd Quarter 2018

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Publisher
Gerresheimer AG
Klaus-Bungert-Strasse 4
40468 Duesseldorf
Germany
Phone +49 211 61 81-00
Fax +49 211 61 81-295
E-mail info@gerresheimer.com
www.gerresheimer.com

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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.

Gerresheimer AG

Klaus-Bungert-Strasse 4
40468 Duesseldorf
Germany
Phone +49 211 61 81-00
Fax +49 211 61 81-295
E-mail info@gerresheimer.com
www.gerresheimer.com