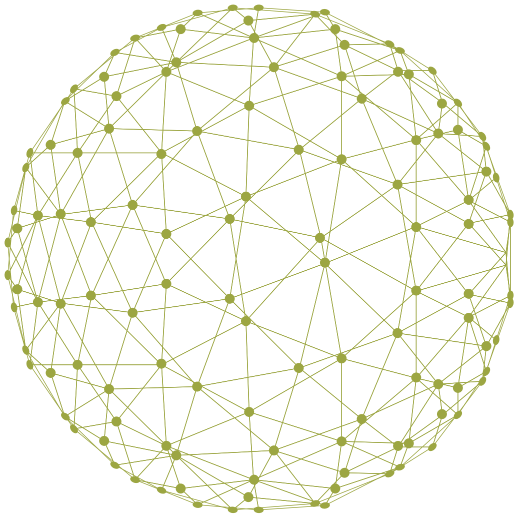
DOCUMENTATION
OF COMMITMENT

Q2

1 APRIL TO 30 SEPTEMBER 2017

RELAUNCH

HALF YEAR INTERIM REPORT
2017/2018



RELAUNCH

Significant incoming orders and sales growth,
Earnings more than doubled

SHORT **NOTICED**

H1
2017/2018

Significant incoming orders and sales growth, Earnings more than doubled

OUTLOOK FOR FULL FINANCIAL YEAR

Sales and earnings at the upper end of the forecast range expected for the full year **(€ ~530 Mn. Sales and € ~18 Mn. Group net income after minority interest)**

01.04.-30.09.		I. Half Year 2017/2018	I. Half Year 2016/2017	Change
Incoming orders	€'000	276,294	250,291	+10.4%
Sales	€'000	264,736	228,744	+15.7%
EBITDA	€'000	32,560	21,019	+54.9%
EBIT	€'000	20,371	10,605	+92.1%
Earnings before tax (EBT)	€'000	19,138	9,173	+108.6%
Group net income after minority interest	€'000	10,558	4,841	+118.1%
Earnings per share pursuant to IFRS [1)]	€	0.97	0.49	+98.0%
Weighted average number of shares [1)]	Number	10,838,956	9,974,793	+8.7%
Employees	Number	2,572	2,528	+1.6%

[1)] Previous years' figure adjusted to share split 1:3 from Dec. 2016

KEY **FIGURES**

€ 276 Mn.
INCOMING ORDERS
(€ 250 Mn.)

+10%
compared to H1 2016/2017

€ 265 Mn.
SALES
(€ 229 Mn.)

+16%
compared to H1 2016/2017

2.572
STAFF
(2.528)

€ 32.6 Mn.
EBITDA
(€ 21.0 Mn.)

€ 20.4 Mn.
EBIT
(€ 10.6 Mn.)

€ 19.1 Mn.
EBT
(€ 9.2 Mn.)

€ 10.6 Mn.
GROUP NET INCOME AFTER MINORITY INTEREST
(€ 4.8 Mn.)

€ 0.97
EARNINGS PER SHARE PURSUANT TO IFRS
(€ 0.49)

+98%
compared to H1 2016/2017

FOREWORD OF THE GESCO CEO

Dear Shareholders,

GESCO Group posted **remarkably successful** development in the first half of financial year 2017/2018 when compared with the same period of the previous year. The **capital goods industry picked up significantly**, and the **optimisation projects launched as part of Portfolio Strategy 2022 have started to show signs of initial success**. In addition, Pickhardt & Gerlach Group, which was acquired at the turn of the year, contributed external growth.

Following an unusually strong first quarter that was also influenced by a particularly favourable order mix in a dynamic market environment, business activities continued to proceed at a high level in the second quarter. As a result, the **full first half of the year saw satisfactory growth rates year on year**. Through a **combination of internal and external growth**, incoming orders and sales posted a double-digit increase, and **earnings more than doubled**. The level of incoming orders and sales remained satisfactory in the third quarter, which encompasses the operating months July to September.

The substantial rise in the Group's earnings was driven primarily by the largest segment, **Resource Technology**, in which Pickhardt & Gerlach Group was included for the first time. This segment also registered a strong increase in incoming orders and sales. The second-largest segment, **Healthcare and Infrastructure Technology**, also saw an improvement in incoming orders, sales and earnings. The figures in the **Production Process Technology** segment reflected the nature of the project business: in the first half of the year, the Group began producing machinery and plants that will largely be delivered in the second half of the year, when these activities have an impact on sales and earnings. The **Mobility Technology** segment ultimately came in below our initial expectations and registered declining business development.

We communicated our target ranges for sales and earnings during our annual accounts press conference in June. From an operating point of view it is entirely possible that we might exceed these ranges based on the latest information available, but the second half of the financial year could see opposing special and one-off effects which are not precisely quantifiable as yet. From today's point of view, we **forecast sales and earnings at the upper end of the respective range**, which corresponds to **sales of approximately € 530 million** and **group net income after minority interest of approximately € 18 million**.

Warm regards,

Dr. Eric Bernhard
(Chairman of the Executive Board)

HALF YEAR INTERIM REPORT

The financial year of GESCO AG and GESCO Group runs from 1 April to 31 March of the following year, while the financial years of the subsidiaries coincide with the calendar year. This interim report for the first half of financial year 2017/2018 therefore encompasses the operating months January to June 2017 of the Group's subsidiaries.

CHANGES TO THE SCOPE OF CONSOLIDATION

At the turn of the year from 2016 to 2017, GESCO AG acquired 100 % of the shares in Pickhardt & Gerlach Group (PGW), Finnentrop, Germany, a leading strip steel processor, as part of a succession planning process. This company generates sales of roughly € 30 million and has approximately 40 employees. PGW was already included in the Group balance sheet for 2016/2017 with its assets and liabilities, while the company has only been included in the Group income statement since the beginning of the current financial year 2017/2018.

DEVELOPMENT OF GROUP SALES AND EARNINGS IN THE SECOND QUARTER

In the second quarter of financial year 2017/2018, which encompasses the operating months April to June of the subsidiaries, at € 127.6 million, incoming orders were on par with the previous year's figure of € 127.7 million. In organic terms, i.e. excluding the newly acquired company Pickhardt & Gerlach Group, incoming orders were down 6.9 % compared to the particularly strong first quarter of the previous financial year.

Sales rose by 14.0 %, from € 115.2 million to € 131.3 million. Organically, sales rose by 7.0 %. Due to better capacity utilisation and a number of staff which had only increased by the newly acquired company, the cost-of-materials ratio decreased slightly, whereas the personnel expenditure ratio fell significantly. Earnings before interest, taxes, depreciation and amortisation (EBITDA) therefore increased by 44.1 % – a much higher rate of growth than sales – and came to € 15.1 million following € 10.5 million in the previous year's period. The disproportionately slight increase in depreciation and amortisation meant that earnings before interest and taxes (EBIT) increased even more steeply and rose by 82.7 % to € 9.5 million (previous year's period: € 5.2 million). The EBIT margin therefore stood at 7.2 % in relation to sales, which was below the unusually high figure of 8.2 % recorded in the first quarter, but significantly exceeded the margin of 4.5 % in the previous year's period. Following an improvement in the financial result and increased minority interest in incorporated companies, Group net income more than doubled from € 2.2 million to € 4.9 million.

DEVELOPMENT OF GROUP SALES AND EARNINGS IN THE FIRST HALF OF THE YEAR

In the first half of the year, incoming orders increased by 10.4 %, from € 250.3 million to € 276.3 million. In organic terms, growth stood at 2.8 %. Sales climbed from € 228.7 million to € 264.7 million, which represents growth of 15.7 %. Organic growth amounted to 8.2 %. Throughout the entire first half of the year, improved capacity utilisation and a favourable order mix in certain areas led to a disproportionately steep rise in earnings figures. As a result, EBITDA increased by 54.9 % to € 32.6 million (previous year's period: € 21.0 million). The rise in depreciation and amortisation from € 10.4 million to € 12.2 million was due largely to scheduled write-downs of consolidated-related surplus value resulting from the purchase price allocation from the acquisition of Pickhardt & Gerlach Group. EBIT increased by 92.1 % and reached € 20.4 million (€ 10.6 million). As a result, the EBIT margin could be increased from 4.6 % in the previous year's period to 7.7 %. The financial result improved, while minority interest in incorporated companies rose in line with earnings growth. All told, Group net income after minority interest more than doubled, from € 4.8 million to € 10.6 million.

In view of the increased result and significantly higher depreciation and amortisation, cash flow for the period rose sharply from € 15.8 million to € 24.4 million. Cash flow from ongoing business activities also increased, reaching € 19.3 million (€ 13.9 million).

SEGMENT PERFORMANCE

The **Production Process Technology** segment houses Group subsidiaries that largely provide products and services for series manufacturers' production processes. The segment generated a 10.1 % increase in incoming orders to € 38.3 million (€ 34.7 million). As is standard practice in this segment, a number of companies began producing machinery and plants in the first half of the year that will be delivered in the second half of the year, meaning that the segment's sales and earnings will be substantially higher in the second half of the year than in the first half of the year as expected. At € 30.5 million, sales were on par with the previous year's figure of € 30.7 million in the first half of the year. The segment's EBIT stood at € 0.1 million after € 0.5 million in the first half of the previous year. All told, business performance in this segment developed better than originally expected, leading us to confirm our expectation with respect to the year as a whole that we will be able to generate year-on-year sales and earnings growth.

The companies in the **Resource Technology** segment supply material-intensive companies in the industrial sector. Pickhardt & Gerlach Group, which is being included in the income statement for the first time in the current financial year, is contributing external growth in this segment. Furthermore, the other companies in the segment also posted significantly positive development. In this combination of external and internal growth, incoming orders increased by 21.4 % to € 138.7 million (€ 114.3 million), while sales saw even stronger growth of 36.8 %, bringing them to € 137.7 million (€ 100.7 million). In organic terms, incoming orders were up by 4.9 % and sales by 19.5 %. As already communicated in the quarterly statement from August 2017, especially the first quarter was characterized by a favourable economic environment, which levelled off in the second quarter as expected. We still expect earnings to normalise on a high level in the second half of the year. All told, we still expect a substantial year-on-year increase in sales and earnings for the year as a whole.

The **Healthcare and Infrastructure Technology** segment includes companies that supply providers in mass consumer markets such as the medical, hygiene, food or sanitary sectors. Incoming orders increased by 7.7 % to € 63.6 million (€ 59.1 million); sales rose by 6.2 % to € 63.6 million (€ 59.9 million). The segment's EBIT climbed to € 6.5 million (€ 6.2 million). As explained in the statement for the first quarter, we expect a year-on-year rise in sales over the course of the year as a whole. Although earnings at some subsidiaries will be strained by non-recurring expenses for the expansion of capacities and optimisation efforts, we expect EBIT for the full financial year to come out roughly on par or slightly above the previous year's figure.

The **Mobility Technology** segment combines companies that supply the automotive, commercial vehicle and rail industry. The trend seen in the first quarter – satisfactory demand for parts for the regular mass production of vehicles coupled with declining sales and earnings in large tool manufacturing – continued in the second quarter. Overall, the segment recorded a substantial decline in key figures. Incoming orders fell to € 35.7 million (€ 42.2 million), with sales down to € 33.1 million (€ 38.8 million) and EBIT declining to € 0.6 million (€ 1.5 million). All told, the segment development falls short of our expectations. Reasons for that are technical difficulties in certain major projects as well as one-off effects in connection with operating structural and improvement measures. This will negatively impact segment earnings especially, and we therefore no longer forecast earnings growth for the year as a whole, but rather stable development or slight decline year-on-year. The company Protomaster GmbH, with regard to which we are currently in sales negotiations, is of minor significance in this context.

ASSETS AND FINANCIAL POSITION

Compared to the reporting date 31 March 2017, total assets increased by 4.9 % to € 461.6 million on account of the expansion of the operating business (reporting date 31 March 2017: € 439.9 million).

On the assets side, non-current assets fell slightly, whereas current assets – and inventories in particular – rose. Liquid assets were unchanged at € 35.1 million, although a dividend of € 3.8 million was distributed to shareholders in the reporting period.

On the liabilities side, equity rose from € 219.8 million (€ 214.1 million), with the equity ratio amounting to 47.6 % (48.7 %). Current and non-current liabilities to financial institutions were reduced by € 4.6 million, or 3.7 %.

The assets and liabilities of Protomaster GmbH, which has been put up for sale, have been reported under “Assets held for sale”.

INVESTMENTS

In the first half of the year, GESCO Group companies invested a total of € 9.9 million (€ 9.4 million) in property, plant and equipment and intangible assets. This total volume was distributed among a series of smaller and medium-sized individual projects.

EMPLOYEES

At 2,572, the number of people employed by GESCO Group was slightly higher year on year (2,528). This increase corresponds almost to the newly added workforce of the Pickhardt & Gerlach Group (41 employees), which was included for the first time in the reporting period.

OPPORTUNITIES, RISKS AND RISK MANAGEMENT

Our general explanations on the subject of opportunities and risks as well as the presentation of specific individual risks in the Group financial statements as at 31 March 2017 remain essentially unchanged and valid. For more details, please refer to the Annual Report 2016/2017, which is available online at www.gesco.de. As usual in the mechanical engineering and plant construction industry, risks posed to the achievement of the targets for the current financial year include delays in the delivery of larger machinery, plants or components to the next financial year. In addition, there are non-operative individual risks and opportunities whose amount and probability of occurrence are currently not yet to be assessed concretely.

OTHER INFORMATION

The Annual General Meeting of GESCO AG on 31 August 2017 passed a resolution expanding the Supervisory Board from three to four members and elected Mr Jens Große-Allermann to the board as an additional member. Mr Große-Allermann represents Investmentaktiengesellschaft für langfristige Investoren TGV, Bonn, Germany, which holds roughly 14.4 % of GESCO AG's share capital, making it the Group's largest shareholder. The expansion of the Supervisory Board took effect upon entry in the commercial register on 4 October 2017.

OUTLOOK AND EVENTS AFTER THE REPORTING DATE

This Half Year interim report comprises the subsidiaries' operating business from January to June 2017. In the subsequent third quarter, which accounts for the months July to September 2017 in the case of the subsidiaries, Group incoming orders amounted to approximately € 131 million (previous year's period: € 126,1 million), while Group sales stood at approximately € 138 million (€ 128,8 million).

At the annual accounts press conference on 29 June 2017, we forecast Group sales for the full financial year 2017/2018 of between € 510 million and € 530 million and Group net income after minority interest of € 17 million to € 18 million. As explained at the beginning, it is entirely possible that we might exceed these ranges from an operating point of view based on the latest information, but the second half of the year could see opposing special and one-off effects which are not precisely quantifiable at present. After weighing up the currently identifiable opportunities and risks, we forecast sales and earnings at the upper end of the respective range, which corresponds to Group sales of approximately € 530 million and group net income after minority interest of approximately € 18 million.

No further significant events occurred after the end of the reporting period.

GESCO AG

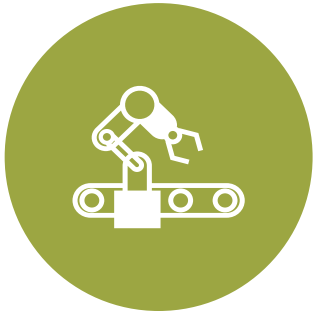
The Executive Board

Wuppertal, November 2017

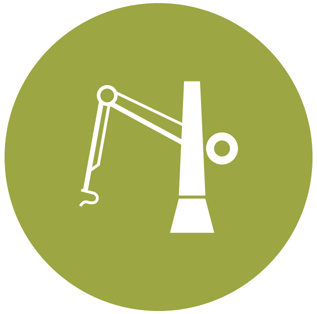
GROUP**SEGMENTS**

PORTFOLIO
STRATEGY

2022



PRODUCTION PROCESS
TECHNOLOGY



RESSOURCE
TECHNOLOGY

HEALTHCARE &
INFRASTRUCTURE
TECHNOLOGY

MOBILITÄTS
TECHNOLOGY

GESCO AG GROUP BALANCE SHEET

ASSETS €'000	30.09.2017	31.03.2017
A. NON-CURRENT ASSETS		
I. Intangible assets		
1. Industrial property rights and similar rights and assets as well as licences to such rights and assets	23,715	27,189
2. Goodwill	19,253	19,424
	42,968	**46,613**
II. Property, plant and equipment		
1. Land and buildings	62,526	63,738
2. Technical plants and machinery	48,852	49,403
3. Other plants, fixtures and fittings	21,347	21,563
4. Prepayments made and assets under construction	8,157	6,132
	140,882	**140,836**
III. Financial investments		
1. Shares in affiliated companies	40	52
2. Shares in associated companies	1,137	1,044
3. Investments	156	156
4. Other loans	190	210
	1,523	**1,462**
IV. Other assets	**1,515**	**1,662**
V. Deferred tax assets	**3,618**	**3,431**
	190,506	**194,004**
B. CURRENT ASSETS		
I. Inventories		
1. Raw materials and supplies	25,520	22,928
2. Unfinished products and services	47,231	38,759
3. Finished products and goods	69,176	63,054
4. Prepayments made	1,199	426
	143,126	**125,167**
II. Receivables and other assets		
1. Trade receivables	71,584	69,206
2. Amounts owed by affiliated companies	2,322	1,302
3. Amounts owed by companies valued at equity	360	836
4. Other assets	10,260	6,806
	84,526	**78,150**
III. Cash and credit with financial institutions	**35,086**	**35,146**
IV. Accounts receivable and payable	**1,187**	**852**
	263,925	**239,315**
C. ASSETS HELD FOR SALE	**7,181**	**6,596**
	461,612	**439,915**

EQUITY AND LIABILITIES €'000	30.09.2017	31.03.2017
A. EQUITY		
I. Subscribed capital	**10,839**	**10,839**
II. Capital reserves	**72,364**	**72,364**
III. Revenue reserves	**125,232**	**118,468**
IV. Own shares	**-303**	**0**
V. Other comprehensive income	**-3,682**	**-2,748**
VI. Minority interest (incorporated companies)	**15,367**	**15,172**
	219,817	**214,095**
B. NON-CURRENT LIABILITIES		
I. Minority interest (partnerships)	**1,670**	**1,790**
II. Provisions for pensions	**16,396**	**17,101**
III. Other non-current provisions	**643**	**610**
IV. Liabilities to financial institutions	**79,176**	**81,667**
V. Other liabilities	**2,303**	**2,206**
VI. Deferred tax liabilities	**3,609**	**3,495**
	103,797	**106,869**
C. CURRENT LIABILITIES		
I. Other provisions	**10,979**	**11,851**
II. Liabilities		
1. Liabilities to financial institutions	38,675	40,760
2. Trade payables	20,831	13,135
3. Prepayments received on orders	25,221	17,383
4. Liabilities to affiliated companies	326	460
5. Liabilities to companies valued at equity	18	12
6. Other liabilities	32,610	26,706
	117,681	**98,456**
III. Accounts receivable and payable	**164**	**27**
	128,824	**110,334**
D. LIABILITIES HELD FOR SALE	**9,174**	**8,617**
	461,612	**439,915**

GESCO AG
GROUP INCOME STATEMENT FOR THE II. QUARTER (01.07. TO 30.09.)

€'000	2nd quarter 2017/2018	2nd quarter 2016/2017
1. Sales revenues	131,320	115,190
2. Change in stocks of finished and unfinished products	3,874	2,351
3. Other company-produced additions to assets	238	1,175
4. Other operating income	1,595	1,416
5. TOTAL INCOME	**137,027**	**120,132**
6. Material expenditure	-67,453	-59,604
7. Personnel expenditure	-37,529	-35,896
8. Other operating expenditure	-16,972	-14,175
9. EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)	**15,073**	**10,457**
10. Amortisation of intangible assets and depreciation on property, plant and equipment	-5,599	-5,271
11. EARNINGS BEFORE INTEREST AND TAX (EBIT)	**9,474**	**5,186**
12. Earnings from investments	19	0
13. Earnings from companies valued at equity	97	41
14. Other interest and similar income	21	20
15. Interest and similar expenditure	-661	-761
16. Minority interest in partnerships	-78	-58
17. FINANCIAL RESULT	**-602**	**-758**
18. EARNINGS BEFORE TAX (EBT)	**8,872**	**4,428**
19. Taxes on income and earnings	-3,247	-1,761
20. GROUP NET INCOME	**5,625**	**2,667**
Minority interest in incorporated companies	-685	-509
GROUP NET INCOME AFTER MINORITY INTEREST	**4,940**	**2,158**
EARNINGS PER SHARE (€) PURSUANT TO IFRS [1)]	**0.45**	**0.22**
WEIGHTED AVERAGE NUMBER OF SHARES [1)]	**10,838,412**	**9,974,793**

[1)] Previous years' figure adjusted to share split 1:3 from Dec. 2016

GESCO AG
GROUP INCOME STATEMENT FOR THE 1. HALF YEAR (01.04. TO 30.09.)

€'000		I. Half Year 2017/2018	I. Half Year 2016/2017
1.	Sales revenues	264,736	228,744
2.	Change in stocks of finished and unfinished products	7,034	8,312
3.	Other company-produced additions to assets	433	1,234
4.	Other operating income	3,435	3,524
5.	**TOTAL INCOME**	**275,638**	**241,814**
6.	Material expenditure	-134,707	-120,473
7.	Personnel expenditure	-75,567	-71,842
8.	Other operating expenditure	-32,804	-28,480
9.	**EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)**	**32,560**	**21,019**
10.	Amortisation of intangible assets and depreciation on property, plant and equipment	-12,189	-10,414
11.	**EARNINGS BEFORE INTEREST AND TAX (EBIT)**	**20,371**	**10,605**
12.	Earnings from investments	58	0
13.	Earnings from companies valued at equity	186	83
14.	Other interest and similar income	41	50
15.	Interest and similar expenditure	-1,376	-1,519
16.	Minority interest in partnerships	-142	-46
17.	**FINANCIAL RESULT**	**-1,233**	**-1,432**
18.	**EARNINGS BEFORE TAX (EBT)**	**19,138**	**9,173**
19.	Taxes on income and earnings	-6,990	-3,444
20.	**GROUP NET INCOME**	**12,148**	**5,729**
	Minority interest in incorporated companies	-1,590	-888
	GROUP NET INCOME AFTER MINORITY INTEREST	**10,558**	**4,841**
	EARNINGS PER SHARE (€) PURSUANT TO IFRS [1)]	**0.97**	**0.49**
	WEIGHTED AVERAGE NUMBER OF SHARES [1)]	**10,838,956**	**9,974,793**

[1)] Previous years' figure adjusted to share split 1:3 from Dec. 2016

GESCO AG STATEMENT OF COMPREHENSIVE INCOME FOR THE 1. HALF YEAR (01.04. TO 30.09.)

	€'000	I. Half Year 2017/2018	I. Half Year 2016/2017
1.	**Group net income**	**12,148**	**5,729**
2.	**Revaluation of benefit obligations not impacting income**	**369**	**-1,472**
3.	**Items that cannot be transferred to the income statement**	**369**	**-1,472**
4.	**Difference from currency translation**		
a	Reclassification into the income statement	0	0
b	Changes in value with no effect on income	-1,394	-364
5.	**Difference from currency translation for companies valued at equity**		
a	Reclassification into the income statement	0	-2
b	Changes in value with no effect on income	-92	-5
6.	**Market valuation of hedging instruments**		
a	Reclassification into the income statement	0	-38
b	Changes in value with no effect on income	108	93
7.	**Items that can be transferred to the income statement**	**-1,378**	**-316**
8.	**Other income**	**-1,009**	**-1,788**
9.	**Total result for the period**	**11,139**	**3,941**
	of which share attributable to minority interest	1,515	800
	of which share attributable to GESCO shareholders	9,624	3,141

GESCO AG GROUP
CASH FLOW STATEMENT

€'000	I. Half Year 2017/2018	I. Half Year 2016/2017
Group net income for the period (including share attributable to minority interest in incorporated companies)	12,148	5,729
Depreciation on fixed assets	12,189	10,414
Result from investments in associated companies	-186	-83
Share attributable to minority interest in partnerships	142	46
Increase in non-current provisions	-139	-51
Other non-cash expenditure/income	249	-202
CASH FLOW FOR THE PERIOD	**24,403**	**15,853**
Losses from the disposal of property, plant and equipment/intangible assets	23	21
Gains from the disposal of property, plant and equipment/intangible assets	-352	-251
Increase in stocks, trade receivables and other assets	-25,713	-11,927
Increase in trade payables and other liabilities	20,980	10,193
CASH FLOW FROM ONGOING BUSINESS ACTIVITIES	**19,341**	**13,889**
Incoming payments from disposals of property, plant and equipment/intangible assets	698	337
Disbursements for investments in property, plant and equipment	-9,639	-9,237
Disbursements for investments in intangible assets	-277	-182
Incoming payments from disposals of financial assets	33	25
CASH FLOW FROM INVESTMENT ACTIVITIES	**-9,185**	**-9,057**
Disbursements to shareholders (dividend)	-3,794	-6,650
Disbursements for the purchase of own shares	-303	0
Disbursements to minority interests	-1,584	-5,800
Incoming payments from raising (financial) loans	3,711	4,000
Outflow for repayment of (financial) loans	-7,945	-6,911
CASH FLOW FROM FUNDING ACTIVITIES	**-9,915**	**-15,361**
Change in cash and cash equivalents	**241**	**-10,529**
Exchange-rate-related changes in cash and cash equivalents	**-140**	**-34**
Financial means on 1 April	**35,146**	**36,581**
Financial means on 30 September	**35,247**	**26,018**
less means of payment held for sale	-161	0
FINANCIAL MEANS ON 30 SEPTEMBER FROM CONTINUING OPERATIONS	**35,086**	**26,018**

GESCO AG GROUP STATEMENT OF CHANGES IN EQUITY CAPITAL

€'000	Subscribed capital	Capital reserves	Revenue reserves	Own shares	Exchange equalisation items	Revaluation of pensions	Hedging instruments	Total	Minority interest incorporated companies	Equity capital
AS AT 1 APRIL 2016	**8,645**	**54,662**	**119,171**	**-5**	**852**	**-3,140**	**-101**	**180,084**	**15,689**	**195,773**
Distributions			-6,650					-6,650	-735	-7,385
Acquisition of shares in subsidiaries			-1,903					-1,903	-1,636	-3,539
Result for the period			4,841		-324	-1,430	54	3,141	800	3,941
AS AT 30 SEP 2016	**8,645**	**54,662**	**115,459**	**-5**	**528**	**-4,570**	**-47**	**174,672**	**14,118**	**188,790**
AS AT 1 APRIL 2017	**10,839**	**72,364**	**118,468**	**0**	**1,113**	**-3,858**	**-3**	**198,923**	**15,172**	**214,095**
Distributions			-3,794					-3,794	-1,320	-5,114
Acquisition of own shares				-303				-303		-303
Result for the period			10,558		-1,374	343	97	9,624	1,515	11,139
AS AT 30 SEP 2047	**10,839**	**72,364**	**125,232**	**-303**	**-261**	**-3,515**	**94**	**204,450**	**15,367**	**219,817**

GESCO AG GROUP SEGMENT REPORT

€'000	Production Process Technology 2017/2018	Production Process Technology 2016/2017	Resource Technology 2017/2018	Resource Technology 2016/2017	Healthcare and Infrastructure Technology 2017/2018	Healthcare and Infrastructure Technology 2016/2017	Mobility Technology 2017/2018	Mobility Technology 2016/2017	Reconciliation 2017/2018	Reconciliation 2016/2017	Group 2017/2018	Group 2016/2017
Order backlog	49,506	45,464	71,057	69,361	33,765	33,040	53,354	45,974	0	0	207,682	193,839
Incoming orders	38,250	34,736	138,695	114,251	63,616	59,079	35,733	42,225	0	0	276,294	250,291
Sales revenues	30,526	30,656	137,721	100,704	63,601	59,913	33,129	38,760	-241	-1,289	264,736	228,744
of which with other segments	5	1,032	221	256	0	0	15	0	-241	-1,288	0	0
Depreciation/amortisation	1,448	1,534	2,018	1,971	3,097	3,175	2,285	2,264	3,341	1,470	12,189	10,414
EBIT	136	544	19,784	6,356	6,453	6,164	552	1,534	-6,554	-3,993	20,371	10,605
Investments	1,741	513	1,365	1,525	4,465	3,065	2,237	4,071	109	219	9,917	9,393
Employees (No./reporting date)	460	464	752	705	750	719	592	623	18	17	2,572	2,528

EXPLANATORY NOTES

ACCOUNTS, ACCOUNTING AND VALUATION METHODS

The report of GESCO Group for the first half of the year (1 April to 30 September 2017) of financial year 2017/2018 (1 April 2017 to 31 March 2018) was prepared on the basis of the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB). It was drawn up in compliance with IAS 34.

The accounting and valuation principles applied generally correspond to those in the consolidated financial statements as at 31 March 2017. The financial statements are affected by the accounting and valuation methods as well as assumptions and estimates which affect the level and recognition of assets, liabilities and contingent liabilities on the balance sheet and of the income and expenditure items. Sales-related figures are accrued throughout the year.

CHANGES TO THE SCOPE OF CONSOLIDATION/ BUSINESS COMBINATIONS PURSUANT TO IFRS 3

Pickhardt & Gerlach Group, which was acquired at the turn of the year from 2016 to 2017, was included in the Group income statement for the first time at the start of the current financial year (2017/2018). Pickhardt & Gerlach was already included in the Group balance sheet as at the reporting date 31 March 2017.

FINANCIAL INSTRUMENTS

The book values of the financial instruments are divided into the following classes:

€'000	Book value		Fair value	
	30.09.2017	31.03.2017	30.09.2017	31.03.2017
Trade receivables	71,584	69,206	71,584	69,206
Other receivables	8,985	6,489	8,985	6,489
of which hedging instruments	344	0	344	0
Cash and cash equivalents	35,086	35,146	35,086	35,146
Assets held for sale	7,181	6,596	7,181	6,596
FINANCIAL ASSETS	**122,836**	**117,437**	**122,836**	**117,437**
Trade payables	20,831	13,135	20,831	13,135
Liabilities to financial institutions	117,851	122,427	117,851	122,427
Other liabilities	56,489	44,783	56,489	44,783
of which hedging instruments	77	127	77	127
Liabilities held for sale	9,174	8,617	9,174	8,617
FINANCIAL LIABILITIES	**204,345**	**188,962**	**204,345**	**188,962**

Hedging instruments at fair value are measured using the market price method, taking into account generally observable input parameters (such as exchange and interest rates). This method is the equivalent of Level 2 pursuant to IFRS 13.81 et seq.

RELATED-PARTY TRANSACTIONS

Business relationships between fully consolidated and not fully consolidated companies within the Group are conducted under regular market terms and conditions. Receivables from related companies are mainly due from Connex SVT Inc., USA, and Frank Lemeks Tow, Ukraine. Stefan Heimöller, member of the Supervisory Board, maintains business relationships to a minor extent with Dörrenberg Edelstahl GmbH as well as SVT GmbH, 90 % subsidiaries of GESCO AG, through his company Platestahl Umformtechnik GmbH. These business relationships are conducted under regular market terms and conditions.

FINANCIAL AUDIT

The condensed Half Year interim financial statements as at 30/09/2017 and the interim management report were neither audited in accordance with Section 317 HGB nor reviewed by an auditor.

STATEMENT OF THE LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

GESCO AG

The Executive Board

Wuppertal, November 2017

FURTHER INFORMATION

FINANCIAL CALENDAR

Publication of the Half Year interim report (1 April to 30 September 2017)	14 November 2017
Publication of the quarterly statement for the first nine months (1 April to 31 December 2017)	14 Februar 2018
Annual accounts press conference and analysts' meeting	28 Juni 2018
Publication of the quarterly statement for the first quarter (1 April to 30 June 2018)	14 August 2018
Annual General Meeting at the Stadthalle, Wuppertal, Germany	30 August 2018
Publication of the Half Year interim report (1 April to 30 September 2018)	14 November 2018

Please attach a stamp

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THE INDUSTRIAL GROUP

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- [ ] all information by e-mail.
- [ ] all information by e-mail, but the annual report by post.
- [ ] All information by post.

[ ] Mr [ ] Mrs Title Name Surname

Straße/Nr. Post Code Place of residence

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Important Note:
This document contains forward-looking statements that are based on current assumptions and forecasts of the Executive Board of GESCO AG. These statements are therefore subject to risks and uncertainties. The results and business development of GESCO AG and the GESCO Group may, under certain circumstances, deviate substantially from the estimates provided in this document. GESCO AG does not assume any obligation to update such forward-looking statements or adjust them according to future events or developments.

Despite extensive precautions, discrepancies may occur between this document and the accounting documents submitted to the German Federal Gazette, especially for technical reasons (e.g. conversion of electronic formats). In this case, the version submitted to the German Federal Gazette prevails.

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