

*Interim Statement
for the 3rd Quarter 2016
of H&R GmbH & Co. KGaA*



Overview

- A clear increase of €79.5 million in earnings before interest, taxes, depreciation and amortization (EBITDA) on a nine-month comparison basis
- An approximate 30% rise in earnings per share, to €1.05
- Refining segment proves to be strongest source of earnings
- Recently increased forecast of results for 2016 now confirmed

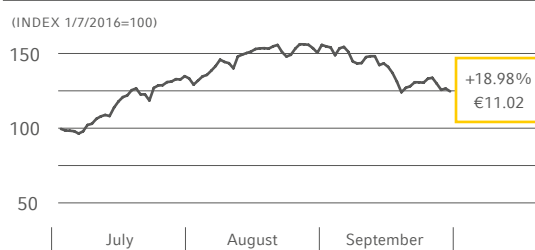
THE H&R GMBH & CO. KGaA IN FIGURES

€ MILLION	1/1 to 30/9/2016	1/1 to 30/9/2015	Change in absolute terms
Sales revenue	705.3	765.6	-60.3
Operating income (EBITDA)	79.5	65.3	14.2
EBIT	55.7	42.7	13.0
EBT	48.0	34.2	13.8
Income after taxes	38.5	29.2	9.3
Income after taxes of which attributable to shareholders	37.6	29.1	8.5
Consolidated earnings per share (undiluted) in €	1.05	0.81	0.24
Cash flow from operating activities	66.9	33.7	33.2
Cash flow from investing activities	-28.3	-13.5	-14.8
Free cash flow	38.6	20.2	18.4
Cash flow from financing activities	-40.3	-17.5	-22.8
Balance sheet total	654.6	628.8	25.8
Net working capital	151.5	139.5	12.0
Equity	312.1	287.1	25.0
Equity ratio (in %)	47.7	45.7	2.0
Employees (absolute)	1.619	1.577	42

THE SEGMENTS IN FIGURES

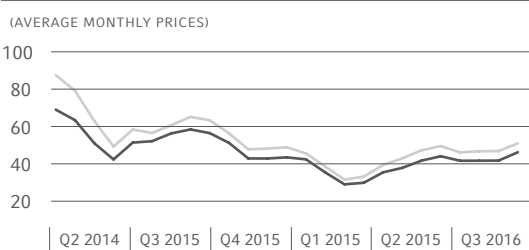
€ MILLION	1/1 to 30/9/2016	1/1 to 30/9/2015	Change in absolute terms
Chemical-Pharmaceutical Raw Materials Refining			
Sales	427.0	482.6	-55.6
EBITDA	54.9	41.3	13.6
Chemical-Pharmaceutical Raw Materials Sales			
Sales	242.6	247.4	-4.8
EBITDA	26.3	25.0	1.3
Plastics			
Sales	42.5	45.8	-3.3
EBITDA	2.0	-0.2	2.2
Reconciliation			
Sales	-6.9	-10.1	3.2
EBITDA	-3.8	-0.7	-3.1

PERFORMANCE OF THE H&R SHARE Q3 2016



● H&R GmbH & Co. KGaA

OIL PRICES Q4 2014 TO Q3 2016



● in US\$/Barrel Brent ● in €/Barrel Brent

Letter from the Executive Board

*Dear Shareholders,
dear Corporate Partners*

H&R KGaA has again opted, for the third quarter of 2016, to use this abbreviated interim reporting format. Your feedback arising from the first-quarter report has shown us that this form of presentation has been well received, and that it has kept you fully informed.

The first nine months of the financial year proved to be successful for our company. The good start to the year formed a basis for solid performance in the first two quarters, which were followed by a parallel increase in our original earnings targets. As we had predicted, the momentum declined slightly at the beginning of the second half of the year, although we still managed to achieve good operational figures in the third quarter.

Our purchasing conditions over the entire nine-month period have been favorable, despite the slight increases in raw material prices from the beginning of the year. The demand for our crude-oil-based speciality products remained high, with healthy sales volumes to match. The margins on our primary and by-product lines were likewise stable, thereby making an important contribution to the favorable situation regarding our business in general and earnings in particular. The period from January to the end of September 2016 ended not just up on the same period of the previous year, but delivered the best nine-month operating results of the last few years. We again need to stress that all the segments in which we are active delivered a positive contribution to earnings.

The company's share price likewise profited from these results in terms of earnings. Since the beginning of the year, our share price has been comfortably out of single digits and climbing back up to the twenty-euro mark. Despite our still relatively small role in the stock exchange's chemicals sector, the volume of trading in H&R shares was higher in the first three quarters of 2016 than it was throughout 2014 and 2015 combined. This increase in stock-market activity is attributable mainly to increased interest on the part of institutional and private investors. This was reason enough for company manage-

ment to intensify its efforts once more in addressing investors and raising the profile of our organization at business events in Zurich, Paris, London and Munich.

In summary: H&R KGaA is largely satisfied with its progress during the year 2016.

You will recall that we first gave a full and detailed summary of our targets for the year 2016 as a whole in the annual report for 2015, against a benchmark defined by the previous year's results. As a result of the favorable commercial developments concerned, we have already updated this guide figure to €95 million after the first two quarters. With the publication of provisional figures on 17 October 2016 the company management expressly reconfirmed its commitment to reach this goal. Ongoing discussions regarding the production output of crude-oil-exporting countries and the associated sensitivity of market prices and product prices give rise to a certain amount of hesitance with respect to the more optimistic statement that some of you might have been expecting. The same naturally applies in the light of the potential social and geopolitical challenges that mark the rest of the financial year: The ongoing conflict in the Middle East and the change of presidency in the United States are just two examples of events that could once again create turbulence in the final quarter of the year.

We are nevertheless pleased to share with you our high satisfaction in what has been our most successful financial year for a very long time.

Hamburg (Germany), November 2016

Yours,



Niels H. Hansen
Chairman of the
Executive Board



Detlev Wösten
Member of the
Executive Board

Business Trends in the Third Quarter

Overall Trends: A Successful Year for H&R GmbH & Co. KGaA

H&R KGaA managed to continue its good course of business up to and including September 2016. High demand for our speciality products, and the good sales volumes that resulted, gave our business a healthy impulse, simultaneously stable margins and a promotional boost for our primary and bi-product lines.

Earnings Situation: Results Improved at All Levels

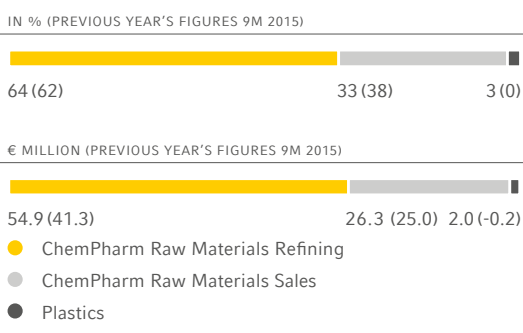
The operating profit (EBITDA) of the H&R Company, amounting to €79.5 million, was a clear improvement on the comparable figure for the first three quarters of 2015, of €65.3 million. The EBIT figure went up by more than 30%, from €42.7 million to this year's €55.7 million. This improved earning power is reflected in all results related figures:

CHANGE IN SALES REVENUE AND EARNINGS

€ MILLION	1/7-30/9/2016	1/7-30/9/2015	Change in %	1/1-30/9/2016	1/1-30/9/2015	Change in %
Sales revenue	240.2	240.9	-0.3	705.3	765.6	-7.9
EBITDA	25.1	24.2	3.7	79.5	65.3	21.7
EBIT	16.7	16.7	n/a	55.7	42.7	30.4
EBT	14.3	13.6	5.1	48.0	34.2	40.4
Net profit/loss to shareholders	11.3	10.9	3.7	37.6	29.1	29.2
Earnings per share (undiluted) in €	0.32	0.30	6.7	1.05	0.81	29.6

The ChemPharm Refining segment accounted for an EBITDA of € 54.9 million (compared to a three-quarter 2015 figure of € 41.3 million), with the third-quarter figure of € 15.9 million making a major contribution to this improvement in results. International activities in the ChemPharm Sales segment delivered an EBITDA of € 26.3 million (nine-month figure for 2015: € 25.0 million), supposing similar operating results. The third quarter accounted for €9.6 million of this total, i.e. slightly less the same quarter of the previous year (Q3 2015: €10.3 million). The Plastics segment, with an EBITDA of €2.0 million, likewise supposed a higher positive operating result (nine-month period of 2015: - €0.2 million), as did the third quarter alone, with a figure of €1.1 million (Q3 2015: - €0.5 million).

EBITDA BY SEGMENTS 9M 2016



Over the total period, sales of €705.3 million were just under the comparable previous figure (approx. 7.9 % down; nine-month period of 2015: €765.5 million). This drop, which should be seen against the slight recovery of the crude oil price from the beginning of the year, was nevertheless more moderate than in previous years.

Segment distribution is shown in the familiar figures for sales: A significant proportion of 94% was accounted for by the Refining and Sales segments of the chemical-pharmaceutical sector, with the remaining 6% attributable to turnover in our Plastics segment.

SALES BY SEGMENTS 9M 2016

IN % (PREVIOUS YEAR'S FIGURES 9M 2015)



● ChemPharm Raw Materials Refining

● ChemPharm Raw Materials Sales

● Plastics

SALES REVENUE BY REGION 9M 2016

IN % (PREVIOUS YEAR'S FIGURES 9M 2015)



● Germany

● Rest of Europe

● Rest of world

Earnings, Financial and Asset Position: Cash Positions Improved

Our business model entails a high degree of the volatility inherent in cash flow. This is caused by changes in net working capital, particularly in the case of raw material supplies to our refineries in the periods just before reporting dates.

Operating cash flow for the third quarter of 2016 grew by almost 65.0% to €22.7 million (Q3 2015:

€13.8 million), while free cash flow grew by some 15.0% to €11.6 million (Q3 2015: €10.1 million). Thanks to the improved situation with regard to earnings and a lower net-working capital requirement, growth in cash flow in the nine-month period likewise significantly increased from €33.7 million to €66.9 million. Free cash flow developed along similar lines, by increasing from €20.2 million to €38.6 million. In the context of financial activities, the company took less advantage of the lines of credit available to it.

FINANCIAL POSITION

€ MILLION	1/7-30/9/2016	1/7-30/9/2015	Change in absolute terms	1/1-30/9/2016	1/1-30/9/2015	Change in absolute terms
Cash flow from operating activities	22.7	13.8	8.9	66.9	33.7	33.2
Cash flow from investing activities	-11.1	-3.7	-7.4	-28.3	-13.5	-14.8
Free cash flow	11.6	10.1	1.5	38.6	20.2	18.4
Cash flow from financing activities	-10.1	-1.1	-9.0	-40.3	-17.5	-22.8
Cash and cash equivalents as of 30/9	77.2	104.9	-27.7	77.2	104.9	-27.7

CASH FLOW 9M 2016

€ MILLION

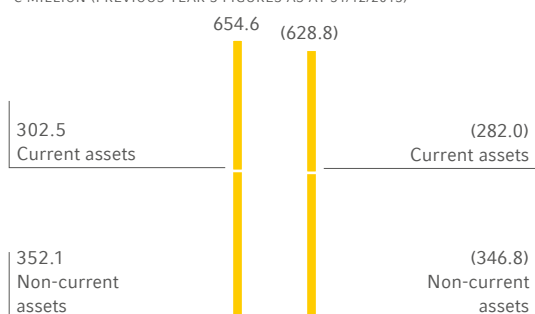


● Q1-Q3 2016

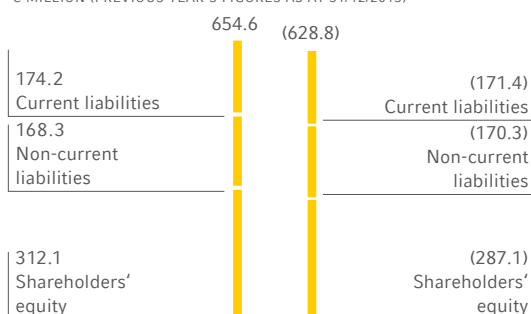
● Q1-Q3 2015

**ASSETS
AS AT 30/9/2016**

€ MILLION (PREVIOUS YEAR'S FIGURES AS AT 31/12/2015)


**SHAREHOLDERS' EQUITY AND LIABILITIES
AS AT 30/9/2016**

€ MILLION (PREVIOUS YEAR'S FIGURES AS AT 31/12/2015)



The balance sheet total increased moderately, in comparison to the 31 December 2015 figure, from €628.8 million to €654.6 million as of 30 September 2016.

On the asset side of the balance sheet, short-term items increased as a result of higher accounts receivable, which increased by 7.3% to €302.5 million. Long-term assets, with a 1.6% increase to €352.2 million, grew only moderately.

On the liability side meanwhile, both short-term and long-term items remain virtually unchanged. Equity increased, with respect to the comparable period under consideration, from €287.1 million to €312.1 million, thereby making it once again the main cause for this increase in the balance sheet total. The equity capital ratio as of the end of 2015 improved slightly to 47.7% (31 December 2015: 45.7%).

**Outlook:
Overall Expectations Confirmed**

Publication of the annual report for 2015 announced company's target turnover at €900.0 million for the year, while defining the expected percentage estimates for the individual segments concerned. As the third quarter of 2016 ends, H&R KGaA finds itself slightly exceeding its overall sales targets.

SALES AND EARNINGS PROJECTIONS

	Forecast 2016
Group sales	€ 900 million to € 1,200 million
of which Refining	63%
of which Sales	32%
of which Plastics	5%
EBITDA Group	~ € 95.0 million
of which Refining	62%
of which Sales	34%
of which Plastics	2%

The company has concluded this nine-month period with good results overall. Company management foresees, on the basis of knowledge gained as of the third quarter, significantly less dynamic business development for the end of 2016. The Executive Board likewise confirms the increased EBITDA forecast issued in August, with its approximate figure of €95.0 million.

Interim Consolidated Financial Statements

Consolidated Balance Sheet of H&R KGaA

as of 30 September 2016

ASSETS		
€ THOUSAND	30/9/2016	31/12/2015
Current assets		
Cash and cash equivalents	77,152	79,274
Trade accounts receivable	113,824	98,838
Income tax claims	222	198
Inventories	100,968	93,996
Other financial assets	1,168	1,783
Other assets	9,134	7,876
Current assets	302,468	281,965
Non-current assets		
Property, plant and equipment	258,311	257,167
Goodwill	35,368	35,635
Other intangible assets	28,575	32,071
Shares in at-equity valued holdings	4,112	975
Other financial assets	7,559	5,471
Other assets	1,498	1,519
Deferred tax assets	16,739	13,956
Non-current assets	352,162	346,794
Total assets	654,630	628,759
EQUITY AND LIABILITIES		
€ THOUSAND	30/9/2016	31/12/2015
Current liabilities		
Liabilities to banks	54,669	82,752
Trade accounts payable	63,262	53,343
Income tax liabilities	8,824	6,207
Other provisions	21,916	11,174
Other financial liabilities	10,357	9,820
Other liabilities	15,194	8,084
Current liabilities	174,222	171,380
Non-current liabilities		
Liabilities to banks	64,479	78,248
Pension provisions	88,673	75,487
Other provisions	4,051	4,159
Other financial liabilities	1,568	2,387
Other liabilities	1,874	1,506
Deferred tax liabilities	7,657	8,464
Non-current liabilities	168,302	170,251
Equity		
Subscribed capital	91,573	91,573
Capital reserve	42,753	42,753
Retained earnings	134,683	105,820
Other reserves	2,093	4,714
Equity of shareholders of H&R AG	271,102	244,860
Non-controlling interests	41,004	42,268
Total equity	312,106	287,128
Total equity and liabilities	654,630	628,759

Consolidated Income Statement of H&R KGaA

1 January to 30 September 2016

€ THOUSAND	1/1-30/9/2016	1/1-30/9/2015	1/7-30/9/2016	1/7-30/9/2015
Sales revenue	705,275	765,631	240,184	240,891
Changes in inventories of finished goods and work in progress	3,129	-25,679	4,765	1,262
Other operating income	15,212	24,567	5,052	11,905
Cost of material	-500,496	-558,270	-177,293	-180,807
Personnel expenses	-64,286	-60,430	-20,242	-20,163
Depreciation, impairments and amortization	-23,830	-22,608	-8,460	-7,423
Other operating expenses	-79,532	-80,748	-27,408	-29,020
Income from operations	55,472	42,463	16,598	16,645
Result of at-equity reported shareholdings	231	256	63	96
Financial income	1,870	2,082	748	435
Financial expenses	-9,553	-10,584	-3,132	-3,619
Earnings before taxes (EBT)	48,020	34,217	14,277	13,557
Income taxes	-9,488	-4,988	-2,656	-2,341
Income after taxes	38,532	29,229	11,621	11,216
of which attributable to non-controlling interests	-934	-122	-289	-284
of which attributable to H&R KGaA shareholders	37,598	29,107	11,332	10,932
Earnings per share (undiluted), in €	1.05	0.81	0.32	0.30

Consolidated Cash Flow Statement of H&R KGaA

1 January to 30 September 2016

€ THOUSAND		1/1-30/9/2016	1/1-30/9/2015	1/7-30/9/2016	1/7-30/9/2015
1.	Income after taxes	38,532	29,229	11,621	11,216
2.	Income taxes	9,488	4,988	2,656	2,341
3.	Net interest result	9,311	10,001	3,067	3,532
4. +/-	Depreciation, impairment and amortization	23,830	22,608	8,460	7,423
5. +/-	Changes in non-current provisions	-448	-1,351	-205	-119
6. +	Interest received	242	583	65	87
7. -	Interest paid	-6,927	-10,210	-2,241	-5,594
8. +/-	Income taxes paid/received	-6,580	-1,964	-2,159	-1,563
9. +/-	Other non-cash expenses and income	345	-1,593	723	-517
10. +/-	Increase/decrease in current provisions	10,742	2,995	8,591	1,682
11. -/+	Result from the disposal of fixed assets	96	-3,642	103	-3,230
12. -/+	Changes in net working capital	-14,782	-15,941	-6,452	3,406
13. +/-	Changes in remaining net assets/other non-cash items	3,066	-2,007	-1,491	-4,863
14. =	Cash flow from operating activities (sum of 1. to 13.)	66,915	33,696	22,738	13,801
15. -	Payments for corporate acquisitions	-	-2,531	-	-2,531
16. +	Proceeds from disposal of tangible fixed assets	2,446	6,418	2,082	5,411
17. -	Payments for investments in tangible fixed assets	-28,830	-16,730	-13,054	-6,226
18. -	Payments for investments in intangible assets	-373	-648	-136	-390
19. -	Payments for investments in financial assets	-1,575	-	-	-
20. =	Cash flow from investing activities (sum of 15. to 19.)	-28,332	-13,491	-11,108	-3,736
21. =	Free cash flow (sum of lines 14. and 20.)	38,583	20,205	11,630	10,065
21. +	Dividends received from joint ventures	336	123	-	-
22. -	Payments resulting from the settlement of financial debt	-71,996	-43,794	-16,371	-17,104
23. +	Receipts from the taking up of financial debt	31,353	26,209	6,312	16,010
24. =	Cash flow from financing activities (sum of 21. to 23.)	-40,307	-17,462	-10,059	-1,094
25. -/+	Cash and cash equivalent changes in the financial resources fund (sum of 14., 20., 24.)	-1,724	2,743	1,571	8,971
26. +	Cash and cash equivalents at the start of the period	79,274	101,558	75,491	99,560
27. -/+	Change in cash and cash equivalents due to changes of exchange rates	-398	602	90	-3,628
28. =	Cash and cash equivalents at the end of the period	77,152	104,903	77,152	104,903

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Financial Calendar

18 May 2017

Annual Shareholders' Meeting Hamburg

Disclaimer

This document contains forward-looking statements that reflect management's current views with respect to future events. Such statements are subject to risks and uncertainties that are beyond H&R's ability to control or estimate precisely, such as future market and economic conditions, the behavior of other market participants, the ability to successfully integrate acquired businesses and achieve anticipated synergies and the actions of government regulators. If any of these or other risks and uncertainties occur, or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. H&R does not intend or assume any obligation to update any forward-looking statements to reflect events or circumstances after the date of these materials.

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