UNIWHEELS
UNITED WHEELS GROUP

Consolidated Interim Report

as of 30 September 2017
UNIWHEELS AG

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The UNIWHEELS Group is one of the leading manufacturers of aluminium wheels for cars in Europe and is one of the few technology leaders worldwide in the aluminium wheel industry.

UNIWHEELS is the third largest European supplier of OEM wheels for the automotive industry as well as the market-leading manufacturer of alloy wheels for the accessories market in Europe. Well-known Group brands include ATS, RIAL, ALUTEC and ANZIO. The Group currently has four production plants, three of which are in Poland (Stalowa Wola) and one in Germany (Werdohl).

UNIWHEELS sees itself as one of the leading partners of the automotive industry for the optimum reduction of CO2 emissions by reducing the weight of alloy wheels. As well as weight-optimised construction methods, the following procedures are primarily used: Flow-Forming, Lightforming, undercutting and forging.

In 2016 the UNIWHEELS Group generated a sales volume of 8.8 million wheels, revenues of EUR 464.1 million and EBITDA of EUR 70.2 million. On average, 2,918 employees worked for the group in 2016.

Since May 2015 UNIWHEELS AG has been listed on the Main Market of the Warsaw Stock Exchange. UNIWHEELS stock is floated under security identification number A13STW, ISIN DE000A13STW4 and ticker symbol UNW.

Since May 2017 the US aluminium wheel manufacturer, Superior Industries International, Inc., has been the majority shareholder of UNIWHEELS.

1. Selected financials

		January - September 2017	2016	Change
Wheel sales volume	thousand units	7,156	6,384	12.1%
Revenue	EUR m	405.3	334.9	21.0%
EBITDA	EUR m	59.7	51.5	15.9%
EBIT	EUR m	42.2	39.3	7.4%
EBT	EUR m	40.0	39.4	1.5%
Net profit for the period*	EUR m	42.3	43.5	-2.7%
Interest expense	EUR m	2.2	2.1	4.8%
EPS (basic / diluted)*	EUR per share	3.41	3.50	-2.5%
EBITDA margin	%	14.7	15.4	-0.7 pp
EBIT margin	%	10.4	11.7	-1.3 pp
EBT margin	%	9.9	11.8	-1.9 pp
Cash flow from operating activities	EUR m	10.5	42.9	-75.5%
Capital expenditure	EUR m	29.5	68.1	-56.7%
Average headcount	No.	3,302	2,855	15.7%
		30 Sep 2017	**31 Dec 2016**	
Equity ratio	%	66.0	62.3	3.7 pp
Net debt	EUR m	63.1	42.5	48.5%

*The comparative figures for the third quarter of 2016 were adjusted to some extent accordingly. Please see page 13 for more information.

2. Our share / investor relations

Basic data of the UNIWHEELS share:

ISIN	DE000A13STW4
Security identification number	A13STW
Ticker symbol	UNW
Type of stock	ordinary bearer shares without nominal value
Stock exchange	Warsaw Stock Exchange
Market segment	Main Market
Number of shares	12.400.000
Free float	6.8%

2.1. Shareholder structure

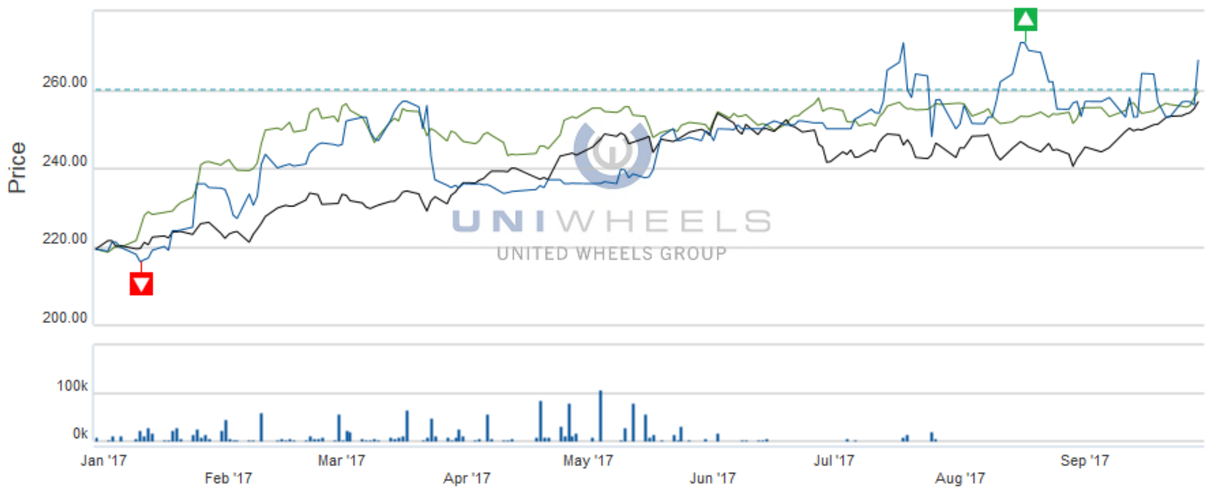
In the course of the takeover bid and the delisting tender offer from Superior Industries International, Inc. approximately 93.2% of the shares were acquired. Consequently approximately 6.8% of the shares of UNIWHEELS AG remain in free float. Roughly 93.2% are held by the majority shareholder, Superior Industries International Germany AG, an indirectly held subsidiary wholly owned by Superior Industries International, Inc.

2.2. Development of the share price

The closing price of the share on 29 September 2017 was PLN 267.50. This translates into a performance of +22.0% in the first nine months of 2017. In relationship to the comparative Polish share index, the mWIG40, the share closed the year 3.7 percentage points better than the market. The UNIWHEELS share outperformed the MDAX by 4.8 percentage points. Since the IPO in May 2015 (issue price), the price of the UNIWHEELS share has risen by 154.8%.

At the end of the period, market capitalisation came to PLN 3,317 million (EUR 768 million).

Performance of the UNIWHEELS share from 1 January 2017 to 30 September 2017:



2.3. Investor relations

The goal of investor relations at UNIWHEELS is to win the trust of all players on the capital markets by means of reliable open, consistent and prompt reporting and to convince them of the benefits of the business model of UNIWHEELS AG. Close dialogue with the capital markets is of great importance to UNIWHEELS.

New financial reports will be published on the investor relations pages of the UNIWHEELS website along with corporate news releases, presentations and other information. The Investor Relations team welcomes any queries and is happy to serve both institutional and private investors alike.

2.4. Award

On 23 March 2017 UNIWHEELS was awarded 4th place in the list of “Best Listed Companies in 2016” by the major Warsaw business journal, *Puls Binznesu* (GIEŁDOWA SPÓŁKA ROKU 2016).

3. Interim group management report

3.1. Significant events

On 23 March 2017 the Management Board of UNIWHEELS AG was notified by its majority shareholder at the time, UNIWHEELS Holding (Malta) Ltd. ("UHM") that UHM had concluded an irrevocable undertaking with Superior Industries International, Inc. ("Superior") by which it would sell all of its shares in the company (roughly 61.29% of the outstanding capital of the company) to Superior Industries International Germany AG, a wholly-owned subsidiary of Superior. Moreover, the company was informed that Superior Industries International Germany AG intended to make a tender offer for 100% of the shares of the company, including the shares held by UHM. Superior offered cash of PLN 236.07 for each share covered by the bid, which corresponded to the three-month volume-weighted average share price (VWAP) of the shares of the company prior to the announcement of the tender offer. The offer set a minimum acceptance ratio of 75%. On 18 May 2017 Superior increased the offer price to PLN 247.87 per share.

Likewise on 23 March 2017, the Management Board of UNIWHEELS AG signed a Business Combination Agreement ("BCA") with Superior and Superior Industries International Germany AG. In this agreement UNIWHEELS AG made a commitment, subject to the applicable law and other conditions, to support the takeover bid and recommend its shareholders to accept the offer among other items. The BCA lays down the most important framework conditions for cooperation between the company and Superior for the term of the BCA (three years from the signing of the Agreement). The objective is to support the growth strategy of the company. Among other items, the BCA foresees that the resources of Superior and UNIWHEELS will be bundled in the fields of technology, process management, IT, finance and development. There are no plans to change the names of the top-quality brands, ATS, RIAL, ALUTEC and ANZIO in the Accessory business and in motor sport after the transaction is executed. In addition, Superior intends to retain the registered headquarters in Bad Dürkheim and the locations in Bad Dürkheim, Fußgönheim, Lüdenscheid, Werdohl and Stalowa Wola, and to keep the headcount of the UNIWHEELS Group generally at the current level. Moreover, in the BCA Superior has expressed its confidence in the current members of the Management Board of UNIWHEELS and expressed its desire to continue supporting the Management Board and the key management team of the company.

On 7 April 2017 the UNIWHEELS Group published a reasoned statement by the Management Board of UNIWHEELS AG in connection with the tender offer from Superior. In this statement, the Management Board comes to the conclusion that the takeover offer tendered by the bidder for the shares at the price of PLN 236.07 per share originally offered corresponds to the fair value of the company. The Management Board obtained a fairness opinion of Ludwig & Co. GmbH which confirmed that, in the opinion of Ludwig & Co. GmbH the price tendered in the takeover offer was fair from a financial perspective.

On 22 May 2017 the Management Board of UNIWHEELS AG announced that it had been informed that Superior had passed the 75% minimum acceptance threshold in connection with the takeover bid, including the shares previously held by UNIWHEELS Holdings (Malta) Ltd. Upon reaching the minimum acceptance threshold the conditions for execution of the takeover transaction had been fulfilled.

On 30 May 2017 Superior communicated that Superior had closed the takeover offer, which expired on 22 May 2017. Moreover, Superior announced that 11,445,080 UNIWHEELS shares had been tendered during the term of the offer, corresponding to 92.3% of all the shares of UNIWHEELS AG.

Since the takeover by Superior Industries International Germany AG, UNIWHEELS Holding (Malta) Ltd. and the affiliated companies of UW AG are no longer related parties.

Effective 12 June 2017 Mr. Donald James Stebbins and Mr. Kerry Alan Shiba were appointed to the Supervisory Board by the court to replace Mr. Ralf Schmid and Mr. Michael Schmid, who stepped down on 30 May 2017. Mr. Donald James Stebbins took over the function of Chairman of the Supervisory Board. The term of office of the two court-appointed members of the Supervisory Board ended upon the close of the annual general meeting on 1 August 2017.

On 29 June 2017 Superior Industries International Inc. announced a delisting tender offer to purchase the remaining 7.7% of the shares of UNIWHEELS AG in free float. The acceptance period commenced on 30 June 2017 and expired on 31 July 2017. Within the course of the delisting tender offer, 109,959 shares (approximately 0.89% of subscribed capital) were acquired. As a result, the majority shareholder, Superior Industries International Germany AG, now holds approximately 93.2% of the shares in UNIWHEELS AG. Execution of the delisting tender offer was a precondition for the planned delisting of UNIWHEELS AG from the Warsaw stock exchange. On 23 October 2017 the CEO of the company submitted an application to execute the delisting to the applicable financial authorities in Poland.

On 12 July 2017 the Supervisory Board of UNIWHEELS AG informed the Management Board that Dr. Thomas Buchholz would resign from his position as CEO of UNIWHEELS AG effective 2 August 2017 under the terms of a mutual understanding. Since this date, Dr. Wolfgang Hiller has been the new CEO of UNIWHEELS AG.

The annual general meeting of UNIWHEELS AG was held on 1 August 2017 at Hotel Mercure, Bad Dürkheim.

UNIWHEELS opened the new R&D Center of the group in Lüdenscheid on 28 September 2017. In close proximity to the plant in Werdohl, the company has rented new space for 35 employees and technology with the goal of steadily expanding its position in the market.

3.2. Business performance

Wheel sales volume developed as follows:

	January - September		Change	Q 3		Change
	2017	2016		2017	2016	
	thousand units		%	thousand units		%
Accessory	1,289	1,085	18.8	427	422	1.2
Automotive	5,867	5,299	10.7	1,789	1,693	5.7
	7,156	**6,384**	**12.1**	**2,216**	**2,115**	**4.8**

The UNIWHEELS Group has managed to steadily increase its sales volume of alloy wheels for a number of years. Compared to 6.4 million wheels in 2012, over 8.8 million wheels were sold in 2016. The first nine months of 2017 were again very successful for the UNIWHEELS Group.

In the period from January to September 2017 unit sales of wheels rose by 12.1% on the comparable period of the prior year to 7.2 million wheels.

In the **Accessory** division unit volume rose by 18.8%. This was due to the new designs placed on the market in 2016, which were warmly received by consumers and provided further growth. Other factors for the strong unit sales are the rise in prices announced for the second half of the year due to the price of aluminium and the continuation of the successful growth strategy in other European countries. Price increases that started to take effect in July led to a slow-down in unit volume in the third quarter of 2017, as expected.

In the **Automotive** division, wheel sales volume increased by 10.7% compared to the same period of the prior year. This was primarily driven by a sustained rise in demand from European automobile manufacturers. The UNIWHEELS Group was able to build on its extremely successful customer relationships with a focus on the premium segment of the automobile industry. A higher number of state holidays than in the prior year and shifts in the start of production of new wheels dampened these effects. In the first nine months of 2017 UNIWHEELS was able to tap higher production capacity due to the new UPP 3 plant in Poland which came on line in July 2016.

3.3. Result of operations

In comparison to the comparable period of the prior year, the **consolidated revenue** of the UNIWHEELS Group rose by EUR 70.4 million in the first nine months of 2017 to close the period at EUR 405.3 million. This corresponds to an increase of 21.0%. The main reason lies in the 12.1% increase in wheel sales volume. In addition, the improved product mix with larger diameter wheels and a greater share of flow forming and diamond cut wheels as well as rising aluminium prices in the wake of the quarterly price adjustments agreed on with OEMs also contributed to revenue growth.

The revenue of the **Automotive** division rose by 20.1% to EUR 326.5 million. The revenue of the **Accessory** division amounted to EUR 69.9 million, which represents an increase of 20.9% on the prior year.

	January - September		Change	Q 3		Change
	2017	2016		2017	2016	
	EUR m		%	EUR m		%
Accessory	69.9	57.8	20.9	23.0	21.4	7.5
Automotive	326.5	271.8	20.1	104.7	87.9	19.1

Other	8.9	5.3	67.9	2.9	2.6	11.5
	405.3	**334.9**	**21.0**	**130.6**	**111.9**	**16.7**

Other income rose by EUR 2.6 million to EUR 4.4 million. The increase is predominantly due to a higher volume of realised foreign exchange gains.

	January - September		Change	Q 3		Change
	2017	**2016**		**2017**	**2016**	
	EUR m		%	EUR m		%
Cost of material	248.9	188.1	32.3	77.3	63.0	22.7
Personnel expenses	66.3	55.1	20.3	21.1	18.9	11.6
Other expenses	48.9	44.8	9.2	17.1	16.1	6.2
Depreciation and amortisation	17.5	12.2	43.4	6.2	4.4	40.9
Interest expense	2.2	2.1	4.8	1.3	0.8	62.5

The **cost of material** of the UNIWHEELS Group increased by 32.3% to EUR 248.9 million. The increase in the cost of material is primarily due to the higher volume shipped as well as a rise in the prices of raw materials in comparison to the comparative period of the prior year. This is particularly true for aluminium, the price of which rose significantly once again in the third quarter. The cost of energy also increased, rising by EUR 2.4 million. The cost of paints rose by EUR 1.4 million. A detailed breakdown of the cost of material can be found in Note 4.8.2 of the notes to these interim consolidated financial statements.

Personnel expenses increased by EUR 11.2 million or 20.3% to EUR 66.3 million. The reason for the rise lies in the addition of 447 employees in comparison to the comparable period of the prior year, 2016. The significant increase in personnel is primarily related to the new plant, UPP 3, which went into operation in June 2016.

Other expenses increased by 9.2% to EUR 48.9 million. The rise is primarily due to the increase in repairs and maintenance expenses as well as higher legal expenses and consulting fees. See Note 4.8.5 in the notes to the consolidated financial statements of this interim report for a more detailed breakdown of other operating expenses.

Depreciation and amortisation of non-current assets rose by 43.4% in comparison to the first nine months of 2016 to EUR 17.5 million, mainly on account of the new plant, UPP 3, going on line.

Interest expenses rose marginally in comparison to the comparable period for the prior year by EUR 0.1 million to EUR 2.2 million. Although the liabilities to the former parent company, UHM, which were repaid at the beginning of 2017, led to a decrease in interest expenses, the premature repayment of interest derivatives associated with the repayment of the Term A loan resulted in expenses of EUR 0.5 million. Moreover, deferred transaction costs of EUR 0.6 million were derecognised through profit or loss in the fiscal year in association with the syndicated bank loan. Of this amount, EUR 0.4 million was due to the premature repayment of the syndicated bank loan.

Other finance revenue/costs decreased by EUR 2.0 million to EUR 0.0 million in the reporting period, mainly on account of lower positive changes in the value of aluminium and currency derivatives. The currency derivatives are primarily used to hedge exchange rate fluctuations in Polish zloty against the euro. See Note 4.8.6 in the notes to the consolidated financial statements of this interim report for a more detailed breakdown of other finance revenue/costs.

Earnings

Key earnings indicators

	January - September 2017	January - September 2016	Change	Q 3 2017	Q 3 2016	Change
	EUR m		%	EUR m		%
EBITDA	59.7	51.5	15.9	19.4	15.3	26.8
EBIT	42.2	39.3	7.4	13.1	10.9	20.2
Net profit for the period*	42.3	43.5	-2.7	11.7	14.4	-18.6
	%		pp	%		pp
EBITDA margin	14.7	15.4	-0.7	14.9	13.7	1.2
EBIT margin	10.4	11.7	-1.3	10.1	9.7	0.4

EUR per share	January - September 2017	January - September 2016	Q 3 2017	Q 3 2016
EPS (basic / diluted)*	3.41	3.50	0.94	1.16

*The comparative figures for Q3 2016 were adjusted accordingly. Please see page 13 for more information.

Earnings before interest, taxes, depreciation and amortisation (**EBITDA**) increased by 15.9% on the prior year to EUR 59.7 million. This increase in EBITDA can be attributed primarily to the increase in revenue due to higher unit sales and an increase in inventories of work in progress and finished goods. By contrast, the EBITDA margin deteriorated, chiefly due to the rise in the cost of material, from 15.4% to 14.7%.

In spite of higher depreciation and amortisation, earnings before interest and taxes (**EBIT**) rose by 7.4% to EUR 42.2 million compared to the prior year. The EBIT margin deteriorated from 11.7% to 10.4%.

The **net profit for the period** decreased by 2.7% to EUR 42.3 million compared to the prior year. The main factors in this regard were the lower operating result and income from changes in the market value of currency and aluminium derivatives as well as lower deferred tax income.

The net profit for the period comprises the following **extraordinary items**:

	January - September 2017	January - September 2016	Q 3 2017	Q 3 2016
	EUR m	EUR m	EUR m	EUR m
Exchange rate effects	3.2	0.1	1.0	0.2
Ramp-up costs UPP 3	0.0	-1.2	0.0	0.0
Integration costs Superior/UNIWHEELS	-1.5	0.0	-0.7	0.0
Other finance revenue/costs	0.0	2.0	-0.9	3.9
	1.7	**0.9**	**-0.6**	**4.1**

3.4. Capital expenditure

An amount of EUR 29.5 million was invested in the intangible assets and property, plant and equipment of the group in the first nine months of 2017. Capital expenditure is therefore higher than depreciation and amortisation of EUR 17.5 million. Capital expenditure of EUR 4.1 million relates to the completion of the UPP 3 plant. The remainder of capital expenditure is attributable to machinery, research and development and casting operations.

The ratio of capital expenditure to revenue comes to 7.3% (prior year: 20.3%). The relatively high ratio of capital expenditure in the prior year is mainly due to the expansion of production capacity related to the construction of the UPP 3 plant.

The capital expenditures planned for the rest of fiscal 2017 mainly relate to machinery, coating, research and development and IT infrastructure.

3.5. Composition of assets, equity and liabilities

The **total assets** reported in the consolidated statement of financial position as of 30 September 2017 come to EUR 432.8 million (prior year: EUR 390.7 million) and consist of non-current assets of EUR 281.7 million (prior year: EUR 266.7 million) and current assets of EUR 151.1 million (prior year: EUR 124.0 million).

Non-current assets primarily consist of other intangible assets of EUR 10.6 million (prior year: EUR 8.8 million), property, plant and equipment of EUR 215.0 million (prior year: EUR 205.0 million) and deferred tax assets of EUR 54.1 million (prior year: EUR 50.8 million).

Current assets mainly consist of inventories of EUR 71.7 million (prior year: EUR 54.1 million) and trade receivables of EUR 63.2 million (prior year: EUR 39.7 million). The increase in trade receivables is largely a result of significantly higher unit sales of wheels in the first nine months of 2017 compared to the same period of the prior year.

The group also carries **cash and cash equivalents** of EUR 8.2 million (prior year: EUR 22.6 million).

Working capital, measured as inventories plus trade receivables less trade payables, increased by EUR 48.1 million in the first nine months of the year to EUR 79.9 million.

Equity increased from EUR 243.5 million to EUR 285.6 million. The equity ratio improved from 62.3% to 66.0%.

The increase in **current other non-financial liabilities** can be largely attributed to the rise in liabilities to personnel.

3.6. Financial position

Term Loan A, which was taken out within the framework of the syndicated bank loan and had a residual carrying amount of EUR 34.9 million and the **revolving credit facility** of EUR 10.0 million, which was taken out on 22 August 2017, were both fully repaid prematurely in the third quarter. In return, UW AG was provided with a loan of EUR 34.9 million from Superior Industries International AG (SII AG). The loan agreement expires on 31 October 2020 and provides for quarterly repayments of EUR 1.4 million and interest of 1.0% p.a. In addition, UW AG was provided with a revolving credit facility of EUR 15.0 million from Superior Industries International, Inc. (SII Inc.) that was fully drawn as of 28 September 2017.

The revolving credit facility extended within the framework of the syndicated bank loan remains in place but was reduced to EUR 30.0 million.

Scheduled repayments totalling EUR 5.5 million were made on the **syndicated loan** and the **IKB loan** and the **loan from SII AG** in the first nine months of 2017 as arranged. In addition, the current portion of the syndicated loan (structured as a revolving credit facility) had been drawn on by an amount of EUR 1.6 million as of 30 September 2017.

Net debt (calculated as current and non-current financial liabilities less cash and cash equivalents) increased from EUR 42.5 million in 2016 to EUR 63.1 million. This is mainly due to the decrease of EUR 14.4 million in cash and cash equivalents.

More information on the liquidity and cash position of the group can be found in the consolidated cash flow statement in Section 4.4.

3.7. Risk and opportunities report

In comparison to the presentation of risks and opportunities in the 2016 group management report, the following risks and opportunities for the UNIWHEELS Group have arisen:

Financial risks – earnings and liquidity risks: Due to the takeover by Superior Industries, the risk that the unused tax losses and interest carryforwards carried by the group can no longer be deducted from taxable income has increased. In this regard, there is also a risk that deferred taxes will have to be derecognised through profit and loss in future. Contrary to what was reported as of 30 June 2017, a restructuring in the form of an upstream merger is no longer intended in the current planning. Rather, a contract of control and profit and loss transfer between Superior Industries International Germany AG as the parent company and UNIWHEELS AG is sought. Consequently, risks to income arising from the derecognition of deferred tax assets remain very likely. Given the size of the company, the risk is currently considered to be substantial.

Recruitment risks – risk of losing staff: Due to the acquisition by Superior Industries, there is a risk of skilled staff and managers departing the firm, as is typical after a change in control. The probability of occurrence has risen slightly. Overall, the risk is insignificant in relation to the size of the company.

The takeover by Superior Industries also has consequences for the **profile of opportunities** of the UNIWHEELS Group, particularly with regard to the exploitation of synergies.

Other than the above, there were no significant changes to the risks and opportunities for the UNIWHEELS Group as of 30 September 2017 compared to those discussed in the group management report for fiscal year 2016. At present, there are no risks that are likely to jeopardise the ability of the Group to continue in business as a going concern.

3.8. Outlook

The health of the European automobile sector in terms of production and new vehicle registrations should have a positive impact on the performance, financial position and cash position of the UNIWHEELS Group once again in the fourth quarter of 2017. In terms of development, the UNIWHEELS Group will work on extending its existing product lines and specialising its current designs in 2017. Development of the corresponding production technologies to realise the latest design trends will be continued in 2017. The production process in all plants of the UNIWHEELS Group will continued to be optimised with the goal of realising efficiency gains.

Because commissioning of the final stage of the construction of the new UPP 3 plant in Stalowa Wola, Poland, was brought forward one year, the maximum production capacity of the new plant of 2.0 million wheels per year has been available since the beginning of 2017, assuming optimal utilisation. The UNIWHEELS Group has set itself the goal of placing this additional capacity with its customers. The total production capacity of the group in 2017 will come to roughly 10 million wheels.

In light of the expected development of the industry and the pleasing earnings generated in the first three quarters of 2017, **management confirms the guidance for the full year 2017 that was published in the annual report for 2016 and the interim report as of 30 June 2017.**

In this regard, management has set a target for the current year, 2017, of **raising the wheel sales volume of the group by between 10% and 15% per annum**. Growth in **consolidated revenue is anticipated to lie in a range between 14% and 19%.** In the calculation underlying this forecast, management assumed the average price of aluminium on the LME (London Metal Exchange) would come to roughly EUR 1,690 per metric ton in the fourth quarter of 2017, after translation into euro. UNIWHEELS does not anticipate any further ramp-up costs for the expansion of production and assumes there will be significant economies of scale. For this reason, the management of the UNIWHEELS Group is now targeting an increase in **consolidated EBITDA of between 15% and 20%** for the current year. This does not consider foreign exchange differences, which cannot be planned in advance, and other income.

The investment programme associated with the commissioning of the new plant in Poland will be completed in 2017. Of the total investment of EUR 7.5 million that was still outstanding as of 31 December 2016, an amount of EUR 4.1 million has been outlaid in the first nine quarters of 2017. This was originally scheduled for 2016. Otherwise, it is expected that capital expenditure within the UNIWHEELS Group will lie within the framework of the regular investments needed to optimise production. The additional flexibility in our cost structures that this will provide will have a positive impact on the group's bottom line in future.

The idea of constructing a fifth plant is no longer being pursued by the company. Based on the results of the analyses conducted, it is uncertain from the perspective of the company whether the desired returns can be attained in a new plant. There are therefore major doubts whether a fifth plant could be run profitably. This implies that the production capacity target of over 14 million wheels by 2022 as stated in the section on corporate strategy in the 2016 annual report is no longer realistic and will not be pursued for the foreseeable future.

4. Condensed interim financial statements

4.1. Consolidated statement of financial position of UNIWHEELS AG

	Note	30 Sep 2017 EUR m	31 Dec 2016 EUR m
ASSETS			
Goodwill		0.9	0.9
Other intangible assets		10.6	8.8
Property, plant and equipment	4.8.1.	215.0	205.0
Investment property		0.7	0.7
Other non-current financial assets		0.3	0.5
Deferred tax assets	4.8.7.	54.1	50.8
Total non-current assets		**281.7**	**266.7**
Inventories	4.8.2.	71.7	54.1
Trade receivables	4.8.2.	63.2	39.7
Other current financial assets		2.5	1.9
Current income tax assets		0.0	0.1
Other current non-financial assets		5.5	5.8
Cash and cash equivalents		8.2	22.6
Total current assets		**151.1**	**124.0**
Total assets		**432.8**	**390.7**
EQUITY AND LIABILITIES			
Issued capital	4.8.3.	12.4	12.4
Capital reserve	4.8.3.	198.5	198.5
Revenue reserves	4.8.3.	74.6	32.8
Other reserves		0.1	-0.1
Total equity		**285.6**	**243.5**
Non-current provisions		2.2	2.1
Non-current financial liabilities	4.8.4.	44.9	50.2
Other non-current non-financial liabilities		0.3	1.2
Total non-current liabilities		**47.4**	**53.5**
Current provisions		1.5	1.5
Current financial liabilities	4.8.4.	26.4	14.9
Current trade payables		55.0	62.0
Other current non-financial liabilities		15.4	13.6
Current income tax liabilities	4.8.7.	1.5	1.7
Total current liabilities		**99.8**	**93.7**
Total assets		**432.8**	**390.7**

4.2. Consolidated statement of comprehensive income of UNIWHEELS AG

	Note	January - September		Q 3	
		2017 EUR m	2016 EUR m	2017 EUR m	2016 EUR m
Revenue	4.8.2.	405.3	334.9	130.6	111.9
Changes in inventories of finished goods and work in progress		12.4	2.3	2.2	0.5
Own work capitalised		1.7	0.5	1.1	0.4
Total operating performance		**419.4**	**337.7**	**133.9**	**112.8**
Other income		4.4	1.8	0.9	0.5
Cost of material	4.8.2.	248.9	188.1	77.3	63.0
Personnel expenses		66.3	55.1	21.1	18.9
Other expenses	4.8.5.	48.9	44.8	17.1	16.1
EBITDA		**59.7**	**51.5**	**19.4**	**15.3**
Depreciation, amortisation and impairments		17.5	12.2	6.2	4.4
Interest income		0.0	0.2	0.0	0.1
Interest expense		2.2	2.1	1.3	0.8
Other finance revenue/costs	4.8.6.	0.0	2.0	-0.9	3.9
Profit or loss before tax		**40.0**	**39.4**	**11.0**	**14.1**
Income taxes*	4.8.7.	-2.3	-4.1	-0.7	-0.3
Net profit for the period*		**42.3**	**43.5**	**11.7**	**14.4**
Items that may be recycled through profit or loss under certain conditions					
Net gains/losses from cash flow hedges		0.3	-0.2	0.1	0.1
Other comprehensive income after tax		**0.3**	**-0.2**	**0.1**	**0.1**
Comprehensive income*		**42.6**	**43.3**	**11.8**	**14.5**
Earnings per share (EUR)*					
basic		**3.41**	**3.50**	**0.94**	**1.16**
diluted		**3.41**	**3.50**	**0.94**	**1.16**

*In the course of harmonising the reporting, the measurement of deferred taxes and tax provisions as of 30 September 2016 were adjusted to the measurement policies applied as of 30 June 2016 and the comparative figures for the third quarter of 2016 adjusted accordingly. The adjustment resulted in an increase in income taxes and the net profit for and comprehensive income posted for the period of EUR 0.7 million in each case in the third quarter of 2016. Consequently, earnings per share (both basic and diluted) increased by EUR 0.06 per share in the third quarter of 2016.

4.3. Consolidated statement of changes in equity of UNIWHEELS AG

	Issued capital	Capital reserve	Revenue reserves	Other reserves	Total
	EUR m	EUR m	EUR m	EUR m	EUR m
31 Dec 2015	**12.4**	**198.5**	**-10.9**	**-0.1**	**199.9**
Net profit for the period*			43.5		43.5
Other comprehensive income after tax				-0.1	-0.1
Comprehensive income*			43.5	-0.1	43.4
Dividends paid			-20.5		-20.5
30 Sep 2016	**12.4**	**198.5**	**12.1**	**-0.2**	**222.8**
31 Dec 2016	**12.4**	**198.5**	**32.8**	**-0.1**	**243.5**
Net profit for the period			42.3		42.3
Other comprehensive income after tax				0.2	0.2
Comprehensive income			42.3	0.2	42.5
Dividends paid			-0.5		
30 Sep 2017	**12.4**	**198.5**	**74.6**	**0.1**	**285.6**

*The comparative figures for the third quarter of 2016 were adjusted to some extent accordingly. Please see page 13 for more information.

4.4. Consolidated statement of cash flows of UNIWHEELS AG

	Note	January - September 2017 EUR m	2016 EUR m
Cash flows from operating activities			
Net profit for the period*		42.3	43.5
Income tax through profit or loss*		-2.3	-4.1
Finance costs through profit or loss		2.2	1.8
Interest income through profit or loss		0.0	-0.2
Gain/loss on the disposal of non-current assets		0.0	0.3
Depreciation and amortisation of non-current assets		17.5	12.2
Impairment losses on current and non-current assets		0.2	0.1
Other non-cash expenses and income		0.4	-0.2
Subtotal		**60.3**	**53.3**
(Increase)/Decrease of trade and other receivables		-23.5	-15.8
(Increase)/Decrease of inventories		-17.8	-5.3
(Increase)/Decrease of other non-financial assets		0.3	-0.1
(Increase)/Decrease of other financial assets		-0.4	-1.3
Increase/(Decrease) of trade payables and other liabilities		-7.0	6.6
Increase/(Decrease) of provisions		0.1	1.9
Increase/(Decrease) of other non-financial liabilities		0.9	1.8
Increase/(Decrease) of other financial liabilities		-1.2	2.4
Cash inflow from operating activities		11.7	43.5
Income taxes paid		-1.2	-0.6
Net cash inflow from operating activities		**10.5**	**42.9**
Cash flows from investing activities			
Cash paid for investments in property, plant and equipment	4.8.1.	-26.6	-67.0
Cash received from disposals of items of property, plant and equipment		0.1	0.0
Cash paid for investments in intangible assets		-2.9	-1.1
Cash received for interest		0.0	0.2
Net cash outflow from investing activities		-29.4	-67.9
Free cash flow		**-18.9**	**-25.0**
Cash flows from financing activities			
Cash received from loans	4.8.4.	49.9	15.0
Cash paid for loans	4.8.4.	-40.3	-4.1
Dividends paid to shareholders of the parent company	4.8.3.	-0.5	-20.5
Cash paid for interest		-1.5	-1.8
Net cash outflow from financing activities		**7.5**	**-11.4**
Net decrease/increase of cash and cash equivalents		-11.4	-36.4
Cash and cash equivalents at the beginning of the period	4.11.	18.2	39.3
Effect of exchange rate fluctuations on cash and cash equivalents		-0.1	0.0
Cash and cash equivalents at the end of the period	4.11.	**6.6**	**3.0**

*The comparative figures for the third quarter of 2016 were adjusted to some extent accordingly. Please see page 13 for more information.

4.5. General

UNIWHEELS AG (hereinafter referred to as the “company”, the “group” or “UW AG”) is a stock corporation based in Bad Dürkheim, Germany. The interim report covers UW AG and its affiliates (hereinafter referred to as the UNIWHEELS Group). Please refer to note 3 of the notes to the consolidated financial statements for the year ending 31 December 2016 for a list of the entities in the group.

Since 30 May 2017 Superior Industries International Germany AG, Frankfurt, has been the parent company of UNIWHEELS AG. Since this date the parent company holds 92.29% of the shares of UNIWHEELS AG. The ultimate parent company of the company is Superior Industries International, Inc., Southfield, Michigan.

This interim report as of 30 September 2017 is prepared in condensed form in accordance with IAS 34 and the International Financial Reporting Standards as endorsed by the European Union applying on the reporting date.

The explanations in the notes to the consolidated financial statements for the year ending 31 December 2016, particularly with regard to the significant accounting policies, apply accordingly except for any changes to accounting policies due to accounting standards that came into force in the current period.

4.6. Standards to be adopted in the reporting period

The company did not adopt any new or amended standards in the reporting period.

4.7. Currency translation

Changes to the underlying parameters mainly relate to exchange rates, which are listed below:

		Closing rates		Average rates January - September	
	1 EUR =	30 Sep 2017	31 Dec 2016	2017	2016
Poland	PLN	4.31	4.42	4.27	4.36
Sweden	SEK	9.64	9.57	9.58	9.37

4.8. Significant changes

4.8.1. Property, plant and equipment

The change in property, plant and equipment mainly results from depreciation of EUR 17.5 million and additions of EUR 29.5 million of which EUR 4.1 million relates to UPP 3 in Stalowa Wola, Poland, that was originally planned for 2016.

Obligations to purchase property, plant and equipment amount to EUR 11.6 million and relate primarily to renovations and overhauls at the existing plants.

4.8.2. Revenue / cost of material / inventories / trade receivables

The increase of EUR 70.4 million in revenue in comparison to the first nine months of 2016 to a total of EUR 405.3 million is due to the growth of the Automotive and Accessory divisions (see the section on segment reporting). Over the same period, the cost of material rose at a faster rate than revenue. In addition to higher production volume, the factors underlying the increase include a rise in commodity prices that can only be passed on to customers at some delay. The closing balances of inventories and receivables both rose in association with the significant improvement in the orders on the books. Details on the changes can be found in the discussion of business performance in the management report.

The cost of material breaks down as follows:

	January - September		Q 3	
	2017	**2016**	**2017**	**2016**
	EUR m	EUR m	EUR m	EUR m
Aluminium (incl. strontium, titanium, boron)	173.2	125.3	52.2	38.9
Energy (incl. electricity, gas, water, heating)	18.5	16.1	5.7	5.3
Paint	13.3	11.9	4.2	4.0
Other cost of material	43.9	34.8	15.2	14.8
	248.9	**188.1**	**77.3**	**63.0**

Other cost of material chiefly consists of the cost of purchased merchandise, consumables and supplies, hired temps and purchased services.

4.8.3. Equity

The change in equity is primarily due to the net profit for the period and the dividends paid. For details please see the statement of changes in equity in Note 4.3.

4.8.4. Financial liabilities

Financial liabilities increased by EUR 6.2 million to EUR 71.3 million in comparison to the balance sheet date.

Term Loan A, which was taken out within the framework of the syndicated bank loan and had a residual carrying amount of EUR 34.9 million and the revolving credit facility of EUR 10.0 million, which was taken out on 22 August 2017, were both fully repaid prematurely. Deferred transaction costs associated with the syndicated bank loan of EUR 0.6 million were derecognised through profit or loss in the fiscal year. Of this amount EUR 0.4 million is attributable to the premature repayment of the syndicated bank loan.

In contrast to the premature repayment of Term Loan A and the revolving credit facility, UW AG was extended a loan of EUR 34.9 million from Superior Industries International AG and a revolving credit facility of EUR 15.0 million from Superior Industries International, Inc. which was fully drawn on 28 September 2017.

On the other hand, the scheduled repayments of EUR 5.5 million in the first nine months of the fiscal year and the lower utilisation of current account facilities in comparison to the closing date of the prior year, which were down by EUR 2.8 million as a result, led to a reduction of financial liabilities. As of 30 September 2017, an amount of EUR 1.6 million had been drawn on the current account facility.

4.8.5. Other expenses

Other expenses changed in comparison to the comparative period of the prior year as follows:

	January - September		Q 3	
	2017	2016	2017	2016
	EUR m	EUR m	EUR m	EUR m
Repairs and maintenance	15.5	13.3	6.7	6.0
Selling expenses	8.9	8.6	2.8	2.9
Legal expenses and consulting fees	3.7	3.2	1.3	0.8
Rents of buildings and rent incidentals	3.2	2.7	1.1	1.0
Leases and rental agreements	2.5	2.6	0.8	0.9
Administrative expenses	1.6	1.4	0.5	0.5
Advertising and travel expenses	1.7	1.4	0.7	0.5
Warranties, customer complaints and insurance	1.2	1.4	0.3	0.4
Bank charges	1.1	0.6	0.5	0.1
Exchange rate losses	0.1	0.3	0.1	0.0
Other (individual line items < EUR 0.8 million)	9.4	9.3	2.3	3.0
	48.9	**44.8**	**17.1**	**16.1**

4.8.6. Other finance revenue/costs

Other finance revenue/costs break down as follows:

	January - September		Q 3	
	2017	2016	2017	2016
	EUR m	EUR m	EUR m	EUR m
Income from fair value measurements of interest derivatives	0.1	0.0	0.1	0.0
Income from fair value measurements of currency derivatives	3.9	5.0	0.2	3.8
Expenses from fair value measurements of currency derivatives	3.9	4.2	2.8	0.0
Income from fair value measurements of aluminium derivatives	2.4	1.5	2.0	0.2
Expenses from fair value measurements of aluminium derivatives	2.5	0.3	0.5	0.0
	0.0	**2.0**	**-0.9**	**3.9**

Other finance revenue/costs primarily consist of the unrealised effects from fair value measurements of currency and aluminium derivatives. For this reason, they are in part subject to significant fluctuations.

The corresponding realised effects from fair value measurements of currency derivatives are included in other income and other expenses, and the effects from aluminium derivatives are included in cost of material.

4.8.7. Income taxes*

On account of the tax credits on the annual profits generated from its operations, the Polish production entity UPP has recognised deferred tax assets of EUR 3.4 million. These were based on the expected tax credits on the expected taxable results over a four-year planning horizon.

The deferred taxes presented in the income statement break down as follows:

	January - September		Q 3	
	2017	**2016**	**2017**	**2016**
	EUR m	EUR m	EUR m	EUR m
Tax expense for the period	1.0	1.2	0.4	0.5
Adjustments to current taxes in other periods	0.0	-0.1	0.0	-0.1
	1.0	**1.1**	**0.4**	**0.4**
Deferred tax expenses recorded in the reporting year	0.2	0.1	-0.2	0.0
Deferred tax income recorded in the reporting year	3.6	5.3	1.0	0.7
	3.4	**5.2**	**1.2**	**0.7**
Income taxes recorded in the income statement	**2.3**	**4.1**	**0.7**	**0.3**

*The comparative figures for the third quarter of 2016 were adjusted to some extent accordingly. Please see page 13 for more information.

4.9. Segment reporting

The UNIWHEELS Group is managed as a business unit that operates in the field of wheel production. The monthly reporting is prepared at group level accordingly.

The primary management indicators of the UNIWHEELS Group pursuant to IFRS are as follows:

	January - September		Q 3	
	2017	**2016**	**2017**	**2016**
External sales (EUR m)	405.3	334.9	130.6	111.9
Unit sales (in thousands)	7,156	6,384	2,216	2,115
EBITDA (EUR m)	59.7	51.5	19.4	15.3

The allocation of revenue and non-current assets to geographical regions is based on the country in which the group entity is based. A breakdown of revenue and non-current assets (excluding financial instruments and deferred tax assets) by region follows:

External revenue - total	January - September		Q 3	
	2017	**2016**	**2017**	**2016**
	EUR m	EUR m	EUR m	EUR m
Germany	154.4	132.7	52.6	45.0
Poland	250.9	202.2	78.0	66.9
	405.3	**334.9**	**130.6**	**111.9**

Non-current assets pursuant to IFRS 8	**30 Sep 2017**	**31 Dec 2016**
	EUR m	EUR m
Germany	39.7	31.2
Poland	187.5	184.2
	227.2	**215.4**

Revenue and wheel sales volume break down by division (Automotive and Accessory) as follows:

External revenue - wheels	January - September		Q 3	
	2017	2016	2017	2016
	EUR m	EUR m	EUR m	EUR m
Accessory	69.9	57.8	23.0	21.4
Automotive	326.5	271.8	104.7	87.9
	396.4	**329.6**	**127.7**	**109.3**

Unit figures	January - September		Q 3	
	2017	2016	2017	2016
	thousand units	thousand units	thousand units	thousand units
Accessory	1,289	1,085	427	422
Automotive	5,867	5,299	1,789	1,693
	7,156	**6,384**	**2,216**	**2,115**

Of the revenue of EUR 405.3 million (prior year: EUR 334.9 million), 10% or more is attributable to the following key customers:

	January - September		Q 3	
	2017	2016	2017	2016
	EUR m	EUR m	EUR m	EUR m
Customer A	65.7	56.0	20.0	19.4
Customer B	54.0	46.3	16.5	15.4
Customer C	51.9	43.1	16.3	12.8
	171.6	**145.4**	**52.8**	**47.6**

4.10. Financial instruments

Apart from the financial assets and liabilities presented in the following table, management considers the carrying amounts of the financial assets and financial liabilities in the consolidated statement of financial position as a good approximation of their fair values or, as in the case of derivatives, they are actually carried at fair value. The following table therefore lists all financial liabilities which are not regularly measured at fair value but whose fair values must be presented:

	30 Sep 2017		31 Dec 2016	
	Carrying amount EUR m	Fair value EUR m	Carrying amount EUR m	Fair value EUR m
Financial liabilities				
Financial liabilities measured at amortised cost				
- Bank loans	18.0	17.4	56.9	56.2
- Loans from affiliates	33.5	33.3	0.0	0.0
Total	**51.5**	**50.7**	**56.9**	**56.2**

	30 Sep 2017			
	Level 1 EUR m	Level 2 EUR m	Level 3 EUR m	Total EUR m
Financial liabilities				
Financial liabilities measured at amortised cost				
- Bank loans	0.0	17.4	0.0	17.4
- Loans from affiliates	0.0	33.3	0.0	33.3
Total	**0.0**	**50.7**	**0.0**	**50.7**

	31 Dec 2016			
	Level 1 EUR m	Level 2 EUR m	Level 3 EUR m	Total EUR m
Financial liabilities				
Financial liabilities measured at amortised cost				
- Bank loans	0.0	56.2	0.0	56.2
Total	**0.0**	**56.2**	**0.0**	**56.2**

The fair value of the above level 2 financial liabilities has been determined in accordance with the discounted cash flow method which is widely accepted. A key input in the valuation is the discount rate. Instruments have been allocated to the fair value hierarchy on 30 September 2017 in the same fashion as the allocation on 31 December 2016, without any change.

The following table contains information on how the group measures the fair value of various financial assets and financial liabilities that are regularly measured at fair value, in particular the techniques used and the associated inputs. Fair value measurement on 30 September 2017 is unchanged on the methods applied as of 31 December 2016.

Financial assets / financial liabilities	Fair value		Hierarchy	Valuation techniques and significant inputs	Significant non-observable inputs	Ratio of non-observable inputs to fair value
	30 Sep 2017	31 Dec 2016				
1) Forward exchange contracts	Assets: EUR 1.5 million	Assets: EUR 0.6 million	Level 2	Discounted cash flow method; future cash flows estimated on the basis of forward rates (observable on the reporting date) and agreed forward exchange rates and discounted using interest curves published on the reporting date	n/a	n/a
	Liabilities: EUR 1.8 million	Liabilities: EUR 0.9 million				
2) Interest swaps	Liabilities: EUR 0.0 million	Liabilities: EUR 0.5 million	Level 2	Discounted cash flow method; future cash flows estimated on the basis of forward interest rates (observable interest curves on the reporting date) and agreed forward interest rates and discounted using interest curves published on the reporting date	n/a	n/a
3) Commodity swaps	Assets: EUR 0.8 million	Assets: EUR 1.0 million	Level 2	Discounted cash flow method; future cash flows estimated on the basis of forward prices (observable commodity prices on the reporting date) and agreed forward prices and discounted using interest curves published on the reporting date	n/a	n/a

In connection with the premature repayments of Term Loan A, an interest swap that had been entered into to hedge the interest risk was also terminated. The premature termination of the interest swap resulted in expenses of EUR 0.5 million, which were posted to interest expenses in profit or loss.

No transfers were made between level 1 and 2 in the interim reporting period.

4.11. Notes to the cash flow statement

For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand, bank deposits with terms of less than three months and overdrafts that are payable on demand which were an integral component of the company's cash management.

Cash and cash equivalents at the end of the period consisted of:

	30 Sep 2017	**31 Dec 2016**
	EUR m	EUR m
Cash and cash equivalents	8.2	22.6
Overdrafts	1.6	4.4
	6.6	**18.2**

4.12. Related party transactions

The receivables and liabilities to UNIWHEELS Holding Malta, Ltd. (UHM) carried as of 31 December 2016 and the affiliated companies of UW AG were fully repaid in the first half of 2017. Since the takeover by Superior Industries International Germany AG (SII AG), UHM is no longer a related party

Term Loan A, which had been taken out within the framework of the syndicated bank loan and had a residual carrying amount of EUR 34.9 million and the revolving credit facility of EUR 10.0 million, which was taken out on 22 August 2017, were both fully repaid prematurely in the third quarter. In return, UW AG was provided with a loan of EUR 34.9 million from SII AG. The loan agreement expires on 31 October 2020 and provides for quarterly repayments of EUR 1.4 million and interest of 1.0% p.a. As of 30 September 2017, a scheduled repayment of EUR 1.4 million was made to Superior Industries International AG.

In addition, UW AG was provided with a revolving credit facility of EUR 15.0 million from Superior Industries International, Inc. (SII Inc.) that was fully drawn as of 28 September 2017.

4.13. Subsequent events

On 2 October 2017 the Management Board of UNIWHEELS AG was informed that Superior confirmed its intention to follow through on implementing the contract of control and profit and loss transfer in accordance with Sec. 291 AktG (German Stock Corporation Act), as announced in the Current Report 06/2017 issued on 8 June 2017. On the other hand, the Management Board was also informed that Superior no longer intended to acquire the remaining shares of the company by merging the company with Superior Industries International Germany AG and conducting a squeeze-out of non-controlling interests in accordance with Sec. 62 (1) and (5) UmwG (German Law of Reorganisations) in conjunction with Secs. 327a et seq. AktG.

On 25 October 2017, the company published the invitation to the annual general meeting on 4 December 2017 at which a resolution would be sought approving the pending contract of control and profit and loss transfer between the company and Superior Industries International Germany AG, an amendment of Art. 9 (1) of the Articles of Association (change in the number of members on the Supervisory Board of the company) and elections on the Supervisory Board.

On 2 November 2017 the revolving credit facility extended to UW AG by SII Inc. was repaid by an amount of EUR 5.0 million.

There have been no other events since 30 September 2017 that are of significance for assessing the net assets, financial position and result of operations of UW AG.

UNIWHEELS AG

Bad Dürkheim, 28 November 2017

The Management Board

Dr. Wolfgang Hiller Dr. Karsten Obenaus

5. Declaration of the legal representatives of the company

We assure to the best of our knowledge, and in accordance with the applicable reporting principles of interim financial reporting, that the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair view of the development and performance of the business including the result and the position of the group and also describes the significant opportunities and risks relating to the anticipated development of the group for the rest of the fiscal year.

UNIWHEELS AG

Bad Dürkheim, 28 November 2017

The Management Board

Dr. Wolfgang Hiller CEO	Dr. Karsten Obenaus CFO

Financial calendar

23.03.2017	Publication of the Annual Report 2016	✓
10.05.2017	Publication Q1 final report 2017	✓
01.08.2017	Annual General Meeting, Bad Dürkheim	✓
09.08.2017	Publication H1 final report 2017	✓
28.11.2017	Publication 9M final report 2017	✓

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Forward-looking statements:

This interim report contains statements relating to the future that are based on current assumptions and projections of the management of the UNIWHEELS Group. Various known and unknown risks, uncertainties and other factors mean that the actual results, financial position, development or performance of the company may diverge materially from the estimates made here. The company assumes no obligation of any kind to update future-oriented statements or to adjust them to reflect future events or developments.