

*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

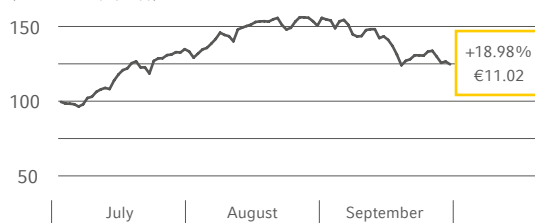
| € MILLION | 1/1 to 30/9/2016 | 1/1 to 30/9/2015 | Change in absolute terms |
|--|------------------|------------------|--------------------------|
| Sales revenue | 705.3 | 765.6 | -60.3 |
| Operating income (EBITDA) | 79.5 | 65.3 | 14.2 |
| EBIT | 55.7 | 42.7 | 13.0 |
| EBT | 48.0 | 34.2 | 13.8 |
| 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

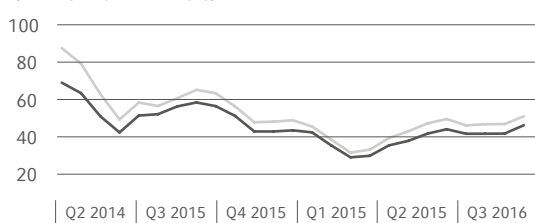
(INDEX 1/7/2016=100)



● H&R GmbH & Co. KGaA

OIL PRICES Q4 2014 TO Q3 2016

(AVERAGE MONTHLY PRICES)



● 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

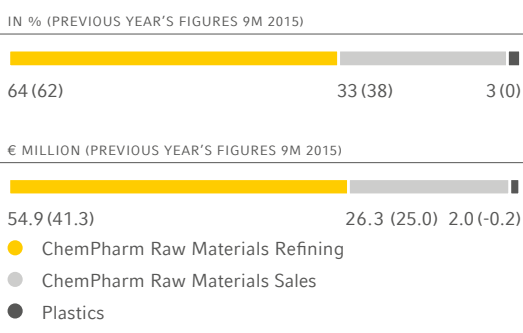
The operating profit (EBITDA) of the H&R Company, amounting to €79.5 million, was a clear improvement on the comparable figure for the first three quarters of 2015, of €65.3 million. The EBIT figure went up by more than 30%, from €42.7 million to this year's €55.7 million. This improved earning power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

| | | | |
|--------------------|-------|---------|--------------------|
| | 654.6 | (628.8) | |
| 302.5 | | | (282.0) |
| Current assets | | | Current assets |
| 352.1 | | | (346.8) |
| Non-current assets | | | Non-current assets |

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

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

| | | | |
|-------------------------|-------|---------|-------------------------|
| | 654.6 | (628.8) | |
| 174.2 | | | (171.4) |
| Current liabilities | | | Current liabilities |
| 168.3 | | | (170.3) |
| Non-current liabilities | | | Non-current liabilities |
| 312.1 | | | (287.1) |
| Shareholders' equity | | | Shareholders' equity |

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 |

Contact

If you have questions or would like further information, please contact:

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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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