Berentzen-Gruppe Aktiengesellschaft

Annual Report 2015

Key Figures

Key figures of the Berentzen Group

		2015 or 12/31/2015	2014 or 12/31/2014	2013 or 12/31/2013	Change 2015 / 2014
Consolidated revenues excl. spirits tax	EURm	158.5	153.4	152.5	3.3 %
Spirits segment	EURm	98.4	100.0	102.8	-1.6 %
Non-alcoholic Beverages segment	EURm	42.9	50.0	49.7	-14.2 %
Fresh Juice Systems segment [1]	EURm	17.2	3.4	/	> 100.0%
Total operating performance	EURm	159.0	156.1	155.7	1.9 %
Contribution margin after marketing budgets	EURm	55.2	50.3	47.0	9.7 %
Consolidated EBITDA	EURm	15.7	12.6	8.4	24.6 %
Consolidated EBITDA margin	%	9.9	8.2	5.4	1.7 PP [2]
Consolidated EBIT	EURm	7.6	5.1	1.5	47.4 %
Consolidated EBIT margin	%	4.8	3.3	1.0	1,5 PP [2]
Consolidated profit	EURm	2.2	4.2	-7.3	-46.7 %
Economic cash flow	EURm	8.1	11.7	1.8	-30.7 %
Consolidated total assets	EURm	180.9	164.2	155.2	10.2 %
Consolidated equity ratio	%	24.2	27.4	28.0	-3.2 PP [2]
Employees	Total	491	503	468	-2.4 %
Berentzen common share [4] (ISIN DE0005201602, WKN 520160) Share price / XETRA	EUR / share	7.79	/	/	/
Berentzen preferred share [4] (ISIN DE0005201636, WKN 520163) Share price / XETRA	EUR / share	/	4.13	4.34	/
Dividend / Berentzen common share	EUR / share	0.20 [3]	0.13	0.07	53.8 %
Dividend / Berentzen preferred share	EUR / share	/	0.19	0.13	/
Book value / share	EUR / share	4.56	4.68	4.53	-2.6 %

[1] 2014: October- December.

[2] PP = percentage points.

[3] Proposal for the 2015 financial year.

[4] Preferred shares were converted into common shares on September 28, 2015.

Key figures for the Berentzen 2012/2017 bond

		2015	2014	2013	Change 2015 / 2014
Berentzen 12/17 bond (ISIN DE000A1RE1V3, WKN A1RE1V) Bond price / Frankfurt Stock Exchange	%	106.05	108.95	108.75	-2.9 PP [1]
DVFA ratios					
EBIT Interest Coverage Ratio	Ratio	1.9	1.2	0.3	0.7
EBITDA Interest Coverage Ratio	Ratio	3.9	2.9	2.0	1.0
Total Debt / EBITDA	Ratio	3.2	4.0	6.0	-0.8
Total Net Debt / EBITDA	Ratio	-0.8	0.8	-0.1	-1.6
Risk Bearing Capital	Ratio	0.2	0.3	0.3	-0.1
Total Debt / Capital	Ratio	0.5	0.5	0.5	0.0

[1] PP = percentage points.

Annual Report 2015

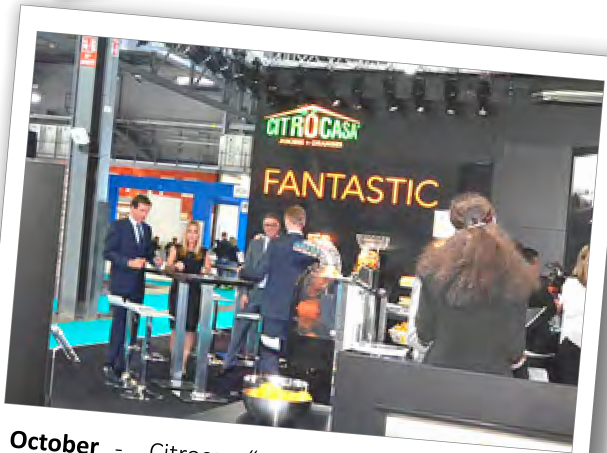
This version of the 2015 Annual Report is provided for the convenience of our English-speaking readers. It has been translated from the original German version, which takes precedence in all respects.

Content

Highlights 2015

August - The Berentzen Group welcomes 13 new trainees to the start of 2015 training.

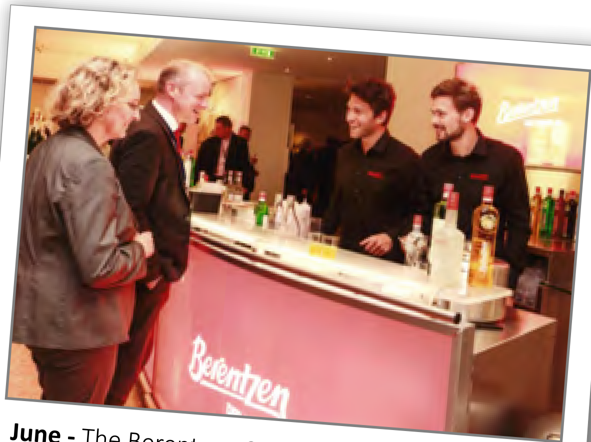
April - The #unfake ark invites people to be real again.



October - „Citrocasa“ presents its „Revolution“ compact juicer at Host Milano

May - 13 Berentzen Group Teams start at the Global Corporate Challenge!

November - In 2015 the Group expanded its presence at capital market events, and talked to many investors.



June - The Berentzen Group was also at the Economy Conference in Berlin.

A. Letter to shareholders

Ladies and Gentlemen,
dear shareholders

In the 2014 Annual Report, we emphasised the fact that the Berentzen Group had broadened its market positioning and added new lines of business. The acquisition of the fresh juice systems business that is conducted under the “Citrocasa” brand and a new partnership for the franchise business in the Non-alcoholic Beverages segment now represent the broadened operational base of the Berentzen Group, complementing the traditional business of spirits and non-alcoholic beverages distributed under the Group’s proprietary brand names. The goal is to further expand these strategic business activities in order to continue the positive earnings performance of the last few years.

The development of the Group’s operating results in 2015 was an important touchstone for gauging the success of this new strategy. The Group’s total operating performance rose by 1.9% to EUR 159.0 million. The consolidated operating result (EBIT) improved from EUR 5.1 million in 2014 to EUR 7.6 million and EBITDA from EUR 12.6 million to EUR 15.7 million. Most importantly, the consolidated net profit of EUR 2.2 million in 2015 was generated mainly from operating activities, and was not heavily influenced by special effects (non-recurring items) as in 2014.

This solid performance is not only encouraging, it also confirms the strategy of gearing the Group’s business more towards healthier, higher-growth products such as freshly pressed juice, more natural soft drinks and strong regional water brands, for example. The Berentzen Group already generates around a quarter of its total revenues from such products. Today we are no longer a company that only sells established German spirits, but a broad-based enterprise offering products that encompass all important aspects of the modern lifestyle, including not only fun and pleasure, but also healthy options that make up part of a balanced diet.

The strategic reorientation of the Berentzen Group has also led to a considerably more positive image of the company in the minds of employees, customers, consumers and investors. For what used to be known as the “apple schnapps company”, we have made the Berentzen Group more accessible to investors by means of intensive capital market measures and enhanced the stock’s appeal by unifying the share classes. Key messages such as the successful integration of the Fresh Juice Systems segment, which has enjoyed double-digit growth in revenues and segment earnings, and the development of trend products like “Mio Mio Mate” are changing investors’ perception of the Berentzen Group. The result to date has been a considerably higher average share price in 2015 and a broader shareholder base. In early March 2016, the previous majority shareholder, the Aurelius Group, sold shares representing more than 20% of the capital stock of Berentzen-Gruppe Aktiengesellschaft to institutional investors, thereby reducing its equity stake to less than 30%.

There were a number of positive developments in the Group’s individual segments. Led by the our innovative, strategic umbrella brands “Berentzen” and “Puschkin”, sales of the Group’s branded spirits rose by 2.1% in 2015, significantly outperforming the market. Sales of the broad-based assortment of branded dealer and private-label products built around high-quality, value-creating offerings were similarly considerably higher in 2015. “Mio Mio Mate” became the first product in the Non-alcoholic Beverages segment to enjoy almost nationwide distribution. With regard to the Fresh Juice Systems segment, it should be noted that the significant growth rates in all three system components (Citrocasa-brand juicers, oranges and bottling systems) were generated not only in the established home market of Austria, but also in Germany and international markets like France, the Netherlands and Poland. Even after sales of juicers rose by 42% to 1,855 in 2015, the international sales potential is not yet exhausted, according to our expectations, especially considering that our newly introduced, compact “Revolution” series is the first such product tailored to restaurants, where freshly squeezed orange juice is especially popular.

Naturally, not all operating segments of a broad-based enterprise like the Berentzen Group will exhibit the same performance. The political and economic situation in some of the Group's export markets for spirits was critical in 2015. Unfortunately, unit sales volumes in eastern Europe and Turkey were adversely affected by the crises in these regions, as were sales in the duty-free business. The Group's internal counter-measures can only mitigate the massive effects of such external factors to a limited extent.

In the Non-Alcoholic Beverages segment, Sinalco-branded soft drinks in the franchise-bottling business produced mixed results in their first year. Customer acceptance and the new customer acquisition rate were successful; on the other hand, the actual changeover to the products distributed under the new franchise brand took longer than expected in 2015. Moreover, the level of revenues generated from these products is still not satisfactory on the whole. The segment result was tangibly depressed by these developments.

All in all, however, the Group's business performance was mainly positive in the 2015 financial year, evincing the new strength of the broader-based product offering. We are therefore optimistic about the Group's prospects in 2016, with regard to both tapping additional market potential and further improving our profitability.

Two key premises are especially important to us members of the Executive Board: commercial prudence as the main principle guiding all business decisions, and respect for the intensely competitive markets of the food and beverage industry. We have to and we will work with all our strength to preserve and enhance our competitiveness in order to ensure that the Berentzen Group can generate profitable growth in these markets.

Haselünne, March 2016

Frank Schübel
Executive Board Spokesman

Ralf Brühöfner
Executive Board member

The Executive Board of Berentzen-Gruppe Aktiengesellschaft

Frank Schübel (born 11 Sept. 1964 in Stuttgart) joined the manageing board of the Berentzen-Gruppe Aktiengesellschaft in November 2012, and was made Spokesman on January 1, 2013. As a board member he is responsible for Marketing, Sales, Production & Logistics, Purchasing, Corporate Communications and Research & Development. Mr. Schübel was previously Managing Director of the Weihenstephan dairy, and has also held executive positions at Deutsche Bahn AG and Nestlé AG.

Ralf Brühöfner (born 12 Feb. 1965 in Herford) has been with the Berentzen-Gruppe Aktiengesellschaft since 2001 and was made a board member in June 2007. He is responsible for Financing, Controlling, Human Resources, Information Technology and Legal. Previously he held executive positions in the glass container industry (Hermann Heye KG, today Ardagh-Group) and Balcke Dürr AG. Mr. Brühöfner started his professional career at the auditing firm of PricewaterhouseCoopers.

B. Our Share

The share capital of Berentzen-Gruppe Aktiengesellschaft totalling EUR 24.96 million is divided into 9.6 million shares. Since the initial public offering in 1994, one half of the share capital had taken the form of listed shares of preferred stock and the other half non-listed shares of common stock. In order to make the share more attractive and to open up the company to wider investor groups, in the third quarter of 2015 Berentzen-Gruppe Aktiengesellschaft unified the two share classes by converting the preferred shares into common shares and simultaneously expanded the listing on the regulated market (General Standard) of the Frankfurt Stock Exchange to cover all shares in issue.

The share performed extremely well over the course of 2015 as a whole. In rising a good 90%, the price increased faster than the most important German stock indexes, which only enjoyed rises of between 10% and 25% during the same period.

Starting from the closing price of EUR 4.13 on December 31, 2014, the share swung back and forth around the four-euro mark in the first quarter without showing any great volatility. The price reached its low for the year of EUR 3.93 on March 3. A distinctly positive trend took hold in the share price at the end of March following publication of the 2014 Annual Report. The price broke the five euro-barrier for the first time on April 7 (EUR 5.10) and fluctuated between EUR 5.01 and EUR 5.75 to the end of May. The next landmark of EUR 6.00 was then breached for the first time on June 1. The share closed the first half of 2015 at EUR 6.55.

This upward trend was sustained at first in the second half of the year. During the course of July, the share price rose to EUR 7.75 (July 28) and remained at a similarly high level through the start of August. Around the middle of that month, the domestic and international financial markets were gripped by turmoil triggered in particular by the Shanghai Stock Exchange, with the main German stock indexes sustaining losses and the Berentzen-Gruppe Aktiengesellschaft share also suffering large, albeit short-lived reversals. When the stockmarkets then rebounded, the share broke through the eight-euro mark (EUR 8.05) for this first time in the year on August 31. The high for the year was recorded on September 3 (EUR 8.08). Apart from two outliers in the middle of the month, the price fluctuated between EUR 7.70 and EUR 8.08 in September.

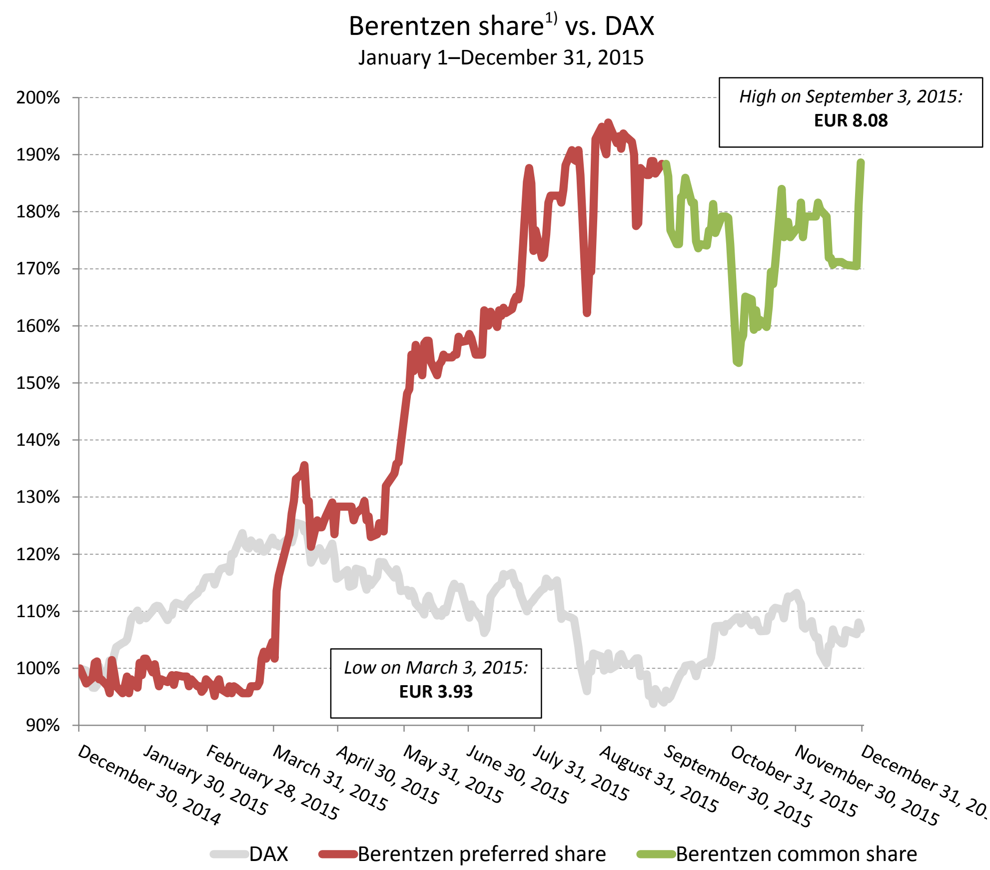
Following the conversion of the preferred shares into common shares, the listing of all common shares in issue and the resumption of trading on September 30, the average price in October was EUR 7.37. The price took a brief tumble to EUR 6.35 at the beginning of November, but quickly recovered again as the month wore on. From the end of November to the end of the year, the share traded almost exclusively at a level in excess of EUR 7.00, with an average of EUR 7.28. The share picked up strongly again at year-end to close 2015 at EUR 7.79.

Key figures for the Berentzen-Gruppe Aktiengesellschaft share (Xetra) [1]		**2015**	**2014**
Number of listed shares	Total	9,600,000	4,800,000
High for the year	EUR / share	8.08	5.20
Low for the year	EUR / share	3.93	3.85
Average price	EUR / share	6.09	4.45
Average trading volume per day	Total	2,312	1,545
Price at year-end	EUR / share	7.79	4.13
Dividend / share	EUR / share	0.20 [2]	0.19
Basic / diluted earnings per share	EUR / share	0.234	0.468

[1] 2015: common shares, 2014: preferred shares.

[2] Proposal for the 2015 financial year.

Price of the Berentzen-Gruppe Aktiengesellschaft share in 2015 (Xetra closing prices (EUR))



[1] Preferred share (until September 28, 2015), common share (from September 30, 2015)


ESPRESSO 2,20
LATTE MACCHIATO
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ICED ESPRESSO doppelt
ICED SCHOKO
ICED ESPRESSO TONIC
CITROCASA

C. Our Bond

In October 2012, Berentzen-Gruppe Aktiengesellschaft successfully placed its first ever corporate bond in Germany, Austria and Luxembourg, and by way of a private placement also in neighbouring countries. The bond bears interest of 6.5% p.a. and has a term of five years; it is traded on the Open Market of Deutsche Börse AG (unofficial market of the Frankfurt Stock Exchange) in the Entry Standard segment for bonds (ISIN: DE000A1RE1V3 / A1RE1V).

After the bond closed 2014 at a price of 108.95%, the opening price in 2015 was 107.00%. The price went on to fluctuate between 105% and 109% in January, before settling down in the first quarter of 2015 and averaging over 108% through to the end of April; it reached its high for the year of 111.00% on August 3. After the gyrations on the domestic and international financial markets started to fade, the bond price experienced a downward trend from the end of August, taking it to its low for the year of 103.00% in mid-December. The year-end price was 106.05%.

Key data for the Berentzen-Gruppe Aktiengesellschaft 2012/17 bond	
Type of security	Bond
Issue volume	EUR 50m
Minimum investment	EUR 1,000.00
ISIN	DE000A1RE1V3
WKN	A1RE1V
Issue date	10/18/2012
Coupon	6.50 % p.a.
Interest payment	on October 18 each year
Term	10/18/2012 to 10/17/2017 (inclusive)
Denominations	EUR 1,000.00


PUSCHKIN IST GOLD WERT
PUSCHKIN
PUSCHKIN
GOLDEN GINGER
WITH ICE-FILTERED PUSCHKIN VODKA
CRYSTAL CLEAR PURITY
PUSCHKIN

D. Our products

The Berentzen Group has evolved from a traditional spirits manufacturer into a broad-based drinks enterprise that is now placing a greater focus on natural and healthy segments. The product range extends from traditional spirits and non-alcoholic beverages such as soft drinks and regional mineral waters through to premium fresh juice systems for freshly squeezed orange juice.

Spirits

The original centre of the company since 1758 has been grain schnapps and with it the "Berentzen" brand. Derived from this competence, the "Berentzen Fruchtigen" segment emerged in 1976 with the core product "Apfelkorn". Young adults for whom vodka is more important as a basic spirit than schnapps have found products under the "Puschkin" brand in the portfolio since 1990. This was then expanded in the 1990s with traditional spirits like "Strothmann" and "Doornkaat". The strategic focus is on the "Berentzen" and "Puschkin" umbrella brands that are reinforced by constant innovation and renewal together with communication programmes for the retail trade.

The pattern of consumer behaviour observed by the Berentzen Group to increasingly mix spirits was one reason for the strategic addition of "Berentzen Apple Bourbon", an innovative composition introduced in 2014 made of Berentzen apple liqueur and Kentucky Straight Bourbon. A similar product idea underpins "Berentzen SpiceApple", a product rolled out towards the end of 2015 which combines Berentzen apple liqueur with rum aged over several years. Both innovations are ideal for mixing with cola, suitable for contemporary usages and illustrative of the renewal of the brand. The flavoured variants of the classic "Berentzen Fruchtigen" – "Berentzen Scharfer Granatapfel" and "Berentzen Milder Wilder" – introduced out at the start of the year reflect the innovation and update potential of the "Berentzen" umbrella brand. Seasonal highlights were set with the design relaunches of the products "Berentzen WinterApfel" and "Berentzen WinterOrange".

Social media was the key market channel for the "Berentzen" umbrella brand in 2015, enabling over 37 million people to be reached with promotional communications. The campaign entitled "#unfake#" focused on the topics of genuineness and authenticity, in line with the brand claim "Der stimmt so".

A new communications push was given to the "Puschkin" umbrella brand with the motto "Party Animal", the product variants "Puschkin Shouting Orange" and "Puschkin Screaming Green", and a "Limited Party Animal Vodka Edition" targeting the peak consumption levels seen at New Year's Eve.

The Group's branded dealer and private-label products proved popular with the retail trade thanks to their good quality and strong customer orientation coupled with new product and marketing concepts. This held particularly true for international spirits specialities featuring a high-end range of gin, bourbon whiskey, Cuban rum and tequila. In addition, new small bottle concepts were presented in 2015, while a variant of Cuban rum was added that had been aged in oak casks for seven years. Good access to suppliers of high quality spirits is making it possible to broaden the portfolio in terms of both strategy and quality. A forward-looking sourcing policy means that larger volumes of bourbon can still be offered to regular customers in particular.

Non-alcoholic Beverages

The core competence of the Group company Vivaris Getränke GmbH & Co. KG, which simultaneously represents the Non-alcoholic Beverages segment in the Berentzen Group, consists in the production and marketing of mineral waters, lemonades, cola, energy and mate-tea drinks in numerous different packagings and under established private labels and franchise brands.

The franchise business allocated to this segment entered a new era in 2015, relaunching at the start of the year with the new partner Deutsche Sinalco GmbH Markengetränke & Co. KG and the eponymous brand. All in all, the change of franchise and the associated operational issues were a challenging task, although firm foundations for the further development of the franchise business were laid in 2015 in the process.

The internally developed “Mio Mio Mate” brand, which has proved a great success over recent years, again enjoyed very strong sales and revenue growth. According to the latest market research findings, the brand is currently number two in Germany among mate teas in the sales channels covering food retailers, drugstores and off-licences. It also recently became available throughout Germany beyond the core sales area for Vivaris. The retail trade is proving more than willing to list innovations under the “Mio Mio” brand, as demonstrated by the examples of “Mio Mio Cola” and “Mio Mio Cola Zero”.

The approval of two further mineral water sources in Haselünne made it possible to relocate production of the “St. Ansgari” brand of mineral water to Haselünne from the spring location in Norden, which was closed at the same time. The opportunities this move opens up to expand the range of bottles offered will help to not only greatly extend the potential sales area but also reach new customers to the brand. The focus at the facility in Grüneberg is on bottling of the regionally significant brands “Grüneberg Quelle” and “Märkisch Kristall”. The intensified advertising communications for the mineral water and lemonade brand “Märkisch Kristall” centred on the “Märkische Köpfe” concept. The initial feedback suggests that the campaign has been warmly welcomed by the trade and consumers, helping to position “Märkisch Kristall” as the regional brand of mineral water in Berlin/Brandenburg as intended.

Fresh Juice Systems

The Fresh Juice Systems segment was added to the Berentzen Group portfolio at the end of 2014 following the acquisition of the T M P Technic Marketing Product GmbH subsidiary. The system comprising high quality fruit juicers under the “Citrocasa” brand together with mature, untreated juice oranges labelled “frutas naturales” and special bottling systems is offered from a single source and distributed worldwide.

At the start of the year, a model update was carried out for the fruit juicers in the Advance lines “Fantastic” and “8000”. Significant progress was again achieved in terms of the important product characteristics “reliability” and “easy to clean”.

A new generation of fruit juicers known as “Revolution”, a compact model with an upmarket design, was successfully launched in the fourth quarter of 2015. This new product line was specially conceived for distribution across the catering trade, where it now provides an easy way to offer top quality freshly squeezed orange juice.

THE NEW CITROCASA

REVOLUTION

BUILT TO JUICE

Production

The task of maintaining high quality standards in production forms a further cornerstone of the Company's commercial activities. The International Featured Standard (IFS) Food quality standard has been applied in the Spirits and Non-alcoholic Beverages segments within the Berentzen Group for many years. The objective of the annual audits by recognised independent certification bodies is the constant improvement of production processes and workflows in order both to ensure the highest level of product safety and to boost the value added across the entire process chain. This approach allows the Berentzen Group not only to create transparency and ensure monitored safety but also to satisfy the requirements of its customers and the demands of consumers for both safe and high quality foodstuffs. The claim to high quality is reflected in the certification of all production facilities of the Berentzen Group at the "higher level" according to the IFS standard.

Successful IFS recertification at the Minden facility, the Berentzen Group's central production plant for spirits, took place at the end of April 2016. This year's capital spending programme worth millions of euros revolved mainly around the purchase of a new packaging/consignment system, which was installed in the facility in autumn 2015. This enabled the Berentzen Group to complete the changeover from the previously used solid fibre board to the corrugated cardboard normally employed in the industry. This together with the coverage of 50 different formats provides a good springboard for responding better to customer requests in the future. For the sixth time in a row, the spirits production function won the "Preis der Besten" awarded by the German Agricultural Society (DLG) for top German quality in spirits products. The outstanding position of the Berentzen Group as an experienced, quality supplier is further documented by 20 gold and 10 silver awards for spirits within the framework of the quality audit carried out by the German Agricultural Society.

The IFS certification carried out during the year in the operating facilities for non-alcoholic beverages in Haselünne and Grüneberg similarly resulted in the "higher level" being attained. Vivaris Getränke GmbH & Co. KG has continued to use AIB certifications (American Institute of Baking) to document compliance with US food-safety standards at the Grüneberg production plant. In addition, Vivaris Getränke GmbH & Co. KG provided the proof that the requirements of the international management standard (ISO 50001:2011) were satisfied at all its facilities.

And last but not least, the commercial activities of T M P Technic-Marketing-Products GmbH were recertified at the "higher level" in November 2015 according to the IFS Broker standard.

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E. Our People

Once again last year, the committed people of the Berentzen Group played a key role in the successful implementation of the business strategy. They ensured that the high demands across the board were mastered in all areas of the company.

At the end of the financial year, 491 (previous year: 503) people were employed at the head office in the Emsland region together with the other domestic and international facilities.

The company had 35 apprentices, interns and dual-track students on its books at the end of the 2015 financial year. The Berentzen Group offers eight different types of apprenticeship and two dual-track courses and also looks to collaborate increasingly with job clubs by providing work experience placements. For some time now, applicants who are aged over 25 or have already broken off a training course or degree have been given an opportunity when selecting apprentices. A good example of the kind of contemporary training on offer is the programme of international internships in Scotland and Spain again enjoyed by apprentices in 2015.

The objective to the HR management programme of the mid-sized corporate group operating in a structurally strong and international environment is to gain, develop and retain highly skilled specialists and managers for the long run. The main focus of continuing professional development for the employees in 2015 was on promoting courses for master craftsmen and other skilled functions, facilitating on-the-job training and completing the education of the second "B-Talent" intake. This is an 18-month internal programme aimed at training the next generation of managers, which was successfully completed by eleven participants from all areas of the company and facilities in 2015.

At the same time, fitness and motivation are important foundations for meeting the rising demands of the current-day working environment. Health management at the Berentzen Group takes various forms, including support for sports and fitness offerings that promote good health and, in 2015, participating in the Global Corporate Challenge (GCC), a team competition aimed at sensitizing people to exercise and personal health which attracts hundreds of thousands of employees from a wide range of companies across the globe every year. Nearly a hundred Berentzen Group people entered this competition with 13 teams, achieving a position in the top ten percent of all participants in Germany.

The Executive Board would like to thank all the employees across the whole corporate group for their hard work and outstanding performance during the last financial year.

At the Global Corporate Challenge not only did the „7 classics" put in a good showing...

...the „Half Full" team also gave it their full physical commitment.

The Berentzen Hof in Haselünne in the Emsland region is where today's Berentzen Group got its start over 250 years ago.

Berentzen Hof

Immer schön höflich.

F. Our corporate social responsibility

A modern society, and hence also a modern enterprise, is called upon to deal with the evolving conditions of the present times and face up to the resulting challenges. Resources are not in unlimited supply, the climate is changing, and society is similarly in a state of flux. Trust in the market economy has been eroded on all sides and enterprises also have a duty to address this and other issues.

It is part of the Berentzen Group's DNA to assume responsibility for people and the environment. There are already numerous good starting points in the firm that are earmarked for enhancement and expansion.

In terms of its social responsibility, the Berentzen Group provides a wide range of commercial and technical careers together with opportunities for schoolchildren and students to do internships and undergraduates to write their dissertations. This approach also represents an active contribution to staff development. In times of demographic change, this creates the right operational climate to remain competitive in the long run. As an “inclusive” enterprise, moreover, the Berentzen Group is concerned about the integration of people with disabilities and promotes collaboration with institutions like Vitus in Meppen.

The energy management system employed by the Group company Vivaris Getränke GmbH & Co. KG will be extended to the production plant for spirits at the Minden facility in 2016. So far, this has delivered considerable advances in the field of environmental and climate protection. The aim of ISO 50001 is to improve energy efficiency in the company by identifying the present sources of energy and analysing and evaluating energy consumption on the basis of measurements and other data. The transparency this yields on electricity and gas consumption provides an opportunity to identify and gradually address potential enhancements.

It is important to consider the value chain as a whole if the goal is to take a 360-degree approach; this includes both primary functions like purchasing and production and secondary functions like staff development and administration. The objectives are to generate innovative solutions for all areas of the company, optimise workflows and analyse patterns of behaviour. An important factor in this regard is the sensitization of all employees with a view to creating the necessary awareness and enabling co-workers to learn from each other. Indeed, every single employee is capable of making a valuable contribution towards the common goal.

In 2015, the Berentzen Group initiated a separate management programme dealing in greater depth with various issues and challenges relating to sustainability. Key questions in this regard include: How do individual environmental factors impact on the business model? Where does even more social responsibility need to be assumed? And how are the opportunities arising from this evaluated in terms of the future economic security of the corporate group? The starting point is to identify the main topics for the Berentzen Group and define areas of activity. The conversation with the stakeholders plays a key role in this context, as evolving values and changing consumer awareness need to be reflected in our corporate activities.

The Berentzen Group takes its responsibilities very seriously and has set itself the goal of making measurable improvements in all aspects of its corporate social responsibility every year. The stocktake completed in 2015 serves as the basis for further sustainability activities in 2016.

G. Report of the Supervisory Board

Ladies and gentlemen,

The following report provides information on the activities of the Supervisory Board in the 2015 financial year pursuant to Section 171 (2) of the German Stock Corporation Act (AktG).

This year, the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft performed the duties incumbent upon it by law, the Company's Articles of Association and its rules of procedure, and advised and monitored the Executive Board as it managed the Company. The Supervisory Board was involved in all decisions of fundamental importance for the Company.

Summary

The Executive Board kept the Supervisory Board informed promptly and comprehensively about all key topics in connection with the management of the Company in written and verbal form on a regular basis during the 2015 financial year. In particular, this covered reporting on the strategy, the business plan, the business performance including the financial position, cash flows and financial performance, the risk position, the financial reporting process, the effectiveness of the internal control system, the risk management system and the internal audit system, the compliance function and numerous current topics of significance for the Berentzen Group. Deviations in the Company's performance from the business plan were explained individually to the Supervisory Board. Furthermore, the Supervisory Board discussed material transactions with the Executive Board and provided advice on significant individual measures on the basis of relevant regular reports by the Executive Board and during individual meetings.

The Chairman of the Supervisory Board was in regular contact with the Executive Board outside of the Supervisory Board meetings to keep up to date with the Company's performance and any significant transactions. Strategy discussions with the Chairman of the Supervisory Board focused on the prospects and future orientation of the Company and the corporate group.

The Supervisory Board was notified in good time where its approval was required for measures undertaken by the Executive Board. Where notification of the Supervisory Board was required for measures undertaken by the Executive Board, proper notification was provided in each case accordingly. The Supervisory Board granted its approval to the underlying proposals following in-depth examination and deliberation.

Meetings and main deliberations of the Supervisory Board

A total of four regular meetings of the full Supervisory Board were held in the 2015 financial year as well as one extraordinary meeting by telephone conference. One resolution was adopted by way of a telephone conference and two resolutions by way of written circular.

The development and the financial position, cash flows and financial performance of the corporate group were the subject of regular deliberations in all meetings of the Supervisory Board.

During its meeting on March 24, 2015 when it examined in detail the financial statements and the report on relations with affiliated companies (Dependent Company Report), the Supervisory Board approved the annual financial statements and the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft for the 2014 financial year in line with the recommendation of the Finance and Audit Committee in each case; the annual financial statements were thus adopted. The Supervisory Board raised no objections to the Dependent Company Report for this financial year and approved the report of the independent auditor on the Dependent Company Report pursuant to Section 314 AktG. Furthermore, the report of the Supervisory Board to the annual general meeting for the 2014 financial year was released and the proposal to the annual general meeting by the Executive Board regarding the appropriation of net income approved. In addition, the agenda for the annual general meeting on May 13, 2015 was approved together with resolutions proposed to the meeting and the annual joint Declaration of Conformity by the Supervisory Board and the Executive Board pursuant to Section 161 AktG. Among other things at this meeting, the Supervisory Board also adopted a resolution to grant a portion of the long-term variable remuneration payable to the members of the Executive Board on the basis of the relevant recommendation by the Personnel Committee; according to the contracts of employment, this decision is at the discretion of the Supervisory Board.

A further Supervisory Board meeting was held immediately following the annual general meeting of Berentzen-Gruppe Aktiengesellschaft on May 13, 2015. At this meeting, the Supervisory Board approved the resolution adopted by the Executive Board on April 29, 2015 regarding the planned conversion of the listed shares of preferred stock into shares of common stock and the subsequent admission of all common shares for trading on the regulated market (General Standard) of the Frankfurt Stock Exchange. This was subject to the Supervisory Board's approval and appropriate resolutions adopted by the holders of common and preferred shares at an extraordinary general meeting and a special meeting of the preferred shareholders. At the recommendation of the Personnel Committee of the Supervisory Board, moreover, the Supervisory Board approved the appointment of Mr Frank Schübel to the Executive Board of the Company until October 31, 2017 and the extension of the appointment of Mr Ralf Brühöfner to the Executive Board of the Company to December 31, 2017.

On May 21, 2015, the Supervisory Board adopted a resolution by way of a telephone conference regarding the approval of an expanded drawdown of the outside financing lines available to the Turkish subsidiary.

On June 8, 2015, the Supervisory Board adopted the agenda for the extraordinary general meeting and for the special meeting of the preferred shareholders of Berentzen-Gruppe Aktiengesellschaft on July 20, 2015 by way of a written circular.

Similarly by way of a written circular, the Supervisory Board approved the share buy-back programme of Berentzen-Gruppe Aktiengesellschaft resolved by the Executive Board on July 21, 2015 involving the purchase of own shares of the Company up to a total volume not exceeding EUR 1.5 million with a resolution adopted on July 24, 2015.

At its meeting on September 25, 2015, the Supervisory Board dealt mainly with the topic of diversity in relation to the composition of the Executive Board and the Supervisory Board. This took place against the backdrop of the Act on the Equal Participation of Women and Men in Executive Positions in the Private and Public Sector ("Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst") enacted at the beginning of May 2015 and the modified recommendations of the German Corporate Governance Code as amended on May 5, 2015. To implement these regulations, the Supervisory Board adopted a resolution with regard to the future composition of the Executive Board, taking into account the periods of office of the current members of the Executive Board and its composition when the target was set, to the effect that it was not necessary to have a female member of the Executive Board in the event that the Executive Board does not have more than two members. In the event that the Executive Board of Berentzen-Gruppe Aktiengesellschaft has more than two members, at least one member of the Company's Executive Board should be female. The initial deadline for achieving this target in the event of the expansion of the Executive Board to more than two members was set as June 30, 2017 at the latest. The target set by the Supervisory Board for the composition of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft was that it should have at least one female member. This target had already been achieved when specified, so there was no need to set a deadline by which it should be achieved.

During its meeting on November 23, 2015, the Supervisory Board discussed the corporate strategy together with the business plan for the 2016 financial year and the medium-term plan submitted by the Executive Board, approving all of them. In addition, the Supervisory Board approved two agreements with AURELIUS Beteiligungsberatungs AG for the provision of services for Berentzen-Gruppe Aktiengesellschaft.

Meetings and main deliberations of the committees of the Supervisory Board

The Supervisory Board again had two committees in the 2015 financial year to help it carry out its tasks efficiently. In order to prepare and supplement its work, the Supervisory Board set up a Personnel/Nomination Committee and a Finance and Audit Committee, which act as standing committees. Certain decision-making powers of the Supervisory Board have been transferred to the committees within the legally permitted framework. The chairmen of the committees reported to the full Supervisory Board on the work in the committees.

The following tasks in particular have been allocated to the Personnel Committee: preparation of the relevant resolutions regarding the appointment and dismissal of members of the Executive Board and regarding the conclusion, amendment and termination of contracts, notably including the contracts of employment, with the members of the Executive Board. Excluded from this are resolutions regarding the setting of the total remuneration payable to the individual member of the Executive Board and regarding the reduction of remuneration and benefits. Another activity of the Personnel Committee is to review transactions subject to notification obligations notified to the Personnel Committee by the Executive Board and to decide whether such transactions should be presented to the Supervisory Board for decision.

The Personnel Committee met twice in 2015. During its meeting on March 24, 2015, the Personnel Committee dealt with the granting of a portion of the long-term variable remuneration payable to the members of the Executive Board which, according to the contracts of employment, is at the discretion of the Supervisory Board, in preparation for the Supervisory Board. At its meeting on May 13, 2015, the Personnel Committee gathered to discuss recommendations to the Supervisory Board for resolutions regarding the re-appointment of the members of the Executive Board of Berentzen-Gruppe Aktiengesellschaft and adopted appropriate resolutions in both cases.

Another major activity performed by the Personnel Committee was to review transactions subject to notification obligations notified to the Personnel Committee by the Executive Board and decide whether such transactions should be presented to the Supervisory Board for decision. In this context, the Personnel Committee adopted resolutions by way of a written circular regarding a total of ten transactions notified by the Executive Board during the 2015 financial year.

The Personnel Committee is simultaneously the Nomination Committee within the meaning of the German Corporate Governance Code. In this function and in its composition restricted to the members of the committee who represent shareholders, it deals with the selection of the candidates for a seat on the Supervisory Board as representatives of the shareholders. There was no occasion to convene a meeting of the Nomination Committee in 2015, as no new members of the Supervisory Board needed to be considered and the next regular Supervisory Board elections for the shareholder representatives will not take place until 2019.

The Finance and Audit Committee similarly continued its work in the 2015 financial year. In particular, it has been tasked with looking at questions relating to financial reporting, the internal control system, the risk management system and the internal audit system, the compliance function and the independent auditor.

At its meeting on March 24, 2015 also attended by the independent auditor and the members of the Executive Board, the Finance and Audit Committee dealt with the annual financial statements, the consolidated financial statements and the report on relations with affiliated companies (Dependent Company Report) of Berentzen-Gruppe Aktiengesellschaft and the annual financial statements of a material operating subsidiary for the 2014 financial year. The committee also gave the Supervisory Board a recommendation regarding the proposal of the Supervisory Board to the general meeting for the election of the independent auditor for the 2015 financial year and for a possible audit review of the Consolidated Half-yearly Financial Report in the 2015 financial year. Further deliberations related to issuing the audit assignment to the independent auditor for the 2015 financial year, defining the focal points for the audit, monitoring the independence and qualification of the independent auditor together with the additional services provided, and setting the fees payable to the independent auditor. The Finance and Audit Committee also considered questions relating to financial reporting, monitoring of the financial reporting process, the effectiveness of the internal control system, the risk management system, the internal audit system and the compliance function.

Corporate governance

The Executive Board and the Supervisory Board issued the annual joint Declaration of Conformity pursuant to Section 161 AktG on March 24, 2015, which has been made permanently available to the public on the Company website.

One member of the Supervisory Board attended only half of the Supervisory Board meetings in the 2015 financial year. None of the members of the respective committees attended only half or less of the meetings of the Supervisory Board committees.

With regard to a total of two resolutions adopted at the meeting of the Supervisory Board on November 23, 2015 regarding approval of the agreements with AURELIUS Beteiligungsberatungs AG to provide services to Berentzen-Gruppe Aktiengesellschaft, the members of the Supervisory Board who faced a conflict of interests within the meaning of 5.5.2 GCGC disclosed this fact to the Supervisory Board and took part in neither the deliberations nor the respective votes. Apart from this, no conflicts of interest arose on the part of the members of the Supervisory Board in connection with their function as members of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft during the reporting period.

Annual and consolidated financial statements, report on relations with affiliated companies

On May 13, 2015, the Annual General Meeting elected PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Osnabrück, to act as the independent auditor. The Supervisory Board subsequently issued the audit assignment.

It was agreed with the independent auditor for the 2015 financial year that the Chairman of the Supervisory Board would be notified without delay of any possible grounds for exclusion or recusal during the audit, in the event that such matters could not be redressed without delay. The independent auditor is required to report without delay to the Chairman of the Supervisory Board on any and all findings and occurrences of significance for the tasks of the Supervisory Board that come to light when carrying out the independent audit of the financial statements. Furthermore, the independent auditor is required to inform the Supervisory Board and/or document the fact in the audit report should facts be identified during the independent audit of the financial statements that are not consistent with the Declaration of Conformity issued by the Executive Board and the Supervisory Board pursuant to Section 161 AktG.

The annual financial statements and the Management Report, which is combined with the Group Management Report, prepared in accordance with the provisions of the German Commercial Code (HGB), and the consolidated financial statements and the combined Group Management Report of Berentzen-Gruppe Aktiengesellschaft for the 2015 financial year prepared in accordance with the principles of the International Financial Reporting Standards (IFRS) and the interpretations of the IFRS Interpretations Committee, as applicable in the European Union (EU), as well as the additional requirements of German commercial law pursuant to Section 315a (1) HGB, were audited together with the books of account by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft in accordance with Section 317 HGB; an unqualified audit opinion was issued in each case. In the opinion of the independent auditor, there were no significant weaknesses in the internal control system and risk management system with regard to the financial reporting process. As part of the audit, the independent auditor also examined the risk early warning system and declared that the Executive Board had set up a monitoring system, the statutory requirements for the prompt identification of existential risks for the Company had been satisfied and the Executive Board had taken suitable measures to identify developments at an early stage and to mitigate risks. The independent auditor did not provide any information indicating grounds for exclusion or recusal during the audit.

At its meeting on March 22, 2016 with the Executive Board in attendance, the Finance and Audit Committee discussed at length the financial statements submitted promptly by the Executive Board to the members of the Supervisory Board, the Executive Board's appraisal of the opportunities and risks and the risk early warning system, and the proposal of the Executive Board regarding the appropriation of net income on the basis of detailed explanations provided by the Executive Board; the independent auditor was also invited to attend the meeting.

The committee reported on its deliberations at the subsequent meeting on the same day of the Supervisory Board, which itself examined and discussed the documents. The Supervisory Board concurred with the results of the independent audit of the financial statements and raised no objections in line with the final result of its review. The Supervisory Board approved the annual financial statements and the consolidated statements of Berentzen-Gruppe Aktiengesellschaft for the 2015 financial year on March 22, 2016. The annual financial statements of Berentzen-Gruppe Aktiengesellschaft are thus adopted. The proposal made by the Executive Board regarding the appropriation of net income was examined with regard to the shareholder interests and corporate objectives. It then received the approval of the Supervisory Board.

Furthermore, the Executive Board of Berentzen-Gruppe Aktiengesellschaft prepared a report on the Company's relations with affiliated companies (Dependent Company Report) pursuant to Section 312 AktG for the period of dependence from January 1 to December 31, 2015. In its report, the Executive Board issued the following closing declaration:

"We declare that, based on the circumstances known at the time the legal transactions listed in the report on relations with affiliated companies were entered into, or the measures listed in the report were undertaken or omitted, in the 2015 financial year, we received appropriate consideration for each transaction and did not suffer any disadvantage as a result of measures undertaken or omitted."

Pursuant to Section 313 AktG, the independent auditor, PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, also audited the Dependent Company Report and issued the following unqualified audit opinion on the findings of the audit:

"On the basis of our statutory audit and assessment, we confirm that
1. the actual information in the report is correct,
2. the company's performance was not unreasonably high for the legal transactions mentioned in the report,
3. no circumstances speak in favour of a significantly different to the one given by the Executive Board concerning the measures mentioned in the report."

At its meeting on March 22, 2016, the Finance and Audit Committee discussed at length the documents submitted promptly to the members of the Supervisory Board by the Executive Board in this regard – the Dependent Company Report, the audit report prepared by the independent auditor in this regard and the unqualified audit opinion of the independent auditor; the independent auditor was invited to attend the meeting.

The committee similarly reported on its deliberations in this regard at the subsequent meeting on the same day to the Supervisory Board, which itself examined and discussed the documents. Based on its own examination of the Dependent Company Report, the Supervisory Board concurred with the findings of the independent auditor and, in line with the final result of its review, raised no objections to the Dependent Company Report or the closing declaration by the Executive Board included in the report.

Executive Board and Supervisory Board – personnel
The composition of both the Supervisory Board and the Executive Board remained unchanged in the 2015 financial year.

Thanks
The Supervisory Board would like to thank the employees of the Berentzen Group companies and the members of the Executive Board for all their hard work and the shareholders and investors of Berentzen-Gruppe Aktiengesellschaft for their trust and confidence.

Haselünne, March 22, 2016

Gert Purkert
Chairman of the Supervisory Board


SANKT ANSGARI
NEUE PRODUKTVIELFALT
NEU: naturelle
NEU: in PET MW


EMSLAND Quelle
NATÜRLICH.
SPRITZIG.
FRISCH.


MÄRKISCH KRISTALL
JETZT MIT SAMMEL-AKTION

H. Corporate Governance Report

The German Corporate Governance Code presents the essential statutory regulations for the management and supervision of German exchange-listed companies and contains internationally and nationally acknowledged standards for good and responsible corporate governance. The implementation of corporate governance within Berentzen-Gruppe Aktiengesellschaft is continually reviewed and adapted to reflect new developments. The Executive Board and Supervisory Board update the jointly Declaration of Conformity at least once a year.

In accordance with 3.10 of the German Corporate Governance Code (GCGC), the Executive Board (speaking also for the Supervisory Board) reports on corporate governance at Berentzen-Gruppe Aktiengesellschaft. The Corporate Governance Report also contains the Corporate Governance Declaration pursuant to Section 289a of the German Commercial Code (HGB).

(1) Management Statement

The Corporate Governance Declaration contains the Declaration of Conformity with the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG), as well as relevant information on corporate governance practices that go beyond the statutory requirements, a description of the work procedures of the Executive Board and Supervisory Board, including information on the composition and procedures of its committees, and the adoption of targets for the percentage of women holding positions in the two management levels beneath the Executive Board pursuant to Section 76 (4) AktG, and on the Supervisory Board and Executive Board pursuant to Section 111 (5) AktG, including the times allowed for the attainment of these targets, and (generally after expiration of these time periods) an indication of whether the adopted targets were attained during the reporting period, and if not, an explanation of why they were not attained.

(1.1) Composition and procedures of the Executive Board and Supervisory Board and the committees of the Supervisory Board

The management and supervision structure of Berentzen-Gruppe Aktiengesellschaft and the Group is detailed below.

Dual governance system

In accordance with legal requirements, Berentzen-Gruppe Aktiengesellschaft maintains a dual governance system under which the Executive Board manages and the Supervisory Board supervises the Company. The authorities and members of both these bodies are strictly separate.

Executive Board

Work of the Executive Board

The Executive Board manages the Company with the goal of sustainable value creation, under its own responsibility and in the Company's interest, thus with due regard to the interests of the shareholders, the employees, and the Company's other stakeholders. As the executive body of the stock corporation, the Executive Board conducts the Company's business under its own responsibility.

The Executive Board must ensure compliance with legal regulations and internal company guidelines, and must take steps to ensure that all Group companies comply with them as well (compliance). Furthermore, the Executive Board is responsible for preparing the separate and consolidated financial statements, the half-yearly financial report, and any obligatory quarterly reports or voluntary interim reports of Berentzen-Gruppe Aktiengesellschaft for the respective fiscal year.

The Executive Board informs the Supervisory Board regularly, promptly, and extensively on all relevant questions of strategy, planning, business developments, cash flows and profits, compliance and entrepreneurial risks. In filling managerial positions within the Company, the Executive Board gives due consideration to diversity and particularly strives to give appropriate consideration to women. The Executive Board adopts targets for the proportion of positions held by women in the two management levels beneath the Executive Board; these targets, the other targets to be adopted under this law, and the corresponding statements to be included in the Declaration of Conformity are summarized in Section (1.2) of the present Corporate Governance Report.

Executive Board meetings are held regularly, if possible at least once a month. Resolutions are adopted by a simple majority of votes cast. In case of a tie, the Executive Board Chairman, if one has been appointed, casts the deciding vote. In case of an uneven number of Executive Board members, an Executive Board Chairman is entitled to veto all resolutions.

More detailed rules governing the work of this governing body, including (for example) the division of responsibilities by management division and the matters reserved for the full Executive Board, are set out in the Articles of Association of Berentzen-Gruppe Aktiengesellschaft and the rules of procedure and executive organization chart of the Executive Board, which are adopted by the Supervisory Board.

Composition of the Executive Board

The Executive Board of Berentzen-Gruppe Aktiengesellschaft is composed of at least two members. The Supervisory Board may appoint a Chairman and Vice Chairman of the Executive Board. If an Executive Board Chairman has been appointed, he or another Executive Board member designated as such by the Supervisory Board acts as Spokesman of the Executive Board vis-à-vis the Supervisory Board. Notwithstanding the overall responsibility of all Executive Board members, the individual members of the Executive Board manage the divisions assigned to them independently and under their own responsibility. The Executive Board members work together as a team and keep each other informed of important measures and operations in their divisions.

With respect to the implementation of the “Act for the Equal Participation of Women and Men in Management Positions in the Private Sector and Public Sector” that entered into force in early May 2015, the Supervisory Board adopted targets for the percentage of women on the Executive Board. These targets, the other targets to be adopted under this law, and the corresponding statements to be included in the Declaration of Conformity are summarized in Section (1.2) of the present Corporate Governance Report.

Unless otherwise noted, the following persons were members of the Executive Board of Berentzen-Gruppe Aktiengesellschaft in the time from January 1 to December 31, 2015:

Name	**Position Held** **Division**	**Supervisory Board mandate**
Frank Schübel Gräfelfing, Germany	Spokesman of the Executive Board of Berentzen-Gruppe Aktiengesellschaft Marketing, Sales, Production and Logistics, Procurement, Corporate Communication, Research and Development	Berentzen USA, Inc., Dover / Delaware, United States of America (Board Member) Doornkaat Aktiengesellschaft, Norden, Germany (Chairman of the Supervisory Board)
Ralf Brühöfner Lingen, Germany	Member of the Executive Board of Berentzen-Gruppe Aktiengesellschaft Finance, Controlling, Human Resources, Information Technology, Legal	Berentzen USA, Inc., Dover / Delaware, United States of America (Board Member) Doornkaat Aktiengesellschaft, Norden, Germany (Vice Chairman of the Supervisory Board)

Supervisory Board

Work of the Supervisory Board

The Supervisory Board advises and supervises the Executive Board, whose members it appoints, regularly on the management of the Company. It is involved in decisions of fundamental importance for the Company; details are set out in the rules of procedure for the Supervisory Board and Executive Board. The Supervisory Board also supports the Executive Board with advice and promotes the goals of the Company and sees to it that the Executive Board informs it appropriately for this purpose; to this end, it establishes detailed rules governing the information and reporting duties of the Executive Board. The Supervisory Board approves the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft.

Details concerning the duties of the Supervisory Board and its committees, as well as its composition, are set out in the law, the Articles of Association of Berentzen-Gruppe Aktiengesellschaft, and the rules of procedure of the Supervisory Board. In addition, the German Corporate Governance Code provides recommendations on the work of the Supervisory Board and its committees.

The regular meetings of the Supervisory Board are called in writing with advance notice of 21 days, with the meeting agenda attached to the notice of meeting. The documents produced in preparation for the meetings, including all draft resolutions, are forwarded to the Supervisory Board members in due time, i.e. usually 14 days before the meeting. The Supervisory Board meets at least four times a year, i.e. once per calendar quarter.

Between in-person meetings, the Supervisory Board may adopt resolutions by letter, telex, telegram, fax, telephone, or by another comparable form, particularly including video-conferences, at the order of the Supervisory Board Chairman. This option is exercised relatively rarely and only in cases that are especially urgent. The Supervisory Board has a quorum when at least four members participate in the adoption of resolutions. Absent members may participate by way of written votes.

In case of a tie, the Chairman of the Supervisory Board casts the deciding vote; this rules applies to elections as well. If the Chairman of the Supervisory Board does not participate in the vote, his Vice Chairman casts the deciding vote in case of a tie.

Composition of the Supervisory Board

As a general rule, the Supervisory Board is composed of nine members, six of whom elected individually by the Annual General Meeting (shareholder representatives). Three members are elected by the employees (employee representatives) in accordance with the German One-Third Participation Act (DrittelbG). The Chairman is elected from the ranks of the Supervisory Board members. The term of office of Supervisory Board members is five years; the term of office of currently serving Supervisory Board members ends upon the close of the Annual General Meeting of Berentzen-Gruppe Aktiengesellschaft that will vote on ratification of the actions of the Supervisory Board members for fiscal year 2018.

With respect to the implementation of the “Act for the Equal Participation of Women and Men in Management Positions in the Private Sector and Public Sector” that entered into force in early May 2015, the Supervisory Board adopted targets for the percentage of women on the Executive Board. These targets, the other targets to be adopted under this law, and the corresponding statements to be included in the Declaration of Conformity are summarized in Section (1.2) of the present Corporate Governance Report.

Unless otherwise noted, the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft was composed of the following members in the period from January 1 to December 31, 2015:

Name	Position held	Other Supervisory Board mandates
Gert Purkert Munich, Germany Chairman of the Supervisory Board	Member of the Executive Board of AURELIUS SE & Co. KGaA (formerly Aurelius AG), private equity firm, Grünwald, Germany	Aurelius Beteiligungsberatungs AG, Munich, Germany (Chairman of the Supervisory Board) Aurelius Portfolio Management AG, Munich, Germany (Chairman of the Supervisory Board) Aurelius Transaktionsberatungs AG, Munich, Germany (member of the Supervisory Board) fidelis HR GmbH, Würzburg, Germany (Chairman of the Supervisory Board) Hanse Yachts AG, Greifswald, Germany (Chairman of the Supervisory Board) Lotus AG, Grünwald, Germany (member of the Supervisory Board, until 15 April 2015) Zurich, Switzerland (member of the Supervisory Board)
Dr. Frank Forster Munich, Germany Vice Chairman of the Supervisory Board	General Counsel of the Aurelius Group, Aurelius Beteiligungsberatungs AG, private equity firm, Munich, Germany	Aurelius Portfolio Management AG, Munich, Germany (member of the Supervisory Board) fidelis HR GmbH, Würzburg, Germany (Vice Chairman of the Supervisory Board) Hanse Yachts AG, Greifswald, Germany (Vice Chairman of the Supervisory Board)
Donatus Albrecht Munich, Germany	Member of the Executive Board of AURELIUS SE & Co. KGaA (formerly Aurelius AG), private equity firm, Grünwald, Germany	Aurelius Beteiligungsberatungs AG, Munich, Germany (Vice Chairman of the Supervisory Board) Aurelius Portfolio Management AG, Munich, Germany (Vice Chairman of the Supervisory Board) Aurelius Transaktionsberatungs AG, Munich, Germany (Chairman of the Supervisory Board)
Johannes C.G. Boot London, United Kingdom	Portfolio Manager at Palm Ventures LLC, Greenwich/Connecticut, United States of America	
Bernhard Düing Herzlake, Germany Employee representative	Production shift supervisor in Vivaris Getränke GmbH & Co. KG, Haselünne, Germany	
Adolf Fischer Lähden, Germany Employee representative	Production worker in Vivaris Getränke GmbH & Co. KG, Haselünne, Germany	

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Name	Position held	Other Supervisory Board mandates
Dr. Dirk Markus London, United Kingdom	Chairman of the Executive Board of AURELIUS SE & Co. KGaA (formerly Aurelius AG), private equity firm, Grünwald, Germany	Compagnie de Gestion et des Prèts, Saran, France (member of the Supervisory Board, until 26 February 2015) Publicitas AG, Zurich, Switzerland (Chairman of the Supervisory Board, until 7 August 2015) SKW Stahl-Metallurgie Holding AG, Unterneukirchen, Germany (member of the Supervisory Board, until 28 February 2015) Obotritia Capital KGaA, Potsdam, Germany (member of the Supervisory Board, since 7 August 2015)
Dr. Martin Schoefer Munich, Germany	Vice President Human Resources of the Aurelius Group, Aurelius Beteiligungsberatungs AG, private equity firm, Munich, Germany	
Heike Vehring Minden, Germany Employee representative	Commercial clerk of Berentzen-Gruppe Aktiengesellschaft, Haselünne, Germany	

Committees of the Supervisory Board

In order to perform its tasks efficiently, the Supervisory Board has established a Personnel and Nomination Committee and a Finance and Audit Committee as standing committees to prepare and supplement its work. Certain decision authorities of the Supervisory Board are delegated to the committees to the extent permitted by law. Detailed provisions on the work of the committees of the Supervisory Board, including for example on the composition and authorities of the committees, are set out in the rules of procedure of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft. The provisions on the preparation of meetings and the adoption of Supervisory Board resolutions apply also to the work of the committees.

Personnel and Nomination Committee of the Supervisory Board

The Personnel Committee is responsible for preparing resolutions to be voted on by the Supervisory Board and for recommending resolutions pertaining to the appointment and dismissal of Executive Board members, as well as other resolutions involving Executive Board matters. The following resolution authorities in particular are delegated to the Personnel Committee: conclusion, amendment, and termination of contracts, particularly employment contracts, with Executive Board members, with the exception of resolutions setting the overall compensation of individual Executive Board members and resolutions that reduce compensation and benefits, which are the sole responsibility of the Supervisory Board by virtue of Section 107 (3) sentence 3 AktG; also the approval of contracts with Supervisory Board members within the meaning of Section 114 AktG, and the granting of loans to board members within the meaning of Sections 89 and 115 AktG, and the performance of other legal transactions with the Executive Board according to Section 112 AktG.

Another focal point of the work of the Personnel Committee is the review and decision as to whether the so-called reportable transactions notified to the Personnel Committee by the Executive Board should be presented to the Supervisory Board for decision.

The participation of at least three committee members is required for resolutions to be adopted by the Personnel and Nomination Committee.

The Personnel Committee is also the Nomination Committee within the meaning of the German Corporate Governance Code. In this function, it deals with the selection of candidates for membership on the Supervisory Board as shareholder representatives. To the extent that the Personnel Committee acts as the Nomination Committee, it will only be composed of the committee members who represent the shareholders.

The Personnel and Nomination Committee is composed of at least three members of the Supervisory Board, including the Chairman and Vice Chairman. The committee chair is the Chairman of the Supervisory Board. The Chairman of the Personnel and Nomination Committee reports to the full Supervisory Board.

Unless otherwise noted, the Personnel and Nomination Committee was composed of the following members in the period from January 1 to December 31, 2015:

Name	Position held	Committee function
Gert Purkert Munich, Germany Chairman of the Supervisory Board	Member of the Executive Board of AURELIUS SE & Co. KGaA (formerly Aurelius AG), private equity firm, Grünwald, Germany	Chairman of the Personnel and Nomination Committee
Dr. Frank Forster Munich, Germany Vice Chairman of the Supervisory Board	General Counsel of the Aurelius Group, Aurelius Beteiligungsberatungs AG, private equity firm, Munich, Germany	Member of the Personnel and Nomination Committee
Dr. Martin Schoefer Munich, Germany	Vice President Human Resources of the Aurelius Group, Aurelius Beteiligungsberatungs AG, private equity firm, Munich, Germany	Member of the Personnel and Nomination Committee

Finance and Audit Committee of the Supervisory Board

The Finance and Audit Committee deals with questions of financial reporting, the supervision of the financial reporting process, the effectiveness of the internal control system, the risk management system and the internal audit system, the audit of the financial statements, particularly including the independence of the financial statements auditor, the additional services rendered by the financial statements auditor, the granting of the audit engagement to the financial statements auditor, the establishment of audit priorities, and the agreement of fees, as well as compliance. The Finance and Audit Committee is particularly responsible for the preparation of the Supervisory Board meeting called to adopt the financial statements, which it does through a prior discussion of the separate and consolidated financial statements with the financial statements auditor. A part of this preparation, the committee members also review the final audit reports of at least the main operating Group companies, which may also be discussed in the prior discussion with the financial statements auditor.

The participation of at least three committee members is required for resolutions to be adopted by the Finance and Audit Committee.

The Finance and Audit Committee is composed of at least three members of the Supervisory Board, including the Chairman and Vice Chairman. The Chairman of the Finance and Audit Committee reports to the full Supervisory Board.

A Supervisory Board member representing the shareholders chairs the Finance and Audit Committee. It should be independent within the meaning of Section 100 (5) AktG and 5.3.2 GCGC and possess expertise and experience in the fields of financial reporting and the auditing of financial statements. Since December 4, 2012, the Chairman of the Audit Committee is Dr. Frank Forster, who as the General Counsel of the Aurelius Group, namely Aurelius Beteiligungsberatungs AG, is not independent within the meaning of 5.3.2 GCGC. With respect to the corresponding resolution, the Supervisory Board concurred with the legislator's assessment in Section 100 (5) AktG, according to which it suffices for at least one member of the Finance and Audit Committee who possesses expertise in the fields of financial accounting or the auditing of financial statements to be independent. This member must not necessarily be the committee chairman. The requirement set out in Section 100 (5) AktG is fulfilled because particularly Johannes C.G. Boot qualifies as an independent financial expert within the meaning of this provision by reason of his many years of professional practice.

Unless otherwise noted, the Finance and Audit Committee was composed of the following members in the period from January 1 to December 31, 2015:

Name	Position held	Other Supervisory Board mandates
Dr. Frank Forster Munich, Germany Vice Chairman of the Supervisory Board	General Counsel of the Aurelius Group, Aurelius Beteiligungsberatungs AG, private equity firm, Munich, Germany	Chairman of the Finance and Audit Committee
Johannes C.G. Boot London, United Kingdom	Portfolio Manager at Palm Ventures LLC, Greenwich / Connecticut, United States of America	Vice Chairman of the Finance and Audit Committee
Bernhard Düing Herzlake, Germany	Production shift supervisor in Vivaris Getränke GmbH & Co. KG, Haselünne, Germany	Member of the Finance and Audit Committee
Gert Purkert Munich, Germany Chairman of the Supervisory Board	Member of the Executive Board of AURELIUS SE & Co. KGaA (formerly Aurelius AG), private equity firm, Grünwald, Germany	Member of the Finance and Audit Committee

Close cooperation between the Executive Board and Supervisory Board

The Executive Board and Supervisory Board engage in close cooperation in the interest of the Company. The Executive Board informs the Supervisory Board regularly, promptly, and extensively on all relevant questions of planning, business developments, the risk situation, risk management, and compliance. The Executive Board coordinates the strategy and status of strategy implementation with the Supervisory Board. Target and budget variances of the Group are likewise reported and explained immediately to the Supervisory Board.

As a rule, therefore, the Executive Board attends the meetings of the Supervisory Board, provides written and oral reports on the individual agenda items and draft resolutions, and answers the questions of the Supervisory Board.

In addition, the Executive Board Chairman or the Spokesman of the Executive Board regularly informs the Supervisory Board Chairman of current developments orally and whenever appropriate also in writing.

To the extent that transactions of the Executive Board require the consent of the Supervisory Board, the Executive Board Chairman or the Spokesman of the Executive Board provides extensive information about the intended transaction to the Supervisory Board and obtains the consent of the Supervisory Board. Before conducting a so-called reportable transaction, the Executive Board informs the Personnel Committee, which then decides whether this transaction should be presented to the full Supervisory Board.

The members of the Executive Board and Supervisory Board are required to disclose conflicts of interest related to their work for Berentzen-Gruppe Aktiengesellschaft to the Supervisory Board immediately.

(1.2) Information on the adoption of targets for the percentage of women pursuant to Section 76 (4) AktG and Section 111 (5) AktG and the time periods set for attainment of these targets

The "Act for the Equal Participation of Women and Men in Management Positions in the Private Sector and Public Sector" of April 24, 2015 entered into force on May 1, 2015. For exchange-listed companies that are not subject to the parity codetermination requirement, Section 111 (5) AktG prescribes that the Supervisory Board of companies that are exchange-listed or subject to the codetermination requirement adopt targets for the percentage of women serving on the Supervisory Board and Executive Board and concurrently also set time periods for the attainment of these targets. For these companies, Section 76 (4) AktG also prescribes that the Executive Board of such companies adopt targets for the percentage of women holding positions in the two management levels beneath the Executive Board and concurrently also set time periods for the attainment of these targets. If the percentage of women on both levels is less than 30 percent at the time of adopting the targets, the targets so adopted may not be less than the percentage attained on the respective level. Such targets must be adopted for the first time by September 30, 2015 at the latest, and the time periods set for the first time may not be later than June 30, 2017, and afterwards may not be later than five years at a time.

Berentzen-Gruppe Aktiengesellschaft is the only company of the Berentzen-Gruppe affected by these obligations.

Supervisory Board

In order to implement the foregoing statutory regulations on the future composition of the Supervisory Board and in consideration of the size and number of employees of comparable companies, particularly in the spirits and beverages industry, and the currently limited availability of qualified female candidates to exercise Supervisory Board mandates, the Supervisory Board resolved on September 25, 2015 that at least one woman should serve on the Company's Supervisory Board, either through the appointment of employee representatives to the Supervisory Board or through the election of shareholder representatives. Because this target had already been attained at the time of being adopted, there was no need to set a time period for its attainment. If the percentage of women falls below the target so adopted, the Supervisory Board will address the issue again and particularly also set a time period for the attainment of this target.

Executive Board

In order to further implement the foregoing statutory regulations on the future composition of the Executive Board, and in consideration of the terms of office of the current members of the Executive Board and the fact that the Executive Board was composed solely of male members at the time of adopting the targets, the Supervisory Board resolved concurrently with the adoption of targets for the future composition of the Supervisory Board that the Executive Board does not need to have a female member as long as it is composed of not more than two members. If the Executive Board of Berentzen-Gruppe Aktiengesellschaft is composed of more than two members, at least one member of the Company's Executive Board should be female. In the event that the Executive Board is expanded to more than two members, the initial time period for the attainment of this target was set as not being later than June 30, 2017.

First and second management level beneath the Executive Board

For its part, the Executive Board adopted targets for the percentage of women holding positions on the two management levels beneath the Executive Board and time periods for the attainment of these targets on September 3, 2015. In determining the management levels and starting values for the targets to be adopted, the Executive Board considered the circumstances of Berentzen-Gruppe Aktiengesellschaft as the only company affected by the relevant statutory provisions. The definition of the two management levels was based on the exercise of managerial duties in the sense of personnel and budget responsibility, as well as the hierarchical classification.

At the time of adopting the targets, the percentage of female managers was less than 30% in the two management levels beneath the Executive Board. In observance of the legal requirement that the targets for the percentage of women may not be less than the percentages attained at the time of adopting the targets, the Executive Board adopted a 15% target for the percentage of women serving on the first management level and 25 percent for the second management level. The initial time period for the attainment of these targets was set as not being later than June 30, 2017.

(1.3) Relevant information about corporate governance practices

Berentzen-Gruppe Aktiengesellschaft observes all legal requirements for corporate governance, as well as the recommendations of the German Corporate Governance Code – with the exception of the deviations stated and justified in the Declaration of Conformity pursuant to Section 161 AktG.

In order to implement good corporate governance, Berentzen-Gruppe Aktiengesellschaft adopted a set of guidelines ("Berentzen Code") applicable to all employees already in 2007. The Berentzen Code establishes binding rules for the lawful and ethical conduct of all employees vis-à-vis supervising managers, other colleagues and employees, as well as external partners in the treatment of information, insider knowledge, and the execution of financial transactions. Independent external institutions ensure that tips or violations of the Berentzen Code are objectively received and processed. The Berentzen Code is available to all employees in the intranet of the Berentzen Group and can also be downloaded from there.

(1.4) Joint Declaration of Conformity with the German Corporate Governance Code at Berentzen-Gruppe Aktiengesellschaft

The Executive Board and Supervisory Board jointly issued the following annual Declaration of Conformity with the German Corporate Governance Code by Berentzen-Gruppe Aktiengesellschaft pursuant to Section 161 AktG in March, 2016.

Declaration of Conformity with the German Corporate Governance Code by Berentzen-Gruppe Aktiengesellschaft pursuant to Section 161 AktG of March, 2016

I.

The Company complies with the recommendations made by the Government Commission "German Corporate Governance Code" (as amended on May 5, 2015) as published in the Federal Gazette on June 12, 2015, with the following exceptions:

1. Contrary to 3.8 of the Code as amended on May 5, 2015, the D&O insurance policy concluded by Berentzen-Gruppe Aktiengesellschaft for the members of its Supervisory Board does not contain any deductible.

The Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft do not essentially believe that agreeing such a deductible would enhance the motivation and responsibility with which the members of the Supervisory Board carry out their duties. Consequently, Berentzen-Gruppe Aktiengesellschaft is not planning any amendment to its current D&O insurance policies.

2. Contrary to 4.2.2 para. 2 sentence 3 of the Code as amended on May 5, 2015, no consideration is taken of the relationship to the compensation paid to the senior management and the staff overall in terms of its development over time when setting the compensation of the Executive Board.

With the amendments to the German Corporate Governance Code as published on May 13, 2013, the recommendation was introduced for the first time that the Supervisory Board should take into account the relationship of the compensation of the Executive Board to that of senior management and the staff overall, particularly in terms of its development over time. When concluding or extending the current Executive Board contracts, the Supervisory Board is required by the provisions of the Stock Corporation Act to ensure that the total compensation granted to the members of the Executive Board is in an appropriate relationship to the general compensation structure within the Company and hence the so-called "vertical appropriateness" of the compensation paid to members of the Executive Board is guaranteed. To the extent that this review of the vertical appropriateness of the compensation paid to members of the Executive Board required by the Stock Corporation Act is specified by the German Corporate Governance Code, and the peer groups used for the comparison and timeframe for the comparison are defined more closely, a deviation from the Code is hereby explained as a precaution. When concluding or extending the currently valid Executive Board contracts, the Supervisory Board does not distinguish between the peer groups within the meaning of 4.2.2 para. 2 sentence 3 of the Code as amended on May 5, 2015 when checking the appropriateness and does not carry out any assessment of the development over time of the compensation structure either. It believes that such a purely formal approach is not necessary to ensure the appropriateness of the compensation paid to members of the Executive Board.

3. Contrary to 4.2.3 para. 2 sentence 3 of the Code as amended on May 5, 2015, the variable compensation components agreed in any Executive Board contract are exceptionally only based to a relatively minor extent on a multi-year assessment.

In this individual instance, the Supervisory Board believes it is not absolutely necessary to employ a multi-year assessment for the variable compensation components as a whole or only to a large extent. Even without such an assessment, the Supervisory Board believes it is ensured, taking into account the circumstances of the specific case and the structuring of the variable compensation components, that the compensation paid to the member of the Executive Board concerned as a whole is oriented toward the sustainable growth of the Company.

4. Contrary to 4.2.3 para. 2 sentence 6 of the Code as amended on May 5, 2015, there is no cap in terms of amount on the compensation agreed in the Executive Board contracts.

With the amendments to the German Corporate Governance Code as published on May 13, 2013, the recommendation was introduced for the first time that the compensation paid to the members of the Executive Board should have caps in terms of amount as a whole and in terms of the variable compensation components. The Executive Board contracts do indeed contain caps in terms of amount for both the fixed and the variable compensation. A fixed cap for the overall compensation paid to members of the Executive Board is, however, not included in the Executive Board contracts. The Supervisory Board believes that a cap for the total compensation arises de facto from the cap on both the fixed and the variable compensation.

5. Contrary to 4.2.3 para. 3 of the Code as amended on May 5, 2015, the level of provision aimed for in each case was not determined and the resulting annual and long-term expense for the Company was not taken into account when granting pension awards to the members of the Executive Board.

With the amendments to the German Corporate Governance Code as published on May 13, 2013, the recommendation was introduced that the Supervisory Board should establish the level of provision aimed for in each case for pension awards – also considering the length of the time for which the individual has been an Executive Board member – and take into account the resulting annual and long-term expense for the Company. One of the current Executive Board contracts contains a provision under which a fixed amount is granted to the relevant member of the Executive Board for a life insurance policy to be concluded by this person. This amount may also be paid into a company pension plan at the request of the member of the Executive Board. This provision does not, however, grant the relevant member of the Executive Board either a direct claim to a pension, neither does it result in a future financial expense for the Company beyond the end of the employment contract. Against this backdrop, the Executive Board and Supervisory Board assume that such a purely monetary amount granted is not a pension award within the meaning of the German Corporate Governance Code. Since the Code does not define the term “pension award”, however, a deviation from the Code is explained in this regard as a precaution.

6. Contrary to 4.2.5 para. 3 of the Code as amended on May 5, 2015, the compensation paid to members of the Executive Board is not disclosed in the Compensation Report for financial years starting after December 31, 2013 either individualised or broken down by component – especially benefits granted, allocation and service cost – using the model tables provided in the appendix to the Code.

On May 12, 2011, the Annual General Meeting of the Company adopted a resolution pursuant to Section 286 (5) HGB to dispense with the individualised disclosure of the compensation of the Executive Board and to disclose the compensation of the Executive Board in the Notes to the Annual Financial Statements, the Notes to the Consolidated Financial Statements and the Management Report of the Company and the Group in aggregate form only. Against this backdrop, it is not possible to provide a breakdown of the compensation in the Compensation Report using the model tables provided in the appendix to the German Corporate Governance Code as this would result in the individualised disclosure of the compensation of the Executive Board in violation of the resolution adopted by the Annual General Meeting on May 12, 2011. In addition, the Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft believe that the disclosures made in accordance with the relevant accounting rules applied by Berentzen-Gruppe Aktiengesellschaft regarding the compensation of the Executive Board are sufficient. The disclosure broken down by component – especially benefits granted, allocation and service costs – of the compensation paid to members of the Executive Board using the model tables provided in the appendix to the Code in the Compensation Report – which must not be made on an individualised basis in line with the above-mentioned resolution adopted by the Annual General Meeting on May 12, 2011 – would yield no additional information relevant for the capital market.

7. Contrary to 5.3.2 sentence 3 of the Code as amended on May 5, 2015, the Finance and Audit Committee currently has a chairman who is not independent within the meaning of the Code.

German law as embodied in the Stock Corporation Act considers it sufficient if at least one member of the Finance and Audit Committee with expert knowledge in the fields of accounting or auditing of financial statements is independent. This member does not have to be the chairman. The Supervisory Board of the Company concurs with this assessment of German law.

8. Contrary to 5.4.6 para. 3 of the Code as amended on May 5, 2015, the compensation paid to the members of the Supervisory Board is not disclosed on an individualised basis or broken down by component in the Notes to the Financial Statements or the Management Report.

The Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft believe that the associated intrusion into the private sphere of the members of the Supervisory Board is not proportionate to the benefits of such a practice. The compensation paid to members of the Supervisory Board is shown as an aggregate amount in the Notes to the Annual Financial Statements, Notes to the Consolidated Financial Statements, and the Management Report, which is combined with the Group Management Report. Furthermore, the compensation is known from the Articles of Association of the Company that have been made publicly accessible. Individualised disclosure would yield no additional information relevant for the capital market. Moreover, consent to individualised disclosure has not been obtained from the members of the Supervisory Board.

II.

Since issuing its last Declaration of Conformity on March 24, 2015, the Company has complied with the recommendations as published in the Federal Gazette on September 30, 2014 (Code as amended on June 24, 2014) and from June 12, 2015 the recommendations of the Government Commission: German Corporate Governance Code as published in the Federal Gazette on June 12, 2015 (Code as amended on May 5, 2015), with the following exceptions:

1. Contrary to 3.8 of the Code as amended on June 24, 2014 and May 5, 2015, the D&O insurance policy concluded by Berentzen-Gruppe Aktiengesellschaft for the members of its Supervisory Board did not include a deductible for the reasons described under I.1 above.

2. Contrary to 4.2.2 para. 2 sentence 3 of the Code as amended on June 24, 2014 and May 5, 2015, no consideration was taken of the relationship to the compensation paid to the senior management and the staff overall in terms of its development over time when setting the compensation of the Executive Board for the reasons described under I.2 above.

3. Contrary to 4.2.3 para. 2 sentence 3 of the Code as amended on June 24, 2014 and May 5, 2015, the variable compensation components agreed in one Executive Board contract were exceptionally only based to a relatively minor extent on a multi-year assessment for the reasons described under I.3 above.

4. Contrary to 4.2.3 para. 2 sentence 6 of the Code as amended on June 24, 2014 and May 5, 2015, the compensation agreed in the Executive Board contracts did not have a cap in terms of amount for the reasons described under I.4 above.

5. Contrary to 4.2.3 para. 3 of the Code as amended on June 24, 2014 and May 5, 2015, the level of provision aimed for in each case was not determined and the resulting annual and long-term expense for the Company was not taken into account when granting pension awards to the members of the Executive Board for the reasons described under I.5 above.

6. Contrary to 4.2.5 para. 3 of the Code as amended on June 24, 2014 and May 5, 2015, the compensation paid to members of the Executive Board was not disclosed in the Compensation Report for financial years starting after December 31, 2013 either individualised or broken down by component – especially benefits granted, allocation and service cost – using the model tables provided in the appendix to the Code.

7. Contrary to 5.3.2 sentence 3 of the Code as amended on June 24, 2014 and May 5, 2015, the Finance and Audit Committee had a chairman who was not independent within the meaning of the Code for the reasons described under I.7 above.

8. Contrary to 5.4.6 para. 3 of the Code as amended on June 24, 2014 and May 5, 2015, the compensation paid to the members of the Supervisory Board is not disclosed on an individualised basis or broken down by component in the Notes to the Financial Statements or the Management Report for the reasons described under I.8 above.

(2) Corporate Governance at Berentzen-Gruppe Aktiengesellschaft

Also in the 2015 financial year, the Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft dealt intensively with the fulfilment of the requirements of the German Corporate Governance Code, particularly including the amendments resolved by the Government Commission on May 5, 2015 and published in the Federal Gazette on June 12, 2015. On March 24, 2015, the Executive Board and Supervisory Board had jointly issued the annual Declaration of Conformity pursuant to Section 161 AktG on the basis of the Code version of June 24, 2014. The annual Declaration of Conformity pursuant to Section 161 AktG jointly issued by the Executive Board and Supervisory Board in March, 2016 on the basis of the Code version of May 5, 2015 is reproduced in Section (1.4) of the present Corporate Governance Report.

(2.1) Targets and target attainment relative to the composition of the Supervisory Board

With a view to item 5.4.1 para. 2 GCGC, the Supervisory Board in its meeting of September 25, 2015 reviewed and updated its "Joint Declaration and Resolution on the Adoption of Concrete Targets for the Composition of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft" in the version of December 4, 2012, particularly with regard to the amendments to the German Corporate Governance Code resolved by the Government Commission on May 5, 2015 and published in the Federal Gazette on 12 June 2015 and the "Act for the Equal Participation of Women and Men in Management Position in the Private Sector and Public Sector" of 24 April 2015, which entered into force on May 1, 2015.

Targets

As representatives of the shareholders, six of the nine Supervisory Board members are elected by the Annual General Meeting on the basis of the election proposals presented by the Supervisory Board in accordance with the recommendations of the German Corporate Governance Code. The Supervisory Board naturally has no influence on the selection of Supervisory Board candidates to represent the employees. Based on the recommendations of the German Corporate Governance Code, however, the Supervisory Board has adopted the following concrete targets for its future composition, in addition to the fundamental requirements that all its members must possess the necessary knowledge, capabilities, and professional experience to properly exercise their duties.

Internationality

Internationality within the meaning of the German Corporate Governance Code does not necessarily or exclusively refer to a foreign nationality, but rather it also refers to relevant foreign experience in particular. In consideration and weighting of the current operational and strategic orientation of the business activities of the Berentzen Group, the Supervisory Board strives to achieve the goal that the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft should include at least one shareholder representative who is internationally experienced in terms of his or her professional activity and/or is a foreign national.

Adoption of the targeted percentage of women on the Supervisory Board

In connection with the implementation of the "Act for the Equal Participation of Women and Men in Management Positions in the Private Sector and Public Sector", the Supervisory Board has resolved as its target for the percentage of women on the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft that at least one women should serve as a member of the Company's Supervisory Board, either through the appointment of employee representatives to the Supervisory Board or through the election of shareholder representatives. Reference is made to the statements in Section (1.2) of the present Corporate Governance Report.

Potential conflicts of interest

With regard to conflicts of interest, all members of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft are obligated to observe the Code of Conduct prescribed in 5.5 GCGC, which is also completely incorporated into the current rules of procedure of the Supervisory Board, and to proceed in accordance with 5.5 ff. GCGC if and when conflicts of interest arise. Accordingly, Supervisory Board members will disclose potential conflicts of interest involving their person or function to the full Supervisory Board at an early time and abstain from deliberations and voting on matters that constitute a conflict of interest in their part, and to resign their mandate when a conflict of interest is not just temporary. To this extent, the Supervisory Board strives to achieve the goal that more than just temporary conflicts of interest within the meaning of 5.5.2 GCGC are not to be expected for at most three of the six shareholder representatives on the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft.

Independence

According to 5.4.2 GCGC, an appropriate number of independent members according to the judgment of the Supervisory Board should belong to the Supervisory Board. According to 5.4.2 sentence 2 GCGC, a Supervisory Board member is to be regarded as not independent particularly when he or she has a business relationship with the Company, its governing bodies, a controlling shareholder, or a company affiliated therewith, which could constitute a significant and not just temporary conflict of interest.

In deciding on an appropriate number of independent members, the Supervisory Board particularly considered the principle that the composition of the Supervisory Board must primarily serve the Company's interest, such that the necessary knowledge, capabilities, and professional experience of the members to properly exercise their duties are paramount considerations. Moreover, the Supervisory Board considered the fact that Berentzen-Gruppe Aktiengesellschaft was a company controlled by and therefore a dependent company of AURELIUS SE & Co. KGaA (formerly Aurelius AG), Grünwald, Germany, within the meaning of Sections 15 ff. AktG at the time of making this determination, as well as the fact that a significant number of the potential conflicts of interest resulting from a lack of formal independence of the individual Supervisory Board member are precluded by statutory provisions, the provisions of 5.5 GCGC, and the goals adopted by the Supervisory Board on the treatment of potential conflicts of interest. Subject to the condition of otherwise unchanged parameters, the Supervisory Board therefore strives to achieve the goal that the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft should include at least four independent members within the meaning of 5.4.2 GCGC.

Age limit

According to the determination of the Supervisory Board, the members of the Supervisory Board of Berentzen-Gruppe should not be older than 65 years of age upon being appointed for the first time or re-appointed to the Supervisory Board, as a rule.

Control limit for total length of service on the Supervisory Board

According to the determination of the Supervisory Board, its members should not serve on the Supervisory Board longer than 15 years as a rule, regardless of the number of appointments.

Target attainment

According to its own assessment, the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft attained its targets for the composition of the Supervisory Board in the 2015 financial year with the exception that more than one, but insignificant and only temporary conflicts of interest within the meaning of 5.5.2 GCGC arose in connection with the specified number of shareholder representatives on the Supervisory Board. These conflicts of interest were related to two resolutions adopted in the Supervisory Board meeting of November 23, 2015 on the consent to the engagement of AURELIUS Beteiligungsberatungs AG to provide services to Berentzen-Gruppe Aktiengesellschaft. The corresponding Supervisory Board members disclosed this conflict of interest to the Supervisory Board and participated neither in the deliberations nor in the respective consent resolution.

As a general rule, the targets stated by the Supervisory Board for its composition should be attained without changes in the future, unless significant changes are necessitated by statutory requirements or suggestions related to such statutory requirements.

In making future proposals to the Annual General Meeting for the election of Supervisory Board members, the Supervisory Board will take the above-mentioned targets for its composition into consideration and assure itself that the respective candidate will be able to devote the necessary time to exercise his or her mandate. The same applies for the Nomination Committee, to the extent that it prepares the vote of the Supervisory Board. The Supervisory Board will recommend to the members elected by the employees that they endeavour to take these targets into consideration, within the limits of their possibilities, in the election proposals made by the competent employee representative bodies.

(2.2) Reportable securities trades (directors' dealings)

According to Section 15a of the Securities Trading Act (WpHG), members of the Executive Board and Supervisory Board, persons exercising management duties, and persons related to them are obligated to disclose their own trades (e.g. purchases or shares) of shares of Berentzen-Gruppe Aktiengesellschaft or financial instruments related to the Company's shares, insofar as the total value of trades executed within a calendar year reaches or exceeds EUR 5,000 (so-called director's dealings). The Company has instituted a process for the due publication of any such disclosures. Trades notified to the Company in this way are published on the corporate website of Berentzen-Gruppe Aktiengesellschaft at www.berentzen-gruppe.de/en/.

The following securities trades were notified to Berentzen-Gruppe Aktiengesellschaft in accordance with Section 15a WpHG in the 2015 financial year and at the time of publication of the present Corporate Governance Report in March 2016.

Name	Date and place of trade	Type of trade	Price per unit / currency	Unit count	Trade amount / currency	Reason for notification obligation / position	Title of financial instrument	ISIN	Explanation to be published
Schübel, Frank	22 May 2015, over-the-counter	Purchase	5.25 EUR	39,000	204,750.00 EUR	Executive Board	Common share of Berentzen-Gruppe Aktiengesellschaft	DE0005201602	None
Schübel, Frank	4 November 2015, Xetra	Purchase	6.38 EUR	1,000	6,380.00 EUR	Executive Board	Common share of Berentzen-Gruppe Aktiengesellschaft	DE0005201602	Purchase effected via joint custody account with wife Mithra Schübel
Schübel, Frank	3 March 2016, Xetra	Purchase	6.09 EUR	1,600	9,740.80 EUR	Executive Board	Common share of Berentzen-Gruppe Aktiengesellschaft	DE0005201602	Purchase effected via joint custody account with wife Mithra Schübel

(2.3) Shareholdings of Executive Board and Supervisory Board members

At the end of fiscal year 2015, the shareholdings of the members of the Executive Board equalled a total share of 0.42%, and at the time of publication of the present Corporate Governance Report in March 2016 a total share of 0.43 % of the capital stock of Berentzen-Gruppe Aktiengesellschaft.

At the same date, the shareholdings of the members of the Supervisory Board equalled a total share of 0.01% of the capital stock of Berentzen-Gruppe Aktiengesellschaft. In this connection, additional reference is made to the fact that Berentzen-Gruppe Aktiengesellschaft was a dependent company within the meaning of Section 312 AktG as of December 31, 2015, as a company dependent on AURELIUS SE & Co. KGaA (formerly Aurelius AG), Grünwald, and BGAG Beteiligungs GmbH, Grünwald, a company in which AURELIUS SE & Co. KGaA (formerly Aurelius AG) held a majority interest. After the sale of part of their majority interest in March 2016, the companies of the AURELIUS Group still held, indirectly and indirectly, around 29.2% of the capital stock of Berentzen-Gruppe Aktiengesellschaft.

(2.4) Compensation of Executive Board and Supervisory Board members

Information on the compensation of Executive Board and Supervisory Board members in the 2015 financial year is provided in the section of the combined Group Management Report entitled “Compensation Report” in the Annual Report 2015 of Berentzen-Gruppe Aktiengesellschaft, which is also available on the corporate website of Berentzen-Gruppe Aktiengesellschaft at www.berentzen-gruppe.de/en/.

(2.5) Shareholders and Annual General Meeting

The shareholders of Berentzen-Gruppe Aktiengesellschaft exercise their rights in the Annual General Meeting. The Annual General Meeting is the main forum for shareholders, particularly for exercising their voting rights, obtaining information, and conducting a dialog with the Executive Board and Supervisory Board. In accordance with the Articles of Association, the Annual General Meeting must be held in the first eight months, but is usually held in practice in the first five months of the fiscal year.

The Annual General Meeting of Berentzen-Gruppe Aktiengesellschaft is organized and conducted with the goal of providing prompt, extensive, and effective information about the Company’s situation to all shareholders before and during the Annual General Meeting. The notice of meeting for the Annual General Meeting is published in the Federal Gazette and is available to the shareholders and all other interested parties on the website www.berentzen-gruppe.de/en/, along with all documents for the Annual General Meeting, particularly including all reports, documents, and other information, as well as the meeting agenda and the current Annual Report, which the law requires for the Annual General Meeting.

To make it easier for shareholders to personally exercise their rights and represent their voting rights, they are entitled at their own choice to authorize a bank or shareholders association (for example) as proxies bound by the shareholders’ instructions, insofar the shareholders are not able to physically attend the Annual General Meeting themselves.

In addition, the current version of the Company’s Articles of Association contains clauses authorizing the Executive Board to permit so-called online participation in the Annual General Meeting, audio-visual transmission of the Annual General Meeting, and postal voting.

The Annual General Meeting decides on all matters reserved to it by law, particularly including the utilization of profit, the ratification of the actions of Executive Board and Supervisory Board members, the election of shareholder representatives to the Supervisory Board and the financial statements auditor, amendments to the Articles of Association, and important business measures such as inter-company agreements, conversions, and capital measures. The Supervisory Board Chairman chairs the Annual General Meeting.

(2.6) Financial reporting and audit of the financial statements

The consolidated financial statements and consolidated semi-annual financial report of Berentzen-Gruppe Aktiengesellschaft are prepared by the Executive Board in accordance with the principles of International Financial Reporting Standards (IFRS) and the Interpretations of the IFRS Interpretations Committee, as they are to be applied in the European Union (EU), and in accordance with the German commercial law regulations to be applied additionally pursuant to Section 315a (1) HGB. The legally prescribed separate financial statements of Berentzen-Gruppe Aktiengesellschaft, which are determining for the dividend payment, are prepared in accordance with the regulations of the German Commercial Code (HGB). The consolidated and separate financial statements are reviewed and approved by the Supervisory Board.

The Annual General Meeting elected PricewaterhouseCoopers Aktiengesellschaft, Osnabrück, as the auditor of the consolidated and separate financial statements of Berentzen-Gruppe Aktiengesellschaft at December 31, 2015, after the Supervisory Board previously assured itself of the auditor’s independence and concurrently notified the Annual General Meeting of the extent of other services, particularly including consulting services, provided by the auditor to the Company in the preceding fiscal year or contractually agreed for the following year.

It was further agreed with the auditor of the financial statements for fiscal year 2015 that the Chairman of the Supervisory Board is to be informed immediately during the audit of any potential grounds for exclusion or conflicts of interest, unless they are rectified immediately. The auditor is also required to report immediately all findings and events of importance to the tasks of the Supervisory Board that arise during the audit of the financial statements to the Chairman of the Supervisory Board. Furthermore, the auditor is required to inform the Supervisory Board or document in the audit report all facts noted in the course of the audit that are not compatible with the Declaration of Conformity issued by the Executive Board and Supervisory Board in accordance with Section 161 AktG.

(2.7) Responsible treatment of entrepreneurial risks

Good corporate governance also includes the responsible treatment of risks by the Company. The Executive Board ensures appropriate risk management and risk controlling in the Company. Systematic risk management as an integral part of value-driven management ensures the early detection and assessment of risks and the optimization of risk positions. The Executive Board informs the Supervisory Board regularly of existing risks and the development of such risks.

Information about risk management, the risk management system and the risks and opportunities associated with the business activities of the Berentzen Group is provided in the section of the combined Group Management Report entitled “Report on Risks and Opportunities” in the Annual Report 2015 of Berentzen-Gruppe Aktiengesellschaft, which is available on the corporate website of Berentzen-Gruppe Aktiengesellschaft at www.berentzen-gruppe.de/en/.

(2.8) Transparent management

The Company informs shareholders, investors, analysts, and the public equally and promptly. The website www.berentzen-gruppe.de/en/ is an important platform for this purpose. Information about the Company's business activities, its governing bodies and Articles of Association, the Declaration of Conformity with the German Corporate Governance Code and particularly financial reports, reports and documents for the Annual General Meeting, ad-hoc and other announcements, and information about the bond of Berentzen-Gruppe Aktiengesellschaft are made permanently available on this medium within the scope of the legal provisions applicable to publication deadlines and periods. A financial calendar provides information about the Company's publication and event dates.

Haselünne, March 2016

Berentzen-Gruppe Aktiengesellschaft

The Executive Board

Frank Schübel
Executive Board Spokesman

Ralf Brühöfner
Executive Board member


STIRRING THINGS UP WITH APPLE
Berentzen
with Premium Rum
with Kentucky Straight Bourbon Whiskey
Perfect with Cola
Berentzen
SPICE APPLE
refined with PREMIUM RUM
28% vol
Berentzen
APPLE BOURBON
refined with Kentucky Straight Bourbon Whiskey
28% vol

I. Combined Management Report

Combined Management Report of the Berentzen Group and Berentzen-Gruppe Aktiengesellschaft

(1) Underlying principles of the corporate group

(1.1) Corporate business model

Organisation and underlying principles

The Berentzen Group is one of the leading drinks groups in Germany and simultaneously one of the country's oldest producers of spirits with a history going back over 250 years.

Berentzen-Gruppe Aktiengesellschaft based in Haselünne, Germany, is the ultimate parent of the Berentzen Group, which consists of more than 25 domestic and international subsidiaries as well as the parent company. The corporate group generated revenues of EUR 158.5 (153.4) million in the 2015 financial year and had 491 (503) employees at eleven locations in seven countries as of the reporting date of December 31, 2015.

As a stock corporation organised under German law, Berentzen-Gruppe Aktiengesellschaft has three executive bodies – the general meeting, the Supervisory Board and the Executive Board – each of which has certain areas of responsibility within the framework of competencies allocated in accordance with the German Stock Corporation Act (Aktiengesetz, AktG). The general meeting is the ultimate executive body, mainly making decisions on the constitution of the Company, including specifying the corporate statutes and capital-raising measures, determining the utilisation of the distributable profit, appointing the shareholder representatives on the Supervisory Board and the ratifying the actions of the Supervisory Board and the Executive Board. The Supervisory Board is responsible for the appointment, oversight and advice for the Executive Board; it is directly involved in decisions of fundamental importance for the Company, where these are not reserved for the general meeting. The Supervisory Board consists of nine members, one-third of whom are employee representatives in accordance with the German One-third Participation Act (Drittelbeteiligungsgesetz). The period of office of a member of the Supervisory Board amounts to five years, although the general meeting may resolve a shorter period of office.

According to the Articles of Association, the Executive Board of Berentzen-Gruppe Aktiengesellschaft consists of at least two people. In its role as the management body, the Executive Board of the Berentzen Group conducts the operations, determines the strategic orientation of the Company and implements this as agreed with the Supervisory Board. At present, one member of the Executive Board is responsible for the Marketing, Sales, Production and Logistics, Purchasing, Corporate Communications, and Research and Development functions and the other for the Finance, Controlling, Personal, Information Technology, and Legal Affairs functions.

In the 2015 financial year, Berentzen-Gruppe Aktiengesellschaft was majority-owned by AURELIUS SE & Co. KGaA (formerly known as Aurelius AG) based in Grünwald, Germany, a stock corporation originally organised under German law which was transformed into a partnership limited by shares (Kommanditgesellschaft auf Aktien) under German law in 2015. The majority ownership of Berentzen-Gruppe Aktiengesellschaft by AURELIUS SE & Co. KGaA ceased to exist at the beginning of March 2016. For more information about this, please refer to section (8.6), Dependent company report, in the explanatory notes to the annual financial statements of Berentzen-Gruppe Aktiengesellschaft prepared in accordance with the German Commercial Code (HGB) and the Report on subsequent events in section (4).

Business activities

The business activities of the Berentzen Group essentially comprise the production and distribution of spirits and non-alcoholic beverages and, since October 2014, the development and distribution of fresh juice systems. The business activities are divided into the following segments accordingly: Spirits, Non-alcoholic Beverages, and Fresh Juice Systems. The marketing, distribution and sale of spirits are grouped together in the Branded Products and the Private Label Products sales divisions within the Spirits segment. The marketing, distribution and sale of non-alcoholic beverages are combined in the Non-alcoholic Beverages segment. Depending on the system component, the development, marketing, distribution and sale of juicers, oranges and filling containers are grouped together in the Fresh Juice Systems segment. The “Other” segment essentially covers the international business involving branded spirits together with the tourist and event activities of the Berentzen Group. This structure forms the basis for financial reporting.

The Berentzen Group currently produces its spirits and non-alcoholic beverages at three facilities in Germany: spirits in Minden and non-alcoholic beverages in Haselünne and Grüneberg. Production at the Norden facility, which is used solely to produce non-alcoholic beverages, was discontinued at the end of the 2015 financial year. In addition, the logistics centre operated by the corporate group under a logistics and services agreement for the distribution of spirits is located in Stadthagen, Germany. The operating activities in the Fresh Juice Systems segment are conducted and managed from the facility in Linz, Austria.

Brands, products and markets

Its long-established spirits brands and attractive private label products make the Berentzen Group a competent partner for the retail and hospitality trades. In this context, the spirits portfolio encompasses internationally known brands like “Berentzen” and “Puschkin” as well as traditional German spirits like “Strothmann”, “Doornkaat”, “Bommerlunder” and “Hansen Rum”.

The consolidated subsidiary Vivaris Getränke GmbH & Co. KG based in Haselünne, Germany, has been operating in the German soft drinks market for decades. Its assortment of own brands and products includes mineral waters like the regionally important brands “Emsland Quelle”, “Grüneberg Quelle“, “Märkisch Kristall” and “Sankt Ansgari” as well as lemonades, and wellness and energy drinks like “Quixx” and “Vivaris Sport”. Launched in 2012, the mate-based drink “Mio Mio Mate” developed in-house has in the meantime become established nationwide; also marketed under the own “Mio Mio” brand are the cola drinks “Mio Mio Cola” and “Mio Mio Cola Zero” that were similarly developed in-house. The second pillar of the Company is a franchise business that has been operating for over 50 years. It was under this activity that the Company produced and distributed soft drinks for the US-based PepsiCo Group, notably under the “Pepsi” brand, until the end of 2014. Vivaris Getränke GmbH & Co. KG started production and distribution for the major German soft drinks brand “Sinalco” on the basis of a long-term franchise agreement in January 2015. In addition, the Company bottles non-alcoholic branded and private label products under the terms of service agreements with the Sinalco corporate group, the PepsiCo Group and other customers.

T M P Technic-Marketing-Products GmbH based in Linz, Austria, which was acquired in the 2014 financial year, is a globally active system vendor for freshly squeezed fruit juices, and specifically orange juice. This company has had commercial activities involving fresh juice systems, and specifically orange presses, for more than two decades. Alongside orange presses, the full range marketed under the “Citrocasa” brand encompasses juicy oranges under the “frutas naturales” brand and containers for the bottling of freshly squeezed orange juice specially designed to accommodate the equipment used. The Company’s core competencies are in the ongoing development and optimisation of the equipment used in juicers, and the provision of technical services and appropriate logistics for the delivery of fruit and bottles in system sales.

With such a diverse range of brands and products in the Spirits and Non-alcoholic Beverages segments, the Berentzen Group boasts a broad-based assortment in different price segments and for almost every taste. With the acquisition of T M P Technic-Marketing-Products GmbH, an established premium vendor of high quality fresh juice systems for the retail and hospitality trade was added in the 2014 financial year.

The main sales market for the spirits marketed by the Berentzen Group is traditionally in Germany, which is dominated on the demand side by a notably strong, concentrated food retailing sector. In addition, the Berentzen Group has a presence in more than sixty countries worldwide and the duty-free business with internationally viable spirits brands. Distribution in these places is carried out by either distributors or own subsidiaries that are also involved in the management and adaptation of regional sales measures.

The sales market for non-alcoholic beverages essentially entails regional coverage in northern and eastern Germany including Berlin together with parts of Hesse and North Rhine-Westphalia. Distribution is carried out mainly by food retailers or drinks wholesalers for the hospitality trade. Now that the mate-based beverage “Mio Mio Mate” is listed almost nationwide by food retailers, its sales area expanded accordingly during the 2015 financial year.

Austria, Germany, France, the Netherlands and the neighbouring countries, notably including Poland in the 2015 financial year, as well as the Middle East are the main sales areas for the products of the Fresh Juice Systems segment. Worldwide distribution outside of Austria is handled by local distributors in almost fifty countries. The main distribution channels are the food retailing sector and the out-of-home market. The newly developed, compact “Revolution” juicer was launched at the end of October 2015 with a view to tapping the catering trade as a further distribution channel for fresh juice systems.

Industry-specific legal framework

The business activities of the Berentzen Group are subject to a number of significant industry-specific legal provisions on top of the general domestic and international rules and regulations.

In terms of the production and distribution of spirits, non-alcoholic beverages and the system components marketed by the Fresh Juice Systems segment, there are regulatory requirements in connection with the production, marketing, declaration and labelling of foodstuffs. In this context, German and European food law is largely harmonised in European Union (EU) regulations, whereas other country-specific regulations are generally also applicable outside of Europe.

In addition, the production and distribution of juicers in the Fresh Juice Systems segment is subject to specific expanded regulations regarding product safety, technical designations and standards that are intended to ensure health and safety at work together with food safety and consumer protection. In Europe, these regulations are largely standardised in EU rules while additional or different regulations are normally applicable in non-EU countries in accordance with local law.

In terms of competition law, there are generally applicable regulations regarding the distribution of non-alcoholic beverages and the system components marketed by the Fresh Juice Systems segment. Besides this, the marketing of spirits is subject to additional regulations that vary from country to country, among other things in the form of sales and / or advertising restrictions as well as specific restrictions serving to protect minors.

Finally, special tax regimes relating to the spirits duties and similar foreign consumption taxes levied at high rates on spirits and spirits-based drinks in almost all countries need to be observed for the production and especially the distribution of spirits. Moreover, high and in some cases prohibitive customs duties and import tariffs are regularly levied on imported spirits, especially outside of Europe.

(1.2) Management system

Principles of internal management

The Berentzen Group is managed using performance indicators that aim to optimally guide the business performance taking into account the mutually interrelated factors of growth, profit and liquidity. The most important of these performance indicators are determined at corporate level.

Prior to the start of each financial year, the Executive Board draws up a detailed corporate plan for the following financial year together with a medium-term corporate plan, which are submitted to the Supervisory Board for approval.

The internal management system is overseen centrally by the Controlling department of Berentzen-Gruppe Aktiengesellschaft, which reports directly to the Executive Board member responsible for the function. The Controlling department prepares detailed monthly reports containing information relevant for management as well as a wide range of other data, including income statements for the individual segments, which are made available to the Supervisory Board, the Executive Board and the relevant managers at the next level down. This includes both actual versus planned and year-ago comparisons.

Furthermore, a management reporting system has been implemented for the management of the corporate group that constantly makes available wide-ranging information on the sales, price and revenue development in variable combinations and at various aggregation levels.

There are also other instruments in place to help manage the liquidity and capital allocation of the corporate group as well as a specified, standard process flow for investments. Targeted returns are defined in the sense of a return on investment (ROI) for investments in excess of a specific size. This ratio is determined on the basis of dynamic investment appraisal procedure, while the discount rates applied are based on the Company's total cost of capital.

The Berentzen Group has to date not employed any non-financial performance indicators to manage the corporate group.

Financial performance indicators

The corporate group is mainly organised and managed on the basis of product groups and sales units. Profitability-oriented management and planning is performed at segment level on the basis of a ratio comprising the contribution margin after marketing budgets. This metric is determined using the revenues of the respective segment together with the product-related purchased goods and services and other direct costs and the expenses for marketing and advertising, adjusted for intersegment revenues and expenses.

Building on this, management is performed at corporate level on the basis of the total operating performance, the normalised consolidated operating profit adjusted for non-recurring items and consolidated EBIT (earnings before interest and taxes) and the consolidated EBITDA (earnings before interest, taxes, depreciation, amortisation). The total operating performance is determined by adding or subtracting the change in inventories (increase or decrease in the stock of work in progress and finished products) to or from the consolidated revenues. The normalised consolidated EBIT reflects the consolidated profit before income or expenses from income taxes, the net financial and investment income, and non-recurring effects; when calculating the normalised consolidated EBITDA, depreciation and amortisation on property, plant and equipment and intangible assets is added as well. Non-recurring items are eliminated with a view to focusing on the evaluation and presentation of the operating performance and profitability of the corporate group, thus making it easier to compare results between the financial reporting periods. Non-recurring items reflect the impact of one-off or unusual transactions that are unique expense or income items or not recurring regularly in this form or amount.

Both the normalised consolidated EBIT and the normalised consolidated EBITDA are recognised economic profitability ratios, although they are not defined in accordance with the international accounting standards. This also holds true for the ratio used to manage the segments, the contribution margins after marketing budgets.

The development and analysis of the income-related performance indicators are presented in section (2.2.4), Financial performance, in the Economic report.

Cash flow indicators

The key performance indicators for the cash flows and financial position of the corporate group are the operating cash flow and – up until the 2015 financial year – cash and cash equivalents.

The operating cash flow shown in the Cash Flow Statement documents the impact of operating profitability on the change in the cash position. It is defined as consolidated profit before interest, income taxes, and depreciation and amortisation, adjusted for non-cash elements. Movements in the more volatile working capital that is also subject to reporting-date effects are thus deliberately excluded to allow for a better assessment and presentation of cash inflows and outflows from operating activities.

The cash and cash equivalents similarly shown in the Cash Flow Statement reflect the liquid assets available to the consolidated group at short notice. This is the balance of the cash and cash equivalents and some of the current financial liabilities carried in the Statement of Financial Position that are immediately available as shares of capital under working capital lines. Starting in the 2016 financial year, the Berentzen Group will cease to use the cash and cash equivalents as a cash flow indicator due to the significant influence of reporting-date effects on the working capital as defined above.

Please refer to the comments in section (2.2.5), Cash flows, the Economic report for information on the calculation and analysis of the cash flow indicators.

Financial position indicators

The Group's financial position is planned and managed using the following ratios: the adjusted consolidated equity ratio, the leverage ratio, and working capital.

The adjusted consolidated equity ratio provides information on the capital structure of the corporate group and reflects its financial stability and the level of funding provided by debt. The Berentzen Group calculates this metric as the ratio of shareholders' equity shown in the Consolidated Statement of Financial Position to the total consolidated capital (total consolidated assets) adjusted for cash and cash equivalents. In this context, the adjustment for cash and equivalents takes account of the liquid assets available to the corporate group at short notice as a deduction from total consolidated capital in order to eliminate the effect of available liquidity when calculating the consolidated equity ratio.

The Berentzen Group defines the leverage ratio as the ratio of net debt or net liquidity to total consolidated capital. This metric provides information about the funding structure of the corporate group, with a focus on the cash and debt shown in the Consolidated Statement of Financial Position; a rising leverage ratio normally indicates an increase in the credit risk for the Group's creditors. The net debt and net liquidity are calculated by subtracting the cash and cash equivalents from the current and non-current debt of the corporate group. From the corporate group's point of view, the ratio determined in this way is more informative in terms of the funding structure, under the assumption that cash and cash equivalents are fundamentally available for the repayment of debt.

The Berentzen Group calculates the working capital as current assets less the cash and cash equivalents included therein, less the difference of current liabilities and the debt included therein. This ratio is similarly used to manage the funding structure of the corporate group and provides information on the extent to which current liabilities are covered by current assets, and hence the liquidity of the corporate group is ensured in the sense of unused current cash and cash equivalents. The corporate group manages the working capital with two objectives: to ensure a balanced funding financing structure; and to efficiently manage the capital tied up in current assets.

The development and analysis of the financial position indicators are presented in section (2.2.6), Financial position, in the Economic report.

(1.3) Research and development

In order to keep the product range attractive for consumers and exploit potential consumption levels, the Group's in-house Research and Development department worked on enhancing the quality and flavour of existing spirits products and developing innovative new products in 2015. A total of 355 recipes were developed and assessed for spirits in the Branded and Private-label Products sales unit in the last financial year.

Numerous innovations relating to the expansion of the own-brand product lines in the Non-alcoholic Beverages segment, especially including “Mio Mio”, “Vivaris” and “Märkisch”, were rolled out in the 2015 financial year.

The research and development activities in the Fresh Juice Systems segment concentrate on the system technology and related accessories. Alongside the development of new juicer product lines, the continuous improvement of the current series also plays a major role. The Group company T M P Technic-Marketing-Products GmbH is responsible for all aspects of managing and controlling the product development process, including the engineering carried out in conjunction with external consultants and the producer of the machinery. The most important development project in the 2015 financial year was the conclusion of the development of the new, compact “Revolution” juicer through to series production and its market roll-out in the fourth quarter.

The direct expenses for research and development, and quality assurance totalled EUR 2.0 (1.8) million in the 2015 financial year.

(2) Economic report

(2.1) General economic and industry-specific conditions

General economic conditions

The outlook for the global economy deteriorated over the course of 2015. In its World Economic Outlook Update dated January 2016, the International Monetary Fund (IMF) expressed its belief that global economic growth would total 3.1% this year accordingly, below the IMF-adjusted year-ago level of 3.4%. According to its DIW Wochenbericht weekly report dated December 2015, the German Institute for Economic Research (DIW Berlin) expects gross domestic product (GDP) to have expanded by 3.4% (3.8%) in real terms worldwide in 2015, with significant differences between individual regions and economies in some cases. The pace of economic growth in the emerging markets again slowed year-on-year to 4.0% (4.6%), notably due to a further weakening of growth in both the Chinese economy and commodity-exporting countries on account of contracting worldwide demand for raw materials. This was exacerbated during the course of 2015 by a collapse in the price of crude oil on the world markets. Russia slipped into recession in 2015 as a result of this together with ongoing Western sanctions imposed in response to the conflict in Crimea and Ukraine. This had a knock-on effect in some of the economies in the eurozone and Russia's neighbours. In addition, many political crises and conflicts – particularly in the Middle East, triggering a flow of refugees to Europe and predominantly to Germany – worsened during the course of the year. The security situation deteriorated as terrorist attacks and ongoing terrorist threats also reached Europe.

According to the IMF, the economic performance in the United States and the UK was the main factor driving economic growth of 1.9% (1.8%) in the industrialised nations. By contrast, both the IMF and DIW Berlin project only moderate growth of 1.5% (0.9%) for the eurozone, despite the boost to private consumption from the low price of crude oil and low inflation.

There were several notable developments in terms of monetary policy and the money markets. These included the depreciation of many emerging-market currencies and, more importantly, measures taken in the single currency area and in Switzerland. Specifically, these were the bond purchase programme adopted by the European Central Bank in January 2015 and the decoupling of the Swiss franc from the euro. The euro has lost value against other currencies since 2014, notably the US dollar, and this weakening continued during the course of the year.

The German economy remained in good shape on the whole over 2015, as the Federal Statistical Office indicated in mid-January 2016. On an inflation-adjusted basis, gross domestic product grew by 1.7% (1.6%) over the course of the year. This can be attributed primarily to positive stimuli from domestic sources. In this context, consumption was again the biggest growth driver – benefiting as in the whole eurozone from depressed energy prices and low inflation together with a stable situation on the domestic labour market. As had already been the case in the previous year, consumption was again the most important driver of German economic growth in 2015: consumer spending and government spending increased by 1.9% (1.1%) and 2.8% (1.0%) respectively on an inflation-adjusted basis.

According to figures from the Federal Statistical Office, consumer prices in Germany rose by an annual average of 0.3% in 2015 compared with 2014. This means that the annual inflation rate was 0.6 percentage points below the year-ago level, similarly on account of the decline in energy prices. With some prices moving in opposite directions, the cost of food from the consumer point of view rose by a total of 0.8% (1.0%) year-on-year, in contrast. Prices in the "Food and non-alcoholic beverages" category were slightly below this, with an annual inflation rate of 0.7% (1.0), whereas domestic prices in the "Alcoholic beverages and tobacco" category rose at the faster rate of 2.8% (3.1%).

According to the Federal Statistical Office, sales in the German retail trade increased by 2.7% in 2015 compared with 2014 on an inflation-adjusted basis. This meant that German retailers recorded the biggest inflation-adjusted increase in revenues since 1994 in the past financial year. A comparable development was evident in the “Food, beverages and tobacco” sub-category, where sales increased by 2.3% year-on-year on an inflation-adjusted basis.

Developments on the drinks market

According to figures released by Eurostat, the statistical office of the European Union (EU), average retail volumes rose by 2.4% (1.3%) in the eurozone in 2015 compared with 2014 and 3.0% (1.9%) across the EU. Compared with the year-ago figures, retail sales in the “Food, beverages and tobacco” category increased by 0.8% (1.6%) in the eurozone in December 2015 compared with December 2014 and by 1.5% (1.8%) across the EU.

Figures published by The Nielsen Company (Nielsen), an independent market researcher, show that domestic sales of spirits amounted to 576.7 (578.8 [1)]) million 0.7-litre bottles in 2015 in Germany, which remains the most important regional sales market for spirits for the corporate group. Total revenues grew slightly at the same time, from EUR 4.46 [1)] billion in 2014 to EUR 4.50 billion in the past year. In the German food retail trade and drugstores, the sales volume of spirits fell by less than 0.1% year-on-year to total 533.9 (535.6 [1)]) million 0.7-litre bottles. At EUR 4.06 (4.03 [1)]) billion, revenues in these distribution channels of the spirits industry were similarly almost at the year-ago level. The share of own brands in total German sales declined by 1.5% from 49.3% [1)] in 2014 to 48.2% in 2015, with the share of total revenues falling by 1.4%, from 37.5% [1)] to 36.1% in parallel.

According to figures published by the Federal Statistical Office in February 2016, the domestic hospitality trade recorded revenues up 1.7% (1.0%) in real terms in the period from January to December 2015 compared with the equivalent period in the previous year. This allowed a slight year-on-year increase in sales volumes to be generated by this second important distribution channel for spirits and non-alcoholic beverages for the Berentzen Group. The spirits-friendly “Hospitality” sub-category developed in line with this trend, enjoying a 1.3% (1.1%) increase in revenues.

This trend is, however, not reflected in the development of the sales figures for spirits in German cash and carry markets, one of the main sources used by the hospitality trade. According to figures from Nielsen, sales volumes fell from 43.2 million to 42.8 million 0.7-litre bottles, representing a decline of around 0.9% (7.0%) in 2015 compared with the year-ago period. In contrast, revenues grew by 1.7% compared with 2014 following a decline of 6.0% in the previous year.

According to the most recently available figures from market researcher GfK SE (GfK) for 2014 in the GfK Consumer Scan, the market for non-alcoholic beverages in Germany suffered a year-on-year decline of around 1.2% to 17.7 litres consumed per person. Water, especially mineral water, was the only major product category to see its sales volume increase, causing its market share to expand to 52.7% accordingly. In the carbonated soft drinks (CSD) product category, sales volumes contracted across all the major sub-categories, with cola drinks falling less than others and cola-mix drinks declining faster than the average.

The Arbeitsgemeinschaft Verbrauchs- und Medienanalyse, a market researcher, also confirmed in its “VuMA 2016” report issued in November 2015 that mineral and table waters continue to be by far the most popular non-alcoholic beverages in Germany. 88% of consumers surveyed stated that mineral and table waters were the non-alcoholic beverages they consumed most frequently. Second in the list in Germany came fruit juices, nectars and multivitamin juices (35%), followed by cola drinks (31%), and lemonades and other carbonated soft drinks (28%).

According to projections published at the beginning of January 2016 by the Verband Deutscher Mineralbrunnen (VDM), a German mineral water industry association, sales of non-alcoholic beverages from German sources increased by 2.8% to 145.8 (141.9) million hectolitres in 2015 compared with the previous year, from the producer viewpoint. Within this total, sales of mineral and medicinal waters rose by 4.1% overall to 111.4 (107.8) million hectolitres. Soft drinks accounted for 34.4 (34.1) million hectolitres, representing an increase of 0.8%. The VDM cites the good, sales-promoting weather across many parts of Germany in the summer months of 2015 as the main reason for the higher sales of mineral and medicinal waters alongside the popularity of mineral water with health-conscious consumers.

As far as the Berentzen Group is aware, to all intents and purposes there are no all-round, resilient market data available for the Fresh Juice Systems segment in the sense of an analysis covering all major system components offered by this segment. The corporate group believes that the existing and future consumer demand for fresh food, especially fresh drinks like not-from-concentrate juices, freshly squeezed juices and also smoothies, represents a leading indicator with an umbrella function for the development of the Fresh Juice Systems segment overall. For several years now, it has been possible to observe how the social trends of dietary awareness and personal health have drawn closer together and had an ever greater impact on consumer behaviour as a result. Values and product characteristics like freshness, biological and regional sourcing, together with sustainability in the production process, are increasingly important factors for end customers. It is not only industry voices like the Verband der deutschen Fruchtsaftindustrie (VdF), an association of German fruit juice producers, that are seeing new and increasing sales potential here. According to a VdF statement published at the end of 2015, high quality not-from-concentrate juices in particular are becoming ever-more popular and constantly expanding their share of the market.

A market study by the Association of the Industry of Juices and Nectars from Fruits and Vegetables of the European Union (AIJN) from 2015 shows that overall sales in the EU of fruit juices declined constantly in the years 2010 to 2014 – and most recently by 4.1% – in the product group of fruit juices with a fruit content of 100%. During that period, fruit juices produced not from concentrate were only the sub-product group included in the analysis to enjoy growth in every single year, of 1.0% in 2014. The smoothie market is the most readily comparable with that of the system solution products offered by the Fresh Juice Systems segment – freshly squeezed fruit juices – meaning it can be used as a rough proxy for the development of the relevant market. Accordingly, it largely enjoyed a much stronger performance in the European markets relevant for the Fresh Juice Systems segment in the 2015 financial year, according to the AIJN study, with sales expanding by 38.1% in Austria in 2014, 35.8% in Germany, 6.9% in the Netherlands and 5.3% in Poland; only in France did sales decline, by 2.1%.

[1] Year-ago figures adjusted due to a different comparison period.

(2.2) Business performance and economic position

(2.2.1) Overview of business performance and operating results

In what was a challenging financial year for the Berentzen Group in 2015, the total operating performance rose to EUR 159.0 (156.1) million while the consolidated operating profit increased to EUR 7.6 (5.1) million.

All in all, the Berentzen Group generated a consolidated profit of EUR 2.2 (4.2) million.

The results for the reporting period are based largely on the significant developments and events described in section (2.2.3) below. These notably include: the inclusion in the consolidated financial statements of the Austria-based company T M P Technic-Marketing-Products GmbH for the first whole year since its acquisition in October 2014 together with the associated new Fresh Juice Systems segment; the deteriorating sales situation in the Non-alcoholic Beverages segment; and the conversion of the shares of preferred stock, which until then had been the only listed shares, into shares of common stock completed in September 2015 and the subsequent admission of all shares of Berentzen-Gruppe Aktiengesellschaft common stock for trading on the regulated market.

(2.2.2) Comparison of actual business performance with forecast business performance

The following analysis covers the key financial performance indicators of the Berentzen Group which, as described in section (1.2) covering the underlying principles of the corporate group, are used for the internal management of the Company.

In order to compare actual performance against the forecast performance, the forecasts provided in the previous year for the key financial performance indicators are set against the actual performance.

Financial performance

The financial performance of the Berentzen Group in the 2015 financial year proved positive overall, essentially placing it in line with the forecasts as regards the corporate group. At the same time, the performance differed across the individual segments.

Analysis of the segments

	Forecast for the 2015 financial year in the 2014 Forecast report	Adjustments made during the 2015 financial year	Actual business performance in the 2015 financial year		
			2015	Change	
			EUR'000	EUR'000	%
Contribution margin after marketing budgets					
Segment					
Spirits	Slight increase	Q3: Sharp increase	26,189	+3,078	+13.3
Non-alcoholic Beverages	Slight increase	Q1: Year-ago level Q2: Slight decrease Q3: Tangible decrease	17,673	-3,014	-14.6
Fresh Juice Systems [1]	Significant increase		6,682	+5,397	> +100.0
Other [2]	Sharp increase	Q3: Slight increase	4,680	-540	-10.3
Total			**55,224**	**+4,921**	

[1] Included in the 2014 financial year on a pro rata basis (October- December).

[2] Notably including international operations with branded spirits.

As expected, the corporate group generated a segment profit (contribution margin after marketing budgets) in each of its four segments in the 2015 financial year. Within this, the original forecasts provided in the Annual Report for the 2014 financial year were achieved in some cases in the respective segments or even exceeded, although they were not met in other cases. Where adjustments were made to the individual forecasts during the course of the 2015 financial year, these later also materialized with one exception.

The initial forecast for the Spirits segment was exceeded; the actual development involving a sharp rise in the segment profit finally matched the forecast that had been adjusted in the third quarter of 2015. This was assisted by increased sales volumes in both domestic business involving branded spirits and activities involving branded dealer and private-label products as a whole.

In contrast, neither the original forecast nor the modified goal set in the third quarter of 2015 could be achieved by the Other segment, which encompasses international activities involving branded spirits in particular. Instead of a sharp or slight increase, the segment result decreased slightly due to declining sales on a series of important foreign markets due mostly to external effects.

The income target stated in the 2014 Annual Report for the Non-alcoholic Beverages segment was similarly not achieved. A tangible decline in the segment profit was recorded overall in the 2015 financial year, in line with the forecast modified most recently in the third quarter of 2015. The main reason for this was a much reduced scope of business involving franchise brands.

In contrast, the segment profit in the Fresh Juice Systems segment developed positively, as expected. The significant increase in this segment, which has been part of the consolidated group since October 2014, stems not only from profit contributions that are allocable to the corporate group for a whole year for the first time but also to a significant expansion of the business volume.

Analysis of total operating performance and consolidated operating profit

	Forecast for the 2015 financial year in the 2014 Forecast report	**Adjustments made during the 2015 financial year**	**Actual business performance in the 2015 financial year**		
			2015	**Change**	
			EUR'000	**EUR'000**	**%**
Total operating performance	Significant increase		159,035	+2,897	+1.9
Consolidated operating profit (consolidated EBIT)	Sharp increase		7,575	+2,437	+47.4
Consolidated operating profit before depreciation and amortisation (consolidated EBITDA)	Tangible increase		15,657	+3,092	+24.6

The Berentzen Group had forecast a significant increase in total operating performance in the 2015 financial year. The slight increase in total operating performance actually achieved means that this goal was not fully achieved, however, due mainly to the lower volume of business in the Non-alcoholic Beverages segment.

At the same time, the actual business performance confirmed the forecasts for the corporate group in every respect regarding the two other profit-related performance indicators. The slight rise in the total operating performance coupled with greater profitability overall resulted in both a sharp increase in the consolidated operating profit (consolidated EBIT) and a tangible improvement in the consolidated operating profit before depreciation and amortisation (consolidated EBITDA).

Cash flows and financial position

The cash flows and financial position of the corporate group improved slightly thanks to the positive development of the financial performance in the 2015 financial year overall, although the scope of the improvements failed to fully match the expectations we had expressed. Both positive and negative deviations from the forecasts were observed individually with regard to the ratios used to manage the corporate group.

In the relevant forecast for the 2015 financial year, the Berentzen Group had assumed the early payment of part of the spirits tax liability arising in Germany from revenues in the Spirits and Other segments at the end of the financial year in the same way as in the previous year. In the 2014 financial year, this transaction had led to a decrease of EUR 20.0 million in both this current liability and cash and cash equivalents. If such an early partial payment had also been made at the end of the 2015 financial year, the two cited asset and liability items from the Statement of Financial Position would both have declined by EUR 19.5 million. For the reporting-date view at December 31, 2015, the omission of this measure had a significant influence on the financial position and cash flows of the corporate group, and hence on the assessment of the extent to which the original forecasts were matched or not by the actual business performance. To increase the comparability in this regard, the corresponding adjusted figures are additionally shown in the analysis below regarding the financial position and cash flow indicators affected by this matter.

Analysis of cash flows

	Forecast for the 2015 financial year in the 2014 Forecast report	Adjustments made during the 2015 financial year	Actual business performance in the 2015 financial year		
			2015 / 12/31/2015 EUR'000	Change EUR'000	%
Operating cash flow	Insignificant decline		8,115	-3,597	-30.7
Cash and cash equivalents					
Actual	Insignificant decline		63,140	+22,164	+54.1
Adjusted [1]	Insignificant decline		43,638	+2,662	+6.5

[1] Adjusted for the effect of the early partial of spirits tax liabilities not carried at December 31, 2015 as envisaged in the assumptions underlying the forecast.

The operating cash flow was subject to a more than just an insignificant decline, due among other things to different income tax and other non-cash effects than forecast.

By contrast, the development of cash and cash equivalents deviated positively from the forecast provided. An increase was recorded instead of the anticipated decline in the overall analysis of all changes in cash and cash equivalents in both actual and – as explained above – adjusted terms.

Analysis of financial position

	Forecast for the 2015 financial year in the 2014 Forecast report	Adjustments made during the 2015 financial year	Actual business performance in the 2015 financial year		
			12/31/2015 EUR'000 / %	Change EUR'000	% / PP
Adjusted consolidated equity ratio	Insignificant decline	Q2: Slight decline	37.2%	-	+0.7 PP
Total net debt					
Actual	Insignificant decline	Q2: Slight increase	-29.2%	-	-54.0 PP
Adjusted [1]	Insignificant decline		15.4%	-	-9.4 PP
Working Capital					
Actual	Insignificant decline		-15,746	-23,471	>-100.0 %
Adjusted [1]	Insignificant decline		3,756	-3,969	-51.4 %

[1] Adjusted for the effect of the early partial of spirits tax liabilities not carried at December 31, 2015 as envisaged in the assumptions underlying the forecast.

The adjusted consolidated equity ratio rose slightly in the 2015 financial year. Despite the approved and implemented purchase of treasury (own) shares during the year, which is disclosed as a reduction in shareholders' equity, there was similarly a positive deviation from the forecast provided for the 2015 financial year.

The same holds true analogously for the net debt and net liquidity, and hence for the net leverage ratio, which improved more than just significantly in both actual and adjusted terms due to the omitted early partial payment of spirits tax liabilities as described above or at least did not increase – as still shown in the appropriately amended forecast from the mid-year point. The positive development of cash and cash equivalents had a significant impact in this regard.

Finally, the working capital, which is essentially subject to reporting-date effects that are hard to predict, declined more than insignificantly, contrary to expectations; in adjusted terms, by contrast, the decline was in line with the forecast.

(2.2.3) Business performance – significant developments and events

Alongside the general development of the overall economy, which can vary greatly from region to region, the key conditions underlying the performance of the Berentzen Group are the development of the drinks market including the development of the individual distribution channels for drinks and fresh juice systems. Developments in individual countries continue to play a major role in this regard.

Against this backdrop, the following factors had a significant influence on the performance of the Berentzen Group in the 2015 financial year.

Company acquisition / commercial activities expanded by the Fresh Juice Systems segment in the 2014 financial year

Effective October 7, 2014, Berentzen-Gruppe Aktiengesellschaft acquired all the shares in T M P Technic-Marketing-Products GmbH, a system vendor for freshly squeezed fruit juices, based in Linz, Austria, on the basis of a contract of purchase and assignment signed on September 1, 2014. The purchase price for this acquisition comprised a fixed component and a variable, profit-related component. According to the contract, it totalled around EUR 17.5 million, of which EUR 15.5 million was paid in the 2014 financial year and EUR 2.0 million in the 2015 financial year.

The acquisition served to add the new Fresh Juice Systems segment to the commercial activities of the corporate group. The inclusion of the profitable enterprise in the corporate group from the start of the fourth quarter of 2014 had a positive impact on the financial performance; the income and expenses arising from this segment have been included in the financial position and the Consolidated Statement of Comprehensive Income on a pro rata basis for the months October to December in the 2014 financial year and for the full year for the first time in the 2015 financial year.

Sales volumes

The business performance is driven notably by the development of product sales that forms the focal point of the Company's operating activities. There is a close, mutual correlation between this and the maintenance and expansion of the corporate group's ability to innovate in the development and marketing of new product concepts.

Spirits

The following table shows the development of sales volumes in the Spirits segment:

	2015 million 0.7l bottles	2014 million 0.7l bottles	Change million 0.7l bottles	Change %
Spirit sales by segment				
Domestic branded spirits	20.2	19.8	0.4	2.1
Branded dealer and private-label products	54.0	50.9	3.1	6.1
Spirits segment	**74.2**	**70.7**	**3.5**	**5.0**
International branded spirits	4.9	6.1	-1.2	-20.5
Other segments [1)]	**4.9**	**6.1**	**-1.2**	**-20.5**
Total	**79.1**	**76.8**	**2.3**	**2.9**

[1)] Notably including international operations with branded spirits.

	2015 million 0.7l bottles	2014 million 0.7l bottles	Change million 0.7l bottles	%
Spirits sales by product category				
Branded spirits	25.1	25.9	-0.8	-3.2
Branded dealer and private-label products	54.0	50.9	3.1	6.1
Total	**79.1**	**76.8**	**2.3**	**2.9**

Sales of spirits by the Berentzen Group increased by 2.9% in the 2015 financial year to 79.1 (76.8) million 0.7-litre bottles. While domestic sales volumes were up 6.0% on the previous year at 67.2 (63.4) million 0.7-litre bottles, sales of spirits in other countries suffered a decline of 11.4% to 11.9 (13.4) million 0.7-litre bottles.

The Berentzen Group recorded sales of 25.1 (25.9) million 0.7-litre bottles with branded spirits at home and abroad in the past financial year.

Sales in the domestic business with core brands like “Berentzen” and “Puschkin” were 4.4% higher than in the previous year. Following on from weaker sales in the 2014 financial year, a 7.9% increase in sales of the “Puschkin” umbrella brand was recorded in 2015. In addition, the “Berentzen” umbrella brand saw its sales volumes improve by a further 3.1% in the financial year just completed. Despite further slight declines in the other branded business in line with the general market trend, especially in classical spirits, the aggregate volume of the domestic branded business had expanded by 2.1% at December 31, 2015.

The sales volume in the international branded spirits business declined by a total of 20.5% to 4.9 (6.1) million 0.7-litre bottles compared with the previous reporting period. Alongside the persistent structural weaknesses on the markets in the Czech Republic and the Benelux states, the ongoing conflict in Ukraine and Crimea conflict had a negative impact on sales in the markets in eastern Europe and the cross-border business in this and neighbouring regions. The market in Turkey was also affected by this. The absence of Russian tourists in the holiday centres triggered mainly by this, coupled with the weakness of the Russian currency, together with growing security risks from domestic disturbances and terrorist attacks as well as the knock-on effects of the civil wars in the neighbouring countries in particular caused business decline in the local hotel sales channel, which could not be offset by a positive sales trend in the retail sector.

The development of sales in the spirits business involving branded dealer and private-label products overseen by the Group company Pabst & Richarz Vertriebs GmbH based in Minden, Germany, proved to be healthy, if inconsistent, overall. While international activities contracted for similar reasons to the international branded spirits business, suffering a 3.8% decline in sales volumes, this was more than offset by a 7.7% increase in domestic sales volumes. Innovative promotions coupled with a competitive cost structure served to improve access to the market. All in all, the sales volume increased by 6.1% to 54.0 (50.9) million 0.7-litre bottles.

Non-alcoholic Beverages

The Non-alcoholic Beverages segment failed to match the sales volumes generated in the 2014 financial year. With output of somewhat more than 1.56 (1.69) million hectolitres, the volume of mineral waters and soft drinks sold by Vivaris Getränke GmbH & Co. KG declined by 7.6%. The operational side of this segment was dominated by changes to the franchise business in the 2015 financial year. Following the decades-long cooperation with the PepsiCo Group that continued to the end of 2014, the new franchise business involving the branded drinks of the Sinalco Group started as planned at the beginning of January 2015.

For reasons relating to the sales structure and the changed customer structure, as well as due to delays during the year as a consequence of demand-related availability bottlenecks in the delivery of POS systems, the activities involving franchise brands remained much weaker than in the previous year than expected; all in all, sales volumes fell by more than half. Furthermore, a slight 1.0% decline was also recorded in contract bottling services performed by the Company.

The beverages marketed under the proprietary “Mio Mio” brand enjoyed an extremely good sales performance, led by “Mio Mio Mate” but also “Mio Mio Cola” and “Mio Mio Cola Zero”, with the sales volume increasing by almost 60%. Launched in 2012, the mate tea-based drink “Mio Mio Mate” developed in-house has now become established almost everywhere with a practically nationwide listing in the food retail sector, helping to promote the goal of expanding the sales area for the proprietary brands marketed by the Non-alcoholic Beverages segment. The business with own-brand carbonated soft drinks and mineral waters proved mixed, however, with a 0.3% increase in sales of mineral waters set against a 6.5% decrease in sales of carbonated soft drinks.

Fresh Juice Systems

The Fresh Juice Systems segment, which has been part of the corporate group since the start of the fourth quarter of 2014, recorded a very good sales performance overall in the 2015 financial year with regard to all the main system components. Sales of juicers increased by 42.3% to 1,753 (1,232) units; 102 (75) units were transferred to customers as supplementary, business-specific promotional instruments. There was an increase of 20.6% in fruit (oranges) sold to 7,711 (6,395) thousand kg and an increase of 38.6% in bottling equipment to 12,455 (8,990) thousand units. Taking into account all the system components, substantially higher sales volumes were booked in both the domestic Austrian market and international markets, notably including France, Germany, Poland and the Middle East.

General statement on the sales performance

Given the mixed business performance in the individual segments as described above, in particular the higher sales volumes in both the Spirits segment and the Fresh Juice Systems segment – the latter also included for a whole year for the first time – contributed to an increase in consolidated revenues in absolute terms. This served to more than offset the dissatisfactory decline in sales volumes in the Non-alcoholic Beverages and Other segments covering international operations with branded spirits from the earnings point of view.

Sourcing

In terms of purchased goods and services, the sourcing of raw materials and the cost of procuring the individual system components in the Fresh Juice Systems segment represent a major part of the total cost of the production of spirits and non-alcoholic beverages. In this context, demand on the market side and availability correlate with cost prices, provided regulatory measures are not in effect. The availability and the cost prices of the raw materials and system components are important factors in the business performance of the Berentzen Group. A major part of the raw materials required for the production of spirits and non-alcoholic beverages, and the fruit (oranges) traded in the Fresh Juice Systems segment, are agrarian products. This means that their availability depends notably on harvests. Furthermore, certain required raw materials and merchandise for resale are affected by government regulation, which in some cases have a significant influence on their availability and hence their prices. In the case of the Berentzen Group, this specifically relates to the quotas for sugar on account of EU sugar market regulations and, where relevant, import duties for the sourcing of oranges from non-EU countries specified in the international General Agreement on Tariffs and Trade (GATT) during set seasons on account of the entry price process applicable under European market regulations. The trends on the commodity markets in turn had a considerable impact on the business performance of the corporate group in the 2015 financial year. The underlying conditions varied considerably, with prices both rising and, predominantly, falling on the market. In the case of purchases made in US dollars, prices increased in part due to the constant weakening of the euro since the start of the year. In relative terms compared with the previous year, a reduction in the cost prices for raw materials overall contributed alongside other factors to an improvement in the ratio of purchased goods and services to revenues.

Foreign companies in the international branded spirits business

The business performance of the major foreign Group companies operating in the international branded spirits business was as follows in the 2015 financial year.

The first half of the financial year continued in a positive vein in what was a persistently difficult market environment dominated by strict advertising bans and further hikes in consumption taxes for and on spirits. Following on from this, the consequences of domestic and international political events in particular weighed down on the operations of the Turkish Group company to an ever greater extent during the second half of the financial year. The absence of Russian tourists in the holiday centres attributable to the conflict in Ukraine and Crimea as well as the weakness of the Russian currency, coupled with the impact of the civil wars in the neighbouring countries, caused business to decline in the local hotel sales channel. Since the middle of 2015, moreover, this has been exacerbated by growing security risks from internal disturbances and terrorist attacks. Already tense relations with Russia became even more fraught shortly before the turn of the year in the wake of a military incident. In response, work started in the 2015 financial year to concentrate sales activities on trade channels, where an increase in sales volumes was already achieved. All in all, however, the sales volumes and revenues on the Turkish market declined compared with the previous year.

The spirits business in the export markets of the Czech Republic and Slovakia overseen by the Czech Group subsidiary also suffered a – further – decline in sales volumes. This can be attributed to a change in consumer behaviour involving lessened demand for products in the middle price range and the increasing attractiveness of inexpensive branded dealer and private-label products, which benefits distribution through a burgeoning food retail sector to the detriment of the distribution channels where the Czech company used to have a stronger presence. To counter this, the local distribution partner was dropped in the first half of the 2015 financial year in favour of a new distributor with better access to the distribution channels preferred by the market, although this did additionally depress our sales volumes during the transition period. Once this period ended, all major listings were achieved in the food retail sector in both the Czech Republic and Slovakia.

In the US market served by the US Group company, the unforeseeable loss of the main distributor in the last two months of the 2014 financial year driven by external factors made it necessary to take additional measures within the in-house organisation. A distribution agreement with the new main distributor for the US market was concluded at the beginning of 2015. Mainly on account of these factors, the spirits business in the United States remained at a low, yet improved sales volume overall.

Franchise business in the Non-alcoholic Beverages segment

In January 2014, the PepsiCo Group and the Group company Vivaris Getränke GmbH & Co. KG agreed to terminate the franchise business involving the production and distribution of PepsiCo Group products one year earlier than planned, at December 31, 2014. Moreover, a medium-term bottling agreement with the PepsiCo Group was concluded at the same time. In return for the early termination of the contract and the associated loss of revenues, the franchise-holder received a one-off compensation payment of EUR 5.5 million in the 2014 financial year, which had a considerable positive impact on the consolidated profit.

In addition, in January 2014 Vivaris Getränke GmbH & Co. KG and Deutsche Sinalco GmbH Markengetränke & Co. KG concluded a new franchise agreement to commence on January 1, 2015 covering the production and distribution of Sinalco products in the home market area of Vivaris Getränke GmbH & Co. KG in northern and eastern Germany, Berlin, and parts of Hesse and North Rhine-Westphalia. Following appropriate startup work in the 2014 financial year, the active implementation of commercial operations under the terms of the new franchise agreement commenced at the start of 2015. Furthermore, a medium-term bottling agreement was similarly concluded with the Sinalco Group.

The scope of the franchise business in the 2015 financial year failed to match both the previous year and our internal expectations, with a corresponding effect on the financial performance. The comments regarding the development of sales volumes in the Non-alcoholic Beverages segment in this section are applicable accordingly.

Spirits tax liabilities

In the 2014 financial year, the Berentzen Group had made an early partial payment of EUR 20.0 million for liabilities relating to spirits tax arising from revenues in the Spirits and Other segments in Germany. An equivalent partial payment, which would have amounted to EUR 19.5 million, was not made in the 2015 financial year. The omission of this measure had a significant impact on the financial position and cash flows of the corporate group at December 31, 2015.

Measures related to the capital market

Conversion of preferred shares into common shares

On July 20, 2015, the extraordinary general meeting of the parent company of the Berentzen Group, Berentzen-Gruppe Aktiengesellschaft, and the separate meeting of the Company's preferred shareholders resolved to convert the 4,800,000 bearer shares of preferred stock without voting rights into bearer shares of common stock with voting rights and to eliminate the profit preference. At this time, the capital stock of Berentzen-Gruppe Aktiengesellschaft was divided into 4,800,000 bearer no-par shares of common stock with voting rights and 4,800,000 no-par shares of preferred stock without voting rights.

The conversion of the formerly exchange-listed 4,800,000 non-voting shares of preferred stock into voting shares of common stock took effect when the corresponding amendments to the Articles of Association were recorded in the Commercial Register on September 28, 2015. The listing of shares of preferred stock on the Frankfurt Stock Exchange was discontinued at the close of trading on the same day.

After the execution of the conversion, the capital stock of Berentzen-Gruppe Aktiengesellschaft consists of a single share class and is divided into 9,600,000 non-par shares of common stock. They were admitted for trading in the regulated market (General Standard section) of the Frankfurt Stock Exchange on September 29, 2015 and have been eligible for trading there since September 30, 2015.

The conversion was carried out with a view to increasing the trading liquidity of the share and opening up the Company to a larger group of investors.

The transaction costs for executing this measure led to a non-recurring charge against the financial performance of the corporate group.

Acquisition of treasury (own) shares

On July 21, 2015, the Executive Board of Berentzen-Gruppe Aktiengesellschaft resolved to exercise the authorisation granted by the extraordinary general meeting of July 20, 2015 to purchase treasury shares in accordance with Section 71 (1) No. 8 AktG and, starting July 27, 2015 until further notice, to acquire shares of preferred stock and, after completion of the conversion of shares of preferred stock into shares of common stock as resolved on July 20, 2015 by the extraordinary general meeting and the special meeting of the preferred shareholders on the same day, shares of the Company's common stock up to a total volume (excluding incidental acquisition costs) of EUR 1.5 million on the stock exchange. The total number of shares purchased by Berentzen-Gruppe Aktiengesellschaft by December 31, 2015 under this share buy-back programme amounted to 155,743 no-par shares; this represents a share of the capital stock of 1.62%. The purchase price including transaction costs amounted to around EUR 1.2 million in the 2015 financial year. The shares may be used for any or all of the purposes listed in the authorisation granted by the general meeting.

While the share buy-back had a significant effect on the cash flows and financial position of the corporate group, there was no impact on the consolidated profit.

(2.2.4) Financial performance

The following table provides an analysis of the financial performance. Individual items in the Consolidated Statement of Comprehensive Income have been adjusted for income- and expense-related special effects (non-recurring items) in line with the definition of the normalised consolidated EBIT used to manage the corporate group.

	2015		2014		Change	
	EUR'000	%	EUR'000	%	EUR'000	%
Consolidated revenues	158,549	99.7	153,456	98.3	5,093	3.3
Change in inventories	486	0.3	2,682	1.7	-2,196	-81.9
Total operating performance	**159,035**	**100.0**	**156,138**	**100.0**	**2,897**	**1.9**
Purchased goods and service	83,478	52.5	84,810	54.3	-1,332	-1.6
Consolidated gross profit	**75,557**	**47.5**	**71,328**	**45.7**	**4,229**	**5.9**
Other operating income	5,088	3.2	5,202	3.3	-114	-2.2
Personnel expenses	22,409	14.0	20,655	13.2	1,754	8.5
Amortisation and depreciation of assets	8,082	5.1	7,427	4.8	655	8.8
Other operating expenses	42,579	26.8	43,310	27.7	-731	-1.7
Operating costs	73,070	45.9	71,392	45.7	1,678	2.4
Consolidated operating profit (EBIT)	**7,575**	**4.8**	**5,138**	**3.3**	**2,437**	**47.4**
Special effects (non-recurring)	-39	0.0	5,500	3.5	-5,539	>-100.0
Net financial and investment income	-3,971	-2.6	-4,180	-2.7	209	-5.0
Consolidated profit before income taxes	**3,565**	**2.2**	**6,458**	**4.1**	**-2,893**	**-44.8**
Income tax expense	1,326	0.8	2,254	1.4	-928	-41.2
Consolidated profit	**2,239**	**1.4**	**4,204**	**2.7**	**-1,965**	**-46.7**

Consolidated revenues and total operating performance

The consolidated revenues of the Berentzen Group excluding spirits tax amounted to EUR 158.5 (153,4) million in the 2015 financial year, while consolidated revenues including spirits tax totalled EUR 372.0 (353.5) million.

The following table shows an analysis of revenues in the individual segments of the corporate group:

	2015 EUR'000	2014 EUR'000
Revenues excluding spirits tax		
Spirits segment	87,775	87,330
Non-alcoholic Beverages segment	42,931	50,037
Fresh Juice Systems segment [1]	17,247	3,435
Other segments [2]	10,596	12,654
Consolidated revenues excluding spirits tax [3]	**158,549**	**153,456**
Spirits tax	213,448	200,058
Consolidated revenues including spirits tax	**371,997**	**353,514**

[1] Included in the 2014 financial year on a pro rata basis (October- December).

[2] Notably including international operations with branded spirits.

[3] For the development of the share of the corporate group's major trading partners in consolidated revenues, please refer to the comments on industry risk in section (5.2) of the Report on opportunities and risks

Including the change in inventories of EUR 0.5 (2.7) million, the total operating performance amounted to EUR 159.0 (156.1) million.

Purchased goods and services

The goods and services purchased by the Berentzen Group relate mainly to the inputs of rectified spirit and distillates, sugar and sugar-containing preliminary products for the production of spirits and non-alcoholic beverages as well as glass bottles, packaging and other materials for product features. Purchasing costs arise in the Fresh Juice Systems segment for the individual system components of juicers, fruit (oranges) and bottling equipment.

Despite the higher total operating performance, purchased goods and services decreased to EUR 83.5 (84.8) million in absolute terms in the 2015 financial year, with the ratio of purchased goods and services to revenues declining to 52.5% (54.3%) accordingly. Within this overall picture, the individual sourcing markets for the raw materials relevant to the Berentzen Group developed unevenly, although the cost prices did decline year-on-year in relative terms when viewed as a whole. Notable exceptions were purchases denominated in US dollars, such as whiskey in the Spirits segment and juicers and fruit in the Fresh Juice Systems segment. In addition, sales-related changes in the product and customer mix are reflected in the improved gross profit margin, which also benefited notably from the structural change in the corporate group and its financial performance from the inclusion in the consolidated financial statements of the Fresh Juice Systems segment for a whole year for the first time.

Other operating income

At EUR 5.1 (5.2) million, other operating income in the 2015 financial year was down slightly on aggregate on the previous year. The total includes income of EUR 1.5 (1.0) million from the disposal of non-current assets essentially relating to the Non-alcoholic Beverages segment in connection with an overrun from the termination of the franchise agreements with the PepsiCo Group and the discontinuation of production at the Norden facility. The total further comprises income from the sale in the 2015 financial year of part of a property allocable to the Spirits segment at the Haselünne facility that was no longer needed for business operations. Also included in this item are cost and other reimbursements of EUR 1.2 (1.4) million from business partners in connection with licence and sales agreements and reversals of liabilities and provisions of EUR 0.8 (1.0) million.

Personnel expenses

The corporate group had 491 (503) employees on December 31, 2015, of whom 206 (224) worked in production activities and 250 (249) in commercial and administrative activities; 35 (30) apprentices were in vocational training in a total of eight different occupations.

The changes in the workforce at year-end varied across the different activities. The transfer of part-time employees formerly working in the event and tourism organisation in the Other segment together with minor staffing adjustments in the foreign companies operating under the Spirits segment is set against a buildup of staff in the sales organisation of the Fresh Juice Systems segment and in connection with the changeover of the franchise business in the Non-alcoholic Beverages segment. In light of the only small local workforce, the discontinuation of production at the Norden facility, allocable to the Non-alcoholic Beverages segment, had no significant effect.

The Berentzen Group employed an average of 395 (375) full-time equivalents in the 2015 financial year. This statistical increase is mainly attributable to the buildup of staff in the sales organisation of the Fresh Juice Systems segment as mentioned above.

All in all, personnel expenses rose by 8.5% to EUR 22.4 (20.6) million, with the ratio of personnel expenses to total operating performance increasing to 14.0% (13.2%) accordingly. Alongside the staff buildup in the Fresh Juice Systems and Non-alcoholic Beverages segments mentioned above, the increase can for the most part be attributed to the personnel expenses of the Fresh Juice Systems segment to be included for the whole year for the first time together with qualification- and performance-related changes to the remuneration structures in the individual organisational units.

Amortisation and depreciation of assets

Amortisation and depreciation of assets rose to a total of EUR 8.1 (7.4) million on an increased investment volume totalling EUR 7.4 (5.7) million in the 2015 financial year. Of this total, amortisation of EUR 0.9 million was recognised on intangible assets allocated to the Fresh Juice Systems segment upon acquisition of T M P Technic-Marketing-Products GmbH, with the equivalent amount of EUR 0.2 million in the previous year being recognised on a pro rata basis for the period from October to December 2014.

Other operating expenses

Other operating expenses declined to EUR 42.6 (43.3) million. Within this total, the expenditure on marketing and trade advertising fell to EUR 15.1 (17.1) million notably due to the announced change in the advertising strategy for the umbrella spirits brands "Berentzen" and "Puschkin" that was carried out in Germany. Following on from continual brand promotion in 2013 and 2014 with the aid of classical advertising and marketing activities, including a constant presence on TV, promotional activities in the 2015 financial year focused on online and social media communications in line with the media usage patterns of younger target groups. In contrast, transport and selling expenses, notably including the remuneration paid to the external spirits distribution organisation in Germany together with shipping and logistics costs, rose to EUR 14.5 (13.7) million in particular on account of the inclusion of the expenses in the Fresh Juice Systems segment for the whole year for the first time. Maintenance expenses declined to EUR 2.7 (3.1) million, while other overheads rose compared with the 2014 financial year to total EUR 10.3 (9.4) million, similarly driven by the effect from the Fresh Juice Systems segment described above.

Operating costs

The operating costs in the corporate group increased to EUR 73.1 (71.4) million to account for 45.9% (45.7%) of total operating performance against the backdrop of the developments described above. The main reasons for this were the expenses accruing in the Fresh Juice Systems segment which, just like the income generated by this segment, was included for the year as a whole instead of only for three months on a pro rata basis as was the case in the previous year.

Special effects (non-recurring items)

Special effects (non-recurring items) in the 2015 financial year

The non-recurring expenses in connection with the conversion completed at the end of September 2015 of the listed preferred shares into common shares existing at that time and the subsequent admission of all common shares of Berentzen-Gruppe Aktiengesellschaft for trading in the regulated market of the Frankfurt Stock Exchange (General Standard) were recognised as a non-recurring item in the 2015 financial year; such expenses totalled EUR 0.5 million.

An opposite non-recurring item arose from the after-effects of earlier events relating to the franchise business in the Non-alcoholic Beverages segment. In response to the announcement by the PepsiCo Group regarding the termination of the franchise agreements still in place at that time, an ad hoc impairment test conducted in the 2013 financial year led to impairments of EUR 3.2 million on property, plant and equipment in this segment. The impairment test to be repeated for these assets at June 30, 2015 led to a net reversal of EUR 0.5 million; for accounting reasons, this total includes both reversals of EUR 0.6 million and additional impairments of around EUR 0.1 million relating to the previously impaired assets.

Special effects (non-recurring items in the 2014 financial year

Similarly in connection with the former franchise business involving PepsiCo Group products in the Non-alcoholic Beverages segment, income of EUR 5.5 million accrued in the 2014 financial year from a one-off compensation payment which the franchise-holder received for the early termination of the franchise business at December 31, 2014 agreed in January 2014 and the associated loss of revenues.

Net financial and investment income

The net financial and investment income improved slightly year-on-year, resulting in a net expense of EUR 4.0 (4.2) million. The financial expense notably includes interest expenses of EUR 3.3 (3.3) million for the bond issued by Berentzen-Gruppe Aktiengesellschaft in October 2012 and of EUR 0.2 (0.3) million relating to the recognition of pension obligations. The interest expenses for the other debt instruments used by the Berentzen Group with variable interest components declined on account of persistently low and further reduced market interest rates together with lower amounts drawn down. All in all, financial expenses declines slightly to around EUR 4.1 million, while financial income only totalled around EUR 0.1 million due in turn to the low market interest rates, despite the good financial position of the corporate group.

Income tax expense

The income tax expense of EUR 1.3 (2.3) million contains around EUR 1.9 (1.5) million for German trade tax and corporate income tax together with comparable foreign income taxes in the 2015 financial year.

The measurement of deferred tax assets and liabilities in accordance with IAS 12 gave rise to a gain of EUR 0.6 million after an expense of EUR 0.8 million in the previous year. The gain essentially results from a reduction in deferred tax liabilities on temporary valuation differences of intangible assets.

Consolidated profit

The consolidated operating profit recorded in the 2015 financial year increased to EUR 7.6 (5.1) million compared with the previous year. This can be attributed mainly to the improvement in consolidated gross profit to EUR 75.6 (71.3) million, driven primarily by the inclusion of the Fresh Juice Systems segment in the corporate group for the whole year for the first time.

Notwithstanding this positive development in consolidated operating profit, the consolidated profit including the deductible items from net finance and investment income and income taxes totalling EUR 5.4 (6.4) million fell to EUR 2.2 (4.2) million. However, the total in the 2014 financial year was heavily influenced by a positive non-recurring effect of EUR 5.5 million from the compensation payment received in connection with the early termination of the franchise business with the PepsiCo Group, whereas the positive and negative non-recurring items accruing in the 2015 financial year as described above almost cancelled each other out on aggregate.

Income-related performance indicators (reconciliation)

The following reconciliation specifically shows income-related performance indicators serving as financial performance indicators as described in section (1.2) as part of the presentation of the underlying principles of the corporate group.

	2015					
	Revenues EUR'000	Intersegment revenues EUR'000	Purchased goods and services EUR'000	Other direct costs EUR'000	Marketing including advertising EUR'000	Contribution margin after marketing budgets EUR'000
Contribution margin after marketing budgets						
Segment						
Spirits	87,775	706	47,943	4,669	9,680	26,189
Non-alcoholic Beverages	42,931	34	19,195	2,779	3,318	17,673
Fresh Juice Systems	17,247	0	9,335	887	343	6,682
Other [1]	10,596	25	4,023	234	1,684	4,680
Total	**158,549**	**765**	**80,496**	**8,569**	**15,025**	**55,224**

	2014					
	Revenues EUR'000	Intersegment revenues EUR'000	Purchased goods and services EUR'000	Other direct costs EUR'000	Marketing including advertising EUR'000	Contribution margin after marketing budgets EUR'000
Contribution margin after marketing budgets						
Segment						
Spirits	87,330	660	49,241	4,746	10,892	23,111
Non-alcoholic Beverages	50,037	32	22,920	2,381	4,081	20,687
Fresh Juice Systems [2]	3,435	0	1,905	215	30	1,285
Other [1]	12,654	31	5,083	345	2,037	5,220
Total	**153,456**	**723**	**79,149**	**7,687**	**17,040**	**50,303**

[1] Notably including international operations with branded spirits.

[2] Included in the 2014 financial year on a pro rata basis (October- December).

	2015 EUR'000	2014 EUR'000
Total operating performance		
Consolidated revenues	158,549	153,456
Change in inventories	486	2,682
Total operating performance	**159,035**	**156,138**
Consolidated EBIT / consolidated EBITDA		
Consolidated profit	2,239	4,204
Income tax expense	1,326	2,254
Net financial and investment income	-3,971	-4,180
Special effects (non-recurring)	-39	5,500
Consolidated EBIT	**7,575**	**5,138**
Depreciation and amortisation	8,082	7,427
Consolidated EBITDA	**15,657**	**12,565**

(2.2.5) Cash flows

Funding structure

The main purposes of finance management are to provide adequate liquid assets for the Company's commercial operations, to secure the funding of the corporate group partly with growth in mind and to balance reporting date-related liquidity burdens so as to optimise both costs and income.

Based on consolidated comprehensive income of around EUR 1.6 (2.3) million, shareholders' equity declined to EUR 43.8 (44.9) million including the dividend payment of EUR 1.5 (1.0) million resolved by the annual general meeting in May 2015 and the cost of EUR 1.2 million for the purchase of treasury shares to be deducted from shareholders' equity in connection with the share buy-back programme adopted in the 2015 financial year; the amount accounts for 24.2% (27.4%) of total assets.

The non-current liabilities available to the consolidated group for more than one year decreased to EUR 63.8 (64.5) million; debt accounted for 77.7% (76.5%) of the total, all of which relates to the bond issued by Berentzen-Gruppe Aktiengesellschaft in October 2012. Non-current liabilities accounted for 46.6% (54.1%) of total consolidated liabilities.

The coverage of non-current assets by shareholders' equity and non-current liabilities remains a very solid 176.4% (172.4%).

In addition, the consolidated group has various sources of funding with current debt, which amounted to EUR 73.3 (54.8) million, or 40.5% (33.3%) of total assets, at the reporting date.

The following table shows the overall funding of the Berentzen Group at the end of the 2015 financial year:

		Funding line 12/31/2015 EURm	Funding line 12/31/2014 EURm
Long-term funding			
2012/2017 Berentzen bond	Issue volume	50.0	50.0
		50.0	**50.0**
Short-term funding			
Factoring	Line, limited	45.0	45.0
Central settlement and factoring	Line, unlimited [1]	8.9	8.6
Working capital credit	Line, limited [2]	4.3	3.4
Surety bond for spirits tax liabilities	Line, limited	0.8	0.8
		59.0	**57.8**
Long- and short-term funding		**109.0**	**107.8**

[1] Average funding volume in financial year.

[2] Working capital loans denominated in foreign currency included therein are translated using the period-end exchange rate.

Since October 2012, the long-term funding of the corporate group has taken the form of an unsecured bond issued by Berentzen-Gruppe Aktiengesellschaft with a volume of EUR 50.0 million and a maturity of five years. This bond is listed in the Open Market section of Deutsche Börse AG (OTC segment of the Frankfurt Stock Exchange) in the Entry Standard segment for bonds. The net proceeds of EUR 48.9 million arising from the issue of the bond attracting nominal interest of 6.50% p.a. have been used to date to fund the business activities of Group companies operating outside of Germany and to build up stocks of scarce raw materials and semi-finished products. The acquisition of T M P Technic-Marketing-Products GmbH based in Linz, Austria, a globally active system vendor for freshly squeezed fruit juices, and specifically orange juice, financed using proceeds from the bond took place at the start of the fourth quarter of 2014. Its business activities encompass the development, marketing, sale and distribution of fruit juicers, oranges and bottling equipment, depending on the system component in question. The Fresh Juice Systems segment in the Berentzen Group was formed to accommodate the acquisition of this company.

Berentzen-Gruppe Aktiengesellschaft is the issuer and sole debtor of the bearer bonds issued. The bond terms and conditions contain neither covenants nor change-of-control clauses, although they do constitute termination rights for the bond creditors especially in the event that the issuer fails to pay the capital, or disburse the interest, on time. In the event of termination, the bondholders are entitled to call in the bonds for repayment and to demand their immediate settlement at face value plus accrued interest.

Alongside this long-term funding, the drawdown of factoring lines represents a further focal point of gross external funding. The ensuing total volume of funding available to the Berentzen Group on the basis of two existing factoring agreements running until March 31, 2018 amounts to EUR 45.0 (45.0) million. Added to this is a formally unlimited factoring line under three further, open-ended central settlement and factoring agreements. In the 2015 financial year, this gave rise to an average gross funding volume of EUR 8.9 (8.6) million.

The volume of funding from credit agreements with the providers of working capital to the Berentzen Group amounts to EUR 4.3 (3.4) million, including credit facilities together amounting to EUR 1.8 (0.9) million made available to two foreign Group companies. The working capital lines are all open-ended.

Including the factoring agreements with a central settlement agency that have no formal limit on their amount, the gross funding volume from factoring and working capital lines totalled EUR 58.2 (57.0) million at December 31, 2015. These short-term outside and credit-financing lines essentially feature interest agreements based on the EURIBOR and EONIA reference rates, to which a fixed interest margin is added, or otherwise variable rates based on local market levels or fixed rates.

The factoring agreements, the central settlement and factoring agreements, and the agreements regarding working capital lines have been concluded with both Berentzen-Gruppe Aktiengesellschaft and other Berentzen Group companies.

The working capital lines extended to the Berentzen Group have been granted for a funding volume of EUR 2.7 (2.7) million without the provision of collateral. For one foreign Group company to draw down on an available credit facility of EUR 1.6 (0.7) million at today's exchange rate, it would have to provide collateral in the form of cash or other securities already received. All the working capital credit agreements contain change-of-control clauses that allow the funding agreements concerned to be terminated prematurely in the event of a change of control. Further covenants had been agreed at December 31, 2015 covering a funding volume of EUR 2.5 (2.5) million, under which the Berentzen Group is obliged to comply with certain asset-oriented financial indicators; this obligation was rescinded without replacement at the start of 2016 when a contract was amended. In contrast, the factoring agreements are free of such clauses. Violations of the covenants or other agreements in the funding contracts give rise to special termination rights for the creditors.

No repayments on long-term loans were due; the ongoing repayment of short- and medium-term funding instruments was carried out as planned.

All in all, this means that the Berentzen Group continues to enjoy a healthy equity capital base as well as sufficient credit agreements essentially with a fixed maturity until March 31, 2018 for its short- to medium-term, volatile funding requirements and until October 18, 2017 for its long-term funding by means of the bond issued by Berentzen-Gruppe Aktiengesellschaft.

Furthermore, surety bonds for spirits taxes of EUR 0.8 (0.8) million provided by surety bond insurers are included in the overall funding of the corporate group. Of this amount, a funding volume of EUR 0.5 million is similarly subject to covenants under which the Berentzen Group is obliged to comply with certain asset-oriented financial indicators and which give rise to special termination rights for the insurer in the event of violation. A change-of-control clause has also been agreed in this context.

The corporate group's anticipated requirement for external funding and payment sureties can be covered using the various forms of debt described above.

As in the previous year, the funding of additions to the vehicle fleet and a few other items of plant and office equipment was ensured by leases. The total liabilities under operating leases classified in accordance with the criteria set forth in IAS 17 and not to be recognised by the lessee amounted to EUR 1.9 (1.7) million at the reporting date. In addition, there were finance lease agreements in the previous year arising from the purchase of property, plant and equipment such as technical equipment and machinery, and plant and office equipment, with acquisition costs of less than EUR 0.1 million. At the year-ago reporting date, the underlying assets had a carrying amount of less than EUR 0.1 million set against financial liabilities similarly of less than EUR 0.1 million. These finance lease agreements expired during the 2015 financial year.

Following the acquisition of T M P Technic-Marketing-Products GmbH and the associated creation of the Fresh Juice Systems segment in October 2014, the Berentzen Group now also acts as lessor in lease agreements classified as finance leases for the first time with regard to the distribution of juicers. The present value of the resulting minimum lease payments totalled EUR 0.4 (0.3) million at the reporting date.

Consolidated Cash Flow Statement for the period from January 1 to December 31, 2015

The following Cash Flow Statement shows the development of liquid assets in the corporate group, including the reconciliation for the cash flow indicators described in the presentation of the underlying principles of the corporate group in section (1.2). The cash and cash equivalents are calculated as the balance of the cash and cash equivalents shown in the Statement of Financial Position and part of the current financial liabilities.

Cash and cash equivalents include the current accounts maintained with banks that are used to settle two factoring agreements, containing the cash available at all times from the factoring arrangements (“customer settlement accounts”); the receivables from the customer settlement accounts have different characteristics from usual current account receivables from banks, notably with regard to interest. Only the shares of outside capital immediately available under working capital lines are carried as current financial liabilities.

	2015 EUR‘000	**2014 EUR‘000**	**Change EUR‘000**
Consolidated profit	2,239	4,204	-1,965
Income tax payable	-787	2,996	-3,783
Balance of interest income and expenses	170	420	-250
Amortisation and depreciation of assets	8,082	7,427	655
Impairments / reversal of impairments on assets	-470	0	-470
Change in other non-cash positions	-823	-3,059	2,236
Gains (-) / losses (+) on the disposal of non-current assets	-296	-276	-20
Operating cash flow	**8,115**	**11,712**	**-3,597**
Increase (+) / decrease (-) in provisions	-300	2,181	-2,481
Decrease (+) / increase (-) in other assets	3,140	-4,816	7,956
Increase (+) / decrease (-) in spirits tax liabilities	20,832	1,549	19,283
Increase (+) / decrease (-) in other liabilities	-413	-1,714	1,301
Cash flow from operating activities	**31,374**	**8,912**	**22,462**
Proceeds from disposals of intangible assets	287	58	229
Payments for investments in intangible assets	-426	-354	-72
Proceeds from disposals of property, plant and equipment	2.280	683	1,597
Payments for investments in property, plant and equipment	-6,932	-5,350	-1,582
Proceeds from disposals of financial assets	15	67	-52
Proceeds from government grants	237	0	237
Payments for additions to the consolidated group	-1,950	-15,500	13,550
Proceeds from cash and cash equivalents acquired with additions to the consolidated group	0	2,228	-2,228
Cash flow from investing activities	**-6,489**	**-18,168**	**11,679**
Payments for the purchase of treasury shares	-1,180	0	-1,180
Payments in connection with the issuance of bonds	-5	-5	0
Payments for leases	0	-1	1
Dividend payments	-1,536	-960	-576
Cash flow from financing activities	**-2,721**	**-966**	**-1,755**
Change in cash and cash equivalents	**22,164**	**-10,222**	**32,386**
Current financial liabilities	-90	0	-90
Cash and cash equivalents	41,066	51,198	-10,132
Cash and cash equivalents at the start of the period	**40,976**	**51,198**	**-10,222**
Current financial liabilities	0	-90	90
Cash and cash equivalents	63,140	41,066	22,074
Cash and cash equivalents at the end of the period	**63,140**	**40,976**	**22,164**

Operating cash flow and cash flow from operating activities

The operating cash flow declined to EUR 8.1 (11.7) million in the 2015 financial year due among other things to the lower consolidated profit, which in the 2014 financial year had benefited greatly from a positive non-recurring item. Furthermore, in contrast to the previous year there were negative income-tax and other non-cash effects.

The cash flow from operating activities also encompasses cash movements in working capital; there was a net cash inflow of EUR 31.4 (8.9) million in this regard in the 2015 financial year.

The change in other assets – mainly inventories and trade receivables – gave rise to a net cash inflow of EUR 3.1 million following on from a cash outflow of EUR 4.8 million in the previous year. After trade receivables had risen by EUR 4.2 million in the previous year, their total declined by EUR 0.9 million compared with the end of the 2014 financial year. Within this amount, the net cash outflow of all factoring transactions amounted to EUR 2.6 (3.9) million in the 2015 financial year. Moreover, inventories increased by EUR 0.2 (2.7) million.

The decrease of EUR 0.3 million in debt financing from provisions results primarily from a corresponding change in the recognised pension obligations. The spirits tax liability rose sharply compared with the year-ago reporting date. An early partial payment of EUR 20.0 million was made of spirits tax liabilities arising from revenues in the Spirits and Other segments in Germany at year-end in the 2014 financial year. In contrast, an equivalent partial payment, which would have totalled EUR 19.5 million, was not made in the 2015 financial year. As a result, the increase in spirits tax liabilities at December 31, 2015 yielded a cash inflow of EUR 20.8 (1.6) million. The cash flows from the change in other liabilities comprise all those changes in liability items that can be attributed to neither cash and cash equivalents nor other separate items of cash flows from operating, investing or financing activities; this gave rise to a net cash outflow of EUR 0.4 (1.7) million. The change in trade payables in the 2015 financial year gave rise to a cash outflow of EUR 0.7 million after a cash inflow of EUR 1.3 million in the previous year. The change in other liabilities resulted in a cash inflow of EUR 0.3 (0.5) million.

Cash flow from investing activities

The investing activities of the corporate group led to a cash outflow of EUR 6.5 (18.2) million. The payments of EUR 2.0 (15.5) million for additions to the consolidated group included in the total relate to the variable (fixed in the 2014 financial year) purchase price component for the acquisition of T M P Technic-Marketing-Products GmbH. The consolidated group received cash and cash equivalents of EUR 2.2 million from this company acquisition in the previous year. The investments in property, plant and equipment and intangible assets totalled EUR 7.3 (5.7) million; the funding required for this could be covered from the net cash inflow from operating activities.

Cash flow from financing activities

Financing activities gave rise to a net cash outflow of EUR 2.7 (1.0) million, resulting from the dividend payment of EUR 1.5 (1.0) million based on the relevant resolutions adopted by the annual general meeting together with payments of EUR 1.2 (0.0) million in connection with the share buy-back programme of Berentzen-Gruppe Aktiengesellschaft initiated in July 2015.

Cash and cash equivalents

All in all, cash and equivalents totalled EUR 63.1 (41.0) million at year-end, of which EUR 39.3 (34.0) million relates to receivables from the customer settlement accounts maintained with banks that are used for settlement under two factoring agreements. At the reporting date in the 2014 financial year, drawdowns of short-term credit lines and similar financial instruments amounted to EUR 0.1 million. Furthermore, there was a restriction of less than EUR 0.1 million on the disposal of cash and cash equivalents in the previous year relating to a guarantee for a liability of a foreign Group company. Such restrictions did not recur in the 2015 financial year and at December 31, 2015.

(2.2.6) Financial position

The following Statement of Financial Position is structured by the maturity of the various items recognised as assets and liabilities.

	12/31/2015		12/31/2014		Change
	EUR'000	%	EUR'000	%	EUR'000
Assets					
Intangible assets	14,350	7.9	16,710	10.2	-2,360
Property, plant and equipment	45,983	25.4	46,198	28.2	-215
Other non-current assets	639	0.4	564	0.3	75
Deferred tax assets	57	0.0	0	0.0	57
Non-current assets	**61,029**	**33.7**	**63,472**	**38.7**	**-2,443**
Inventories	32,281	17.8	32,036	19.5	245
Trade receivables	12,449	6.9	13,299	8.1	-850
Other current financial assets	444	0.3	459	0.3	-15
Other current assets	11,590	6.4	13,829	8.4	-2,239
Cash and cash equivalents	63,140	34.9	41,066	25.0	22,074
Current assets	**119,904**	**66.3**	**100,689**	**61.3**	**19,215**
	180,933	**100.0**	**164,161**	**100.0**	**16,772**
Shareholders' equity and liabilities					
Shareholders' equity	**43,794**	**24.2**	**44,915**	**27.4**	**-1,121**
Pension provisions	11,515	6.4	12,083	7.4	-568
Other non-current provisions	435	0.2	167	0.1	268
Non-current financial liabilities	49,579	27.4	49,365	30.1	214
Deferred tax liabilities	2,314	1.3	2,873	1.7	-559
Non-current liabilities	**63,843**	**35.3**	**64,488**	**39.3**	**-645**
Spirits tax liabilities	44,258	24.5	23,425	14.2	20,833
Current financial liabilities	786	0.4	2,860	1.8	-2,074
Trade payables	6,920	3.8	7,574	4.6	-654
Other current liabilities / provisions	21,332	11.8	20,899	12.7	433
Current liabilities	**73,296**	**40.5**	**54,758**	**33.3**	**18,538**
	180,933	**100.0**	**164,161**	**100.0**	**16,772**

Assets

Total assets increased to EUR 180.9 (164.2) million over December 31, 2014. Non-current assets amount to EUR 61.0 (63.5) million, accounting for 33.7% (38.7%) of total consolidated assets.

Non-current assets

Intangible assets account for 23.5% (26.3%) of non-current assets. This item notably includes the intangible assets – trademarks, customer lists, technical knowledge and goodwill – identified upon acquisition of the shares in T M P Technic-Marketing-Products GmbH.

Property, plant and equipment declined by a total of EUR 0.2 million following investments of EUR 6.9 (5.4) million, additions from the acquisition of T M P Technic-Marketing-Products GmbH with a carrying amount of EUR 0.0 (0.5) million, depreciation of EUR 5.5 (5.4) million, impairments of EUR 0.1 (0.0) million, reversals of impairments of EUR 0.6 (0.0) million and disposals with a carrying amount of EUR 2.1 (0.4) million. The total in the previous year had increased by EUR 0.1 million. Of the investments in property, plant and equipment, EUR 2.1 (1.8) million related to the Spirits segment, EUR 4.4 (3.5) million to the Non-alcoholic Beverages segment and EUR 0.5 (0.6) million to the Fresh Juice Systems segment.

The impairments and reversals of impairments totalling EUR 0.5 million recognised in the 2015 financial year relate to the property, plant and equipment of the Non-alcoholic Beverages segment. The amounts involved result from a further impairment test carried out in the 2015 financial year as a follow-up to impairments recognised in the 2013 financial year resulting from the termination of the franchise agreements with the PepsiCo Group.

Other non-current financial assets notably include shares in non-consolidated, affiliated companies and receivables under finance leases.

The coverage of non-current assets by shareholders' equity and non-current liabilities increased to 176.4% (172.4%).

Current assets

Current assets increased to EUR 119.9 (100.7) million, with trade receivables accounting for 10.4% (13.2%) of the total. At present, the Berentzen Group has two factoring agreements in place with a net funding framework of EUR 45.0 million and a maturity through to March 31, 2018 together with a factoring line with no formal limit under three further central settlement and factoring agreements. Gross receivables of around EUR 58.2 (60.9) million had been sold by December 31, 2015 on this basis. Factors relating to the reporting date are mainly responsible for the reduction in the volume of receivables still carried in the Statement of Financial Position compared with December 31, 2014.

The stock of inventories increased to EUR 32.3 (32.0) million. Alongside the purely period-end and measurement-related effects, this figure reflects a further increase in inventories of processed and unprocessed whiskey against the backdrop of strong demand on the sales market. Alongside the scarcity of supply on the procurement market for whiskey, the mostly long-term storage times call for an accordingly forward-looking sourcing policy in this segment of the beverages market that continues to be characterised by scare supply and consumer demand.

The largest item included in Other assets relates to retentions of EUR 9.0 (9.1) million arising from factoring transactions. This declined in line with the lower volume of gross receivables sold at year-end.

The cash and cash equivalents of EUR 63.1 (41.1) million increased mainly due to the net cash inflow totalling EUR 22.2 million shown in the Consolidated Cash Flow Statement. This essentially stems from the decision not to make an early partial payment of spirits tax liabilities, unlike in the 2014 financial year, arising from revenues in the Spirits and Other segments in Germany which, if it had been made in the same way as in the previous year, would have totalled EUR 19.5 million. The total continues to derive mainly from the inflow of the net issue proceeds of EUR 48.9 million from the bond issued by Berentzen-Gruppe Aktiengesellschaft in the 2012 financial year, which has been used to date to finance the working capital of Group companies and the acquisition of T M P Technic-Marketing-Products GmbH in the 2014 financial year. This latter transaction entailed a cash outflow of EUR 15.5 million at the start of the fourth quarter of 2014 while a net cash inflow of EUR 2.2 million accrued to the corporate group at the same time in this connection.

Shareholders’ equity and liabilities

Shareholders’ equity

Shareholders’ equity decreased to EUR 43.8 (44.9) million. This figure is based on the consolidated comprehensive income of around EUR 1.6 (2.3) million and includes the dividend payment of EUR 1.5 (1.0) million resolved by the annual general meeting in May 2015 as well as the cost of EUR 1.2 million for the purchase of treasury shares in connection with the share buy-back programme of Berentzen-Gruppe Aktiengesellschaft adopted in the 2015 financial year which are to be deducted from shareholders’ equity in the Statement of Financial Position.

Non-current liabilities

A further EUR 63.8 (64.5) million was available to the corporate group in the form of non-current liabilities. A large proportion of this is attributable to non-current financial liabilities, all of which stem from the Berentzen bond 2012/2017 issued in the 2012 financial year. Pension provisions declined to EUR 11.5 (12.1) million. In addition, deferred tax liabilities fell to EUR 2.3 (2.9) million. Non-current liabilities accounted for 46.6% (54.1%) of total liabilities.

Current liabilities

Current liabilities increased to EUR 73.3 (54.8) million – including EUR 0.8 (2.9) million in current financial liabilities – accounting for 40.5% (33.3%) of total liabilities.

The spirits tax liabilities amounted to EUR 44.3 (23.4) million. In the 2014 financial year, the Berentzen Group had made an early partial payment of EUR 20.0 million for spirits tax arising from revenues in the Spirits and Other segments in Germany at the end of the financial year. An equivalent partial payment, which would have totalled EUR 19.5 million, was not made in the 2015 financial year. As a result of this, the figure disclosed at the end of the 2015 financial year represents the spirits tax liabilities for the last two months of the financial year, whereas only the spirits tax liability for the last month of the 2014 financial year was disclosed at December 31, 2014.

Current liabilities fell to EUR 0.8 (2.9) million as a result of the payment of the variable, profit-related component of the purchase price of EUR 2.0 million for which a provision had been set up in the previous year. This related to the acquisition of the shares in T M P Technic-Marketing-Products GmbH that had already been completed in the 2014 financial year.

The trade payables fell to EUR 6.9 (7.6) million essentially due to scheduling and period-end reasons.

Other current liabilities including current provisions increased to EUR 21.3 (20.9) million. The liabilities from marketing and sales obligations carried in the total plus bonuses amounted to EUR 7.8 (7.6) million, while the tax liabilities – mainly payroll and sales taxes – remained unchanged at EUR 6.6 (6.6) million.

Financial position indicators (reconciliation)

The following reconciliation shows the financial position indicators serving as financial performance as described in section (1.2) as part of the presentation of the underlying principles of the corporate group.

		12/31/2015	12/31/2014
Adjusted consolidated equity ratio			
Consolidated shareholders equity	**EUR'000**	**43,794**	**44,915**
Total capital	EUR'000	180,933	164,161
Cash and cash equivalents	EUR'000	63,140	41,066
Adjusted consolidated total capital	**EUR'000**	**117,793**	**123,095**
Adjusted consolidated equity ratio	**%**	**37.2**	**36.5**
Leverage ratio			
Cash and cash equivalents	EUR'000	63,140	41,066
Non-current financial liabilities	EUR'000	49,579	49,365
Current financial liabilities	EUR'000	786	2,860
Net liquidity (+) / net financial liabilities (-)	**EUR'000**	**12,775**	**-11,159**
Consolidated shareholders' equity	**EUR'000**	**43,794**	**44,915**
Leverage ratio	**%**	**-29.2%**	**24.8%**
Working Capital			
Current assets	EUR'000	119,904	100,689
Cash and cash equivalents	EUR'000	63,140	41,066
	EUR'000	**56,764**	**59,623**
Current liabilities	EUR'000	73,296	54,758
Current financial liabilities	EUR'000	786	2,860
	EUR'000	**72,510**	**51,898**
Working Capital	EUR'000	**-15,746**	**7,725**

(2.2.7) General statement about the business performance and economic position of the corporate group

The 2015 financial year was again dominated by a number of structural and operational challenges.

Business performance

Against the backdrop of an expanded scope of business encompassing the Fresh Juice Systems segment for a full year for the first time, the business performance of the corporate group proved positive as a whole, even if the developments varied greatly in the individual segments.

The Spirits segment recorded a healthy performance in terms of sales volume. It succeeded in generating year-on-year increases in both domestic activities involving branded spirits and the business involving branded dealer and private-label products. Within this overall picture, there were gains in sales from domestic activities involving branded spirits in general and from the two core brands “Berentzen” and “Puschkin” in particular. And the sales performance in the spirits business involving branded dealer and private-label products was also good overall, albeit uneven, with higher domestic sales more than offsetting falling sales volumes in international operations caused by extraneous influences.

The performance of the international branded spirits business was not satisfactory. The sales volumes in all the main foreign markets contracted due mainly to negative developments in the underlying economic conditions in the respective market environment. For the most part, these stemmed less from internal market mechanisms and more from political and even military factors and crises. Among others, this affected the market in Turkey that is served by local Group company there.

The business performance in the Non-alcoholic Beverages segment similarly proved to be dissatisfactory overall. The main reason for this was a much smaller volume of business involving franchise brands against the backdrop of the more than challenging changeover to the new franchise business completed at the start of the year with the branded beverages of the Sinalco Group. In contrast, sales were extremely robust of beverages marketed under the own “Mio Mio” brand, primarily “Mio Mio Mate”, which has now become established almost everywhere with a practically nationwide listing in the food retail sector.

In contrast, the Fresh Juice Systems segment enjoyed a very good sales performance overall, reflecting a significant expansion in its business volume in the 2015 financial year. This segment has been part of the corporate group since the acquisition of the Austria-based system vendor for freshly squeezed fruit juices, T M P Technic-Marketing-Products GmbH, completed at the beginning of October 2014.

The easing of cost prices for raw materials on the sourcing market of relevance for the Berentzen Group tended to continue in the 2015 financial year – despite adverse changes in the exchange rate of the euro against the US dollar and the fact that this does not hold true for all significant inputs across the board – and had a positive impact on the cost of purchased goods and services and hence the consolidated gross profit for the reporting period.

Economic position

To summarize, the economic position of the corporate group can be considered thoroughly satisfactory against the backdrop of the improved financial performance.

The Berentzen Group closed the 2015 financial year with an adjusted consolidated operating profit of EUR 7.6 (5.1) million and consolidated EBITDA of EUR 15.7 (12.6) million. Despite a persistently difficult industry environment in individual segments, the forecasts made were matched accordingly. Compared with the previous year, it proved possible to increase not only revenues and total operating performance in this year but also profitability, with the gross profit margin rising by 1.8 percentage points as a proportion of total operating performance. At the same time, though, the operating costs in the corporate group increased by only 0.2 percentage points. Against the backdrop of the uneven business performance in the individual segments as described above, the strong development of the financial performance benefited from the fact that the profit contributions from the Fresh Juice Systems segment were both higher and included in the consolidated accounts for a whole year for the first time, even if the consolidated profit of EUR 2.2 (4.2) million was lower than in the previous year. In the 2014 financial year, however, the total was notably influenced by a positive non-recurring item in the Non-alcoholic Beverages segment from a one-off compensation payment in connection with the PepsiCo franchise business that was terminated at the end of 2014.

There was similarly a positive trend in cash flows. The funding of the corporate group remains secure especially in light of two medium-term factoring agreements now with a financing volume of EUR 45.0 million and the remaining funds from the bond successfully placed by Berentzen-Gruppe Aktiengesellschaft in the 2012 financial year. Moreover, the corporate group continues to enjoy a very good liquidity base to fund its commercial operations and its medium-term growth strategy. Although the operating cash flow declined to EUR 8.1 (11.7) million, the cash flow from operating activities was still more than adequate overall to be able to fund the net cash outflows arising from investing and financing activities.

The asset and capital structure of the corporate group remains solid. Despite the positive development in the financial performance, there was a reduction in the consolidated shareholders' equity, although this would not have occurred without the effect arising from the share buy-back programme of Berentzen-Gruppe Aktiengesellschaft commenced in the 2015 financial year which served to reduce the shareholders' equity shown in the Statement of Financial Position. Including the rise of EUR 16.8 million in total consolidated assets to EUR 180.9 million, the equity ratio of the Berentzen Group at December 31, 2015 amounted to 24.2% (27.4%). Adjusted for the effect arising from the decision not to make an early partial payment of spirits tax liabilities at the end of the 2015 financial year in contrast to the previous year, which would have totalled EUR 19.5 million if carried out in the same way as in the 2014 financial year, the consolidated equity ratio would have been 2.9 percentage points higher at 27.1%.

(3) Remuneration Report

The following Remuneration Report forms part of the combined Management Report. It explains the remuneration paid to the Executive Board in the 2015 financial year and also presents the structure and aggregate amounts granted to the members of the Executive Board for the 2015 financial year. Furthermore, the present Remuneration Report contains disclosures regarding the structure and amount of remuneration paid to the members of the Supervisory Board in the 2015 financial year.

(3.1) Remuneration of the Executive Board

System and principles for setting remuneration

The remuneration system for the Executive Board and the personal remuneration of the individual members of the Executive Board are set and regularly reviewed by the full Supervisory Board after preparation by the Personnel Committee in accordance with the law and an appropriate provision in the rules of procedure for the Supervisory Board of the Company. When setting the remuneration and reviewing the appropriateness of its amount, the Supervisory Board takes account of the duties and personal performance of the individual member of the Executive Board as well as the economic situation, performance and the future prospects of the Company. Furthermore, it considers how usual the remuneration is in light of the remuneration structure that otherwise applies in the Company. When structuring the remuneration system, the Supervisory Board also ensures that it creates an incentive for the sustainable development of the Company.

The Executive Board of Berentzen-Gruppe Aktiengesellschaft had two members in the period from January 1 to December 31, 2015. The Supervisory Board has concluded service agreements containing individual agreements on the respective remuneration with both members of the Executive Board.

Components of the remuneration system for the Executive Board

The remuneration system for the Executive Board of Berentzen-Gruppe Aktiengesellschaft calls for the remuneration to contain a non-profit-related and a profit-related component.

The non-profit-related portion of the Executive Board remuneration consists of fixed basic annual remuneration disbursed as a basic monthly salary together with various fringe benefits that the members of the Executive Board pay tax on individually, where appropriate. This specifically includes allowances for insurance policies and non-cash benefits arising from the provision of company cars. Furthermore, the members of the Executive Board are included in a directors and officers liability insurance policy (D&O policy), under which a deductible amounting to ten percent of the loss or 1½ times the fixed annual remuneration has been agreed.

The profit-related portion of the Executive Board remuneration comprises variable remuneration that has a differing structure in the currently valid service agreements with the members of the Executive Board. The currently valid Executive Board service agreement with one member of the Executive Board provides for an annual cap on the variable remuneration, around three-quarters of which depends on certain targets being reached for the consolidated EBIT for the financial year in question and around one-quarter of which depends on various strategic goals agreed by the Supervisory Board with the member of the Executive Board concerned being met. However, an amount totalling one-fifth of the variable Executive Board remuneration determined in this way is, as longer-term variable remuneration, not disbursed until the second year following the financial year in question, depending on the amount of the consolidated EBIT in the following financial year. Moreover, the service agreement with this member of the Executive Board provides for the Supervisory Board to additionally approve payment of an appropriate bonus (special allowance) to the member of the Executive Board at its discretion in recognition of outstanding performance that is expected to have a long-term, positive impact on the Company; this is also considered longer-term variable remuneration. Outstanding performance includes such factors as greater usage of the capital market, especially to finance further growth.

According to the service agreement with the other member of the Executive Board of Berentzen-Gruppe Aktiengesellschaft, the member of the Executive Board concerned receives a specified percentage of the consolidated EBIT disclosed in the Consolidated Financial Statements of Berentzen-Gruppe Aktiengesellschaft as variable remuneration, although a limit has been set on the consolidated EBIT to be considered. In order to ensure that the Executive Board remuneration is oriented towards sustainable company development, however, more than half of the amount of the variable Executive Board remuneration determined in this way is not disbursed until two years later, depending on the amount of the consolidated EBIT disclosed in the two subsequent financial years. The Executive Board service agreement with this member of the Executive Board also allows for the Supervisory Board to additionally approve payment of an appropriate bonus (special allowance) to the member of the Executive Board in recognition of outstanding performance, especially in the event of the successful conclusion of projects that are material for the sustained success of the Company.

Should, in the event of a takeover offer from existing shareholders, more than one-quarter of all shares or shares representing a majority of the former common shares in the Company be sold, the service agreements with the members of the Executive Board contain provisions under which they receive an additional special allowance. In this context, the amount of the special allowance is limited in each case to a maximum of around EUR 1.0 million and EUR 0.3 million respectively. Moreover, a minimum amount of EUR 0.2 million has been specified for the special payment in one of the Executive Board service agreements; in contrast, the other Executive Board service agreement provides for the Supervisory Board to set the amount of the special allowance at its own discretion within the framework set by the relevant cap. For the special allowance to be granted, moreover, the member of the Executive Board must accompany the process of transferring the shares.

Furthermore, in the event of conversion or restructuring measures at Berentzen-Gruppe Aktiengesellschaft, the members of the Executive Board have a special right to terminate their employment relationship under conditions defined in greater detail in the respective service agreements. In addition, one of the members of the Executive Board has been granted the special option to terminate his employment relationship in the event of a change of control at Berentzen-Gruppe Aktiengesellschaft. Where the employment relationship ends as a result of such special termination, the members of the Executive Board are each entitled to receive severance pay. For one member of the Executive Board, the size of such payment amounts to 100% of the remuneration components no longer due for disbursement on account of the termination, albeit with a restriction to six months income. In the case of the other member of the Executive Board, the severance pay in the event of exercising the special right to terminate the employment relationship similarly amounts to the remuneration no longer due for disbursement on account of the termination. However, only the monetary value of the variable remuneration components and fringe benefits at the date the special termination right was exercised fall due for disbursement for this member of the Executive Board. In the case of this member of the Executive Board, moreover, the entitlement to severance pay is limited to twice the annual fixed and variable remuneration and fringe benefits. The currently valid Executive Board service agreements do not contain any further commitments regarding the payment of severance pay in the event of early termination of the employment relationship.

Aggregate remuneration of the Executive Board in the 2015 financial year

The following table summarizes the aggregate remuneration granted to the members of the Executive Board within the meaning of Section 314 (1) No. 6a) sentence 1-4 HGB and Section 285 No. 9a) sentence 1-4 HGB together with commitments to pay remuneration:

Type of remuneration	2015 EUR'000	2014 EUR'000
Non-profit-related components	683	665
Profit-related components	405	344
Aggregate remuneration	**1,088**	**1,009**
Commitments to profit-related components with long-term incentives	**172**	**78**

Aggregate remuneration totalling EUR 1.1 million (previous year: EUR 1.0 million) was granted to the members of the Executive Board in the 2015 financial year, allocated in differing amounts to the members of the Executive Board. The non-profit-related, fixed remuneration accounted for EUR 0.7 million (EUR 0.7 million) of the aggregate remuneration while the profit-related, variable portion accounted for EUR 0.4 million (EUR 0.3 million) of the total. The total amount of the commitments made additionally to the members of the Executive Board from the variable remuneration components with a multi-year assessment base as described above amounts to EUR 0.2 million (EUR 0.1 million).

The aggregate remuneration specifically includes fringe benefits in the form of benefits in kind essentially arising from the value of allowances for insurance policies to be recognised under tax rules and the use of a company car. The aggregated remuneration granted as disclosed includes – to the extent corresponding work was performed – salaries, profit shares, subscription rights and other share-based remuneration, reimbursements of expenses, insurance premiums, commissions and fringe benefits in accordance with the relevant legal provisions. Where it exists, remuneration was included in the aggregate total that is not disbursed but converted into other types of claims or used to increase other claims.

At this point, Berentzen-Gruppe Aktiengesellschaft refrains from disclosing the remuneration of the Executive Board on an individualised basis, meaning separately for each member of the Executive Board, as the Annual General Meeting of the Company voted against such individualised disclosure on May 12, 2011, adopting a resolution to the effect that, in accordance with Section 314 (2) sentence 2 HGB in conjunction with Section 286 (5) sentence 1 and, the information required by Section 314 (1) No. 6a) sentence 5-8 HGB and Section 285 No. 9a) sentence 5-8 HGB and would not be disclosed.

Neither Berentzen-Gruppe Aktiengesellschaft nor any subsidiary granted the members of the Executive Board subscription rights or any other share-based remuneration, neither do they hold any such remuneration instruments. Neither were the members of the Executive Board granted any compensation in the 2015 financial year for positions held with subsidiaries. Furthermore, the aggregate remuneration of the Executive Board in the 2015 financial year does not contain any benefits payable to former members of the Executive Board in connection with the termination of their appointment.

Other information

Neither Berentzen-Gruppe Aktiengesellschaft nor any subsidiary granted the members of the Executive Board any loans or advances during the 2015 financial year and no contingent liabilities were assumed in their favour.

No remuneration was paid to former members of the Executive Board or their surviving dependents in the 2015 financial year. Pension payments totalling EUR 0.1 million (EUR 0.1 million) were made to former directors of Group companies for which Berentzen-Gruppe Aktiengesellschaft is the legal successor. The present value of the pension obligations for this group of people at December 31, 2015 amounts to EUR 1.0 million (EUR 1.0 million) when determined in accordance with IAS 19 or EUR 0.8 million (EUR 0.8 million) when determined in accordance with Section 253 HGB.

(3.2) Remuneration of the Supervisory Board

System and principles for setting remuneration

The remuneration paid to the members of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft is determined by the General Meeting as documented in the Articles of Association of Berentzen-Gruppe Aktiengesellschaft. According to Article 14 of the currently valid Articles of Association, the members of the Supervisory Board receive fixed remuneration totalling EUR 8,522.00 for each full financial year in addition to the reimbursement of their expenses. The chairman of the Supervisory Board receives twice that amount and the deputy one and a half times the amount of this fixed remuneration. Members of one of the committees set up by the Supervisory Board additionally receive one-quarter of the fixed annual remuneration for this work and the chairmen of the committees receive half of this amount for each full financial year. No profit-related remuneration component is envisaged.

Aggregate remuneration of the Supervisory Board in the 2015 financial year

The aggregate remuneration of the members of the Supervisory Board for the 2015 financial year within the meaning of Section 314 (1) No. 6a) sentence 1- 4 HGB and Section 285 No. 9a) sentence 1-4 HGB amounted to EUR 0.1 million (EUR 0.1 million). They were reimbursed expenses in a total amount of EUR 7 thousand (EUR 9 thousand). Moreover, the members of the Supervisory Board were included in a directors and officers liability insurance policy (D&O policy), although no deductible was agreed in this regard.

Neither Berentzen-Gruppe Aktiengesellschaft nor any subsidiary granted the members of the Supervisory Board subscription rights or other share-based remuneration, neither do they hold any such remuneration instruments. Neither were the members of the Supervisory Board granted any compensation in the 2015 financial year for positions held with subsidiaries. Furthermore, the aggregate remuneration of the Supervisory Board in the 2015 financial year does not contain any benefits payable to former members of the Supervisory Board in connection with the termination of their mandate.

With the exception of the work performed by the employee representatives under the terms of their employment contracts, moreover, no remuneration or benefits for work performed personally, such as consulting and brokerage services, were paid or granted to the members of the Supervisory Board.

Other information

Neither Berentzen-Gruppe Aktiengesellschaft nor any subsidiary granted the members of the Supervisory Board any loans or advances during the 2015 financial year and no contingent liabilities were assumed in their favour.

No remuneration was paid to former members of the Supervisory Board or their surviving dependents in the 2015 financial year.

(4) Report on subsequent events

The AURELIUS corporate group, which previously held a direct and indirect majority interest in Berenzten Group AG through AURELIUS SE & Co. KGaA (formerly: Aurelius AG), Grünwald, sold a number of common shares of Berentzen Group AG corresponding to a share of approximately 21.9% of the share capital to institutional investors at the beginning of March 2016. The companies of the AURELIUS group subsequently still directly and indirectly held around 29.2% of the share capital of the parent company of the Berentzen Group.

No other reportable events have taken place since the end of the financial year.

(5) Report on risks and opportunities

On the one hand, the Group's business activities open up numerous opportunities, while on the other hand, the corporate group is exposed to numerous risks. Risks are understood to be internal or external events based on uncertainty regarding future developments that prevent the Company from achieving defined goals or successfully realising strategies. Conversely, opportunities are understood as possible future successes that exceed the defined goals and thus can positively impact business performance. Risks and opportunities do not represent polar opposite concepts that are independent of one another, but are instead directly linked with one another: Whereas the perception of opportunities as a rule is linked with risks, risks can also arise in the absence of opportunities.

(5.1) Risk management system

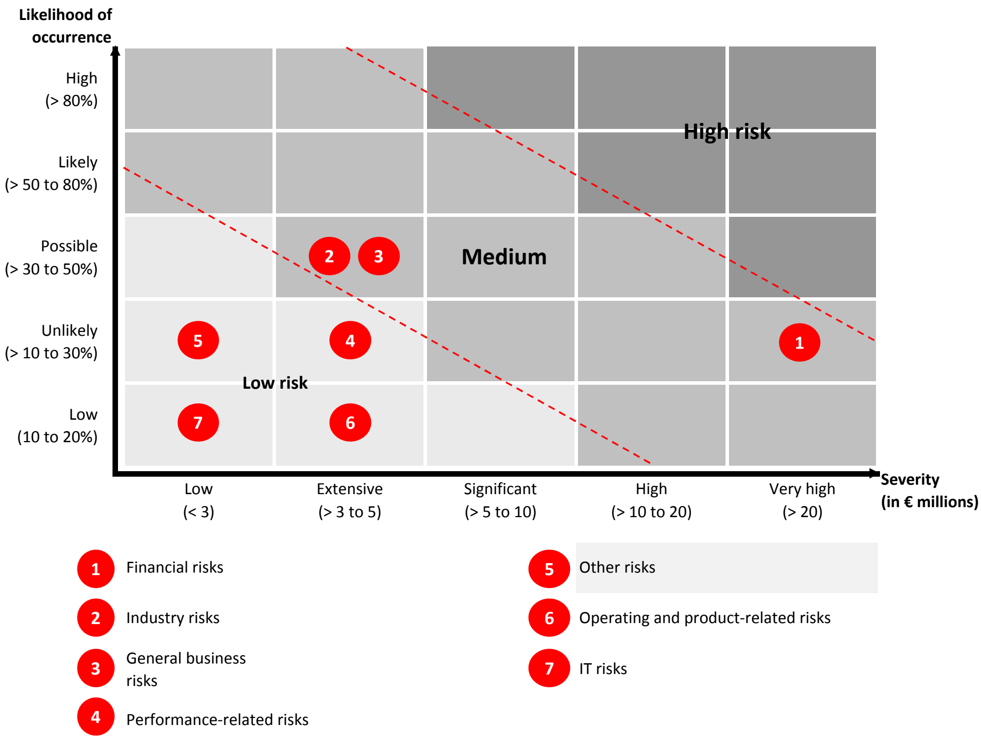
The Berentzen Group's risk management is geared towards promptly identifying risks, assessing them and countering them by means of appropriate early identification and security measures. The possible scope of risk is identified, probabilities of occurrence are determined and measures are planned and implemented in order to ensure the achievement of corporate objectives. Thanks to group-wide reporting, the Executive Board can identify and control risks to the Company as a going concern as well as risks that can materially impact the financial position, cash flows and financial performance.

The risk management system meets the requirements set forth under Section 91(2) of the German Stock Corporation Act (AktG) as well as Section 4.1.4 of the German Corporate Governance Code.

The direct risk responsibility and monitoring is assigned to operational employees who report quarterly to the Risk Management Officer as well as immediately when new risks are identified. The Risk Management Officer informs the Executive Board of the main changes and developments in the risk portfolio. Based on the Group's overall risk exposure, value at risk, which is determined with the help of Monte Carlo simulations, is also used, among other things. The system is thoroughly updated by means of an annual review that encompasses all risks, assessments and measures in a handbook and provides an outlook for the next two years.

In order to identify possible risks to the Group as a going concern, risks are assessed within the context of the risk management system based on their severity and likelihood of occurrence. Risks are classified in the risk categories „high", „medium" or „low" based on the combination of risk exposure and probability of occurrence, which is reflected in the weighted expected value (based on risk containment measures) thereby derived, whereby the expected value is defined as the value at which consolidated net profit and therefore consolidated equity could be negatively impacted as a result of the risk.

This results in the following assessment matrix at the reporting date:



(5.2) Risk

The primary risks consolidated into categories that can have significant detrimental effects on the Company's business activities as well as on the Group's financial performance, cash flows and financial position are described below. The order of risk categories reflects the current assessment of risk exposure for the Berentzen Group. As a general rule, the described risks relate – unless otherwise indicated – to all of the Group's segments.

Financial risks

Qualitative disclosures regarding risks related to financial instruments

The primary financial instruments used by the Berentzen Group include the bonds issued in the 2012 financial year as well as overdraft facilities, factoring agreements and trade payables. The main purpose of these financial Instruments is to finance the Group's business activities. The Group has various financial assets at its disposal, for example trade receivables and loans granted as well as cash and cash equivalents that can be directly attributed to the business activities.

The Central Financial Management Department manages the Berentzen Group's financial risk. It monitors liquidity risk, credit risk and market risk.

The strategies and methods employed to manage the individual financial risks are presented below

Liquidity risk

Liquidity risk is the risk that a company is not in a position to procure the funds needed to settle obligations entered into in connection with financial instruments.

The Executive Board, the Management and Central Financial Management Department manage the Group's liquidity risk.

Liquidity risk is managed primarily by procuring funds as part of the overall funding of the Berentzen Group, which is presented in the Economic report in Section (2.2.5) Cash flow/Financing structure.

In this context it follows that, among other things, the financing agreements on which the working capital lines granted to the Berentzen Group are based as well as a surety for spirits duties issued by a bonding company include change-of-control clauses. A covenant has also been agreed for this surety in which the Berentzen Group undertakes to comply with a contractually defined economic equity ratio. The covenant agreed in connection with the only working capital line that also includes such a covenant no longer applies after the end of the financial year. A violation of change-of-control clauses or covenants gives rise to special call rights on the part of the lender. The bond terms and conditions of the corporate bonds issued by Berentzen Group AG do not include either covenants or change-of-control clauses, but establish call privileges on the part of the bondholders in particular for the event that the issuer does not repay on a timely basis the capital due in October 2017 at the nominal value or the interest due every year in October until the bond matures.

Compliance with the covenants and the miscellaneous other arrangements contained in the financing agreements is continuously monitored by the Executive Board and the Central Financial Management Department. The expected financing requirements and the foreseeable development of the covenants are mapped in the planning and budgeting process so that countermeasures can be initiated and the provision of outside capital can be ensured if necessary. As of December 31, 2015, the agreed targets for the covenants defined in the contracts that included such a clause at that point in time were not met. However, in this respect it must be taken into account that the relevant financing agreements do not exhibit a fixed contractual term (so-called „until further notice" agreements) and insofar a violation of these contractual terms does not represent a strict requirement for their termination. In general, this obligation with respect to the only working capital line for which the aforementioned covenant was agreed was cancelled without replacement in connection with a contractual modification at the beginning of 2016.

The nominal amount of the corporate bonds issued by Berentzen-Gruppe Aktiengesellschaft in 2012 in the amount of EUR 50.0 million matures in October 2017. In light of the solid financial performance and cash flows, large liquidity holdings at its disposal and the cash flows expected from operations in the following two financial years, there is no indication that the Berentzen Group cannot meet this obligation. However, a component of this assessment is the possibility of at least a partial refinancing of the corporate bond, which is fostered by the aforementioned general conditions as well as the unification of share classes carried out in the 2015 financial year and complete listing of all common shares or the entire share capital of Berentzen-Gruppe Aktiengesellschaft in the regulated market (General standard) of the Frankfurt Stock Exchange.

Furthermore, with respect to the financing of the corporate group, measures are continuously reviewed and/or implemented that have the goal of both providing an adequate credit line volume at the same time as the amounts drawn down are reduced as much as possible (e.g. through alternative financing forms such as leasing or by freeing up capital internally in the working capital) as well as a financing structure that is balanced between short and intermediate and long-term maturities in order to avoid a dependency on only short-term lines or to minimise such a dependency as much as possible (e.g. through specific-purpose financing).

Credit risk/Risk of default

Credit risk or risk of default is defined as the risk of a financial loss that arises if a contracting party fails to meet its payment obligations.

The management of credit risk or risk of default in the Berentzen Group is substantially geared towards entering into transactions with creditworthy third parties.

Around 75% (66%) of consolidated revenues are realised over foreign branch offices that in addition to del credere agreements also assume the credit risk. In addition, the risk of default is covered under trade credit insurance. As a general rule, balances in excess of EUR 5 thousand are covered under credit insurance. Trade credit insurance reimburses all defaults on receivables on the part of insured customers up to the agreed deductible of 20% for customers residing in Germany and 10% for customers residing abroad. Security payments or advance payments are frequently agreed with the Group companies domiciled outside of Europe.

A significant portion of trade receivables is sold under factoring agreements. Since the respective factor also assumes the del credere liability without recourse, these receivables are not reported in the consolidated statement of financial position in accordance with the relevant accounting standards – with the exception of a relatively insignificant continuing involvement compared to the volume of factored receivables that represents the late payment risk, that remains with the Group. Measured on the customer structure, the amounts receivable from individual counterparties are accordingly not so large that they would signify a material concentration of risk.

Loans and/or credits are not granted in foreign currencies and bill of exchange operations are not carried out. As a general rule, no deliveries are made to customers not associated with foreign branch offices without first conducting a credit assessment with the help of rating agencies. The receivables portfolio is monitored on an ongoing basis; consequently, the risk of default to which the Group is exposed is manageable and not significant. Furthermore, credit periods for payments are regularly observed.

In addition, the risk of default includes the country risk and/or the transfer risk. On the one hand, this includes the risk of economic or even political instability in connection with investments or the cross-border financing of Group companies in countries deemed to be risky, and on the other hand also the risk associated with selling directly to customers in these countries. Country risk with respect to equity measures or other forms of cross-border financing for Group companies is managed in connection with the decision to develop or expand a foreign market using a Group company by means of an overall assessment of the general economic and political environment, including the country rating. Companies are not established in countries deemed to be unstable. Subsequent financing measures oriented strictly towards actual capital requirements with respect to previously established foreign Group companies are also accordingly assessed based on continuous observation and updated findings and are furthermore managed and accompanied centrally. Security payments or advance payments are agreed in order to minimise the risk associated with selling directly to customers in countries deemed risky if there is no trade credit insurance coverage or it is not possible to sell the receivables under factoring agreements. In addition, the responsible Executive Board member receives separate reports on any overdue foreign receivables.

Market risk

Market risk is defined as the risk that the fair value of future cash flows from a financial instrument changes due to market price fluctuations. Market risk includes currency risk, interest rate risk and other price risks.

Market risk is also managed by the Group's Executive Board, the Management and the Central Financial Management Department.

Currency risk arises from the translation of foreign currencies into the Group's functional currency (euros) as a consequence of changes in the exchange rate and generally results as defined by the Berentzen Group from financial items in the statement of financial position as well as any executory contracts or transactions planned in foreign currencies. The foreign currencies relevant for the corporate group include in particular the U.S. dollar and the Turkish lira. In addition to the exchange rate trend, the resulting risk potential also depends on changes in the volume of transactions effected or to be entered into in foreign currencies. So far, the business activities with respect to procurement and sales have been largely concentrated in the euro zone or are settled in euros. No transactions are entered into with suppliers or customers in hyperinflationary economies. Furthermore, some currency risk is balanced out in that both procurement as well as sales are carried out in the same foreign currency; as a result, incoming payments offset outgoing payments in the same foreign currency – albeit as a rule not in the same amount or in matching maturities. Without taking consolidation effects into account, liabilities and receivables denominated in foreign currencies amounted respectively to approximately EUR 1.7 million (previous year: EUR 1.2 million) and EUR 3.9 million (previous year: EUR 5.4 million) as of December 31, 2015. Rate-hedging measures are carried out regularly for the most important foreign currency, the U.S. dollar. In order to hedge foreign currency risk arising from future purchases of merchandise, there were forward exchange deals over a total volume of USD 0.8 million as of December 31, 2015 (previous year: EUR 1.0 million). Insofar, currency risk is still to be regarded as relatively low overall. However, this assessment can change with an increasing volume of corresponding transactions as well as due to the effects of financial policy decisions or future trends on the foreign exchange market.

From a Group perspective, the recoverability of assets and/or the nominal value of the Berentzen Group's liabilities outside of Germany are also subject to exchange rate fluctuations. Foreign currency effects on items that must be translated are recognised directly in consolidated equity when translating the net carrying amount of assets from the financial statements of foreign Group companies; however, risks arising from foreign currencies recognized in profit or loss – even though they are not cash items from a Group perspective – can insofar also result from intra-Group transactions effected in foreign currencies, such as in particular the financing of foreign companies using the Group's own funds. The Berentzen Group's risk management presumes that, as a rule, investments in foreign Group companies and intra-Group financing are carried out for indefinite periods of time. Nevertheless, in the event of subsequent divestments, currency risk from consolidation differences due to currency translation previously recognised directly in equity can be recognised in profit or loss.

The actual average credit period across the entire corporate group is currently around 36 (34) days. This does not result in elevated liquidity or interest rate risk, because sufficient factoring lines or – in particular outside of Germany – financing instruments with a comparable effect are available for the financing of receivables. The need for classic short-term credit lines is thereby significantly reduced.

Furthermore, the procurement of raw materials and materials as well as the purchase costs of merchandise and system components are subject to market and/or price risk. The cost prices of the raw materials and packaging materials and/or merchandise and system components used by the Berentzen Group are influenced in all segments in particular by their availability on the market; accordingly, purchases carried out in foreign currencies are influenced by the exchange rate trend of the respective currency against the euro. A large part of the raw materials needed for the production of spirits and non-alcoholic beverages as well as the fruits (oranges) traded in the Fresh Juice Systems segment are agrarian products, the availability of which depends on the respective crop yields. Furthermore, certain required raw materials and merchandise are affected by regulatory measures, which in some cases may have a considerable influence on their availability and therefore their prices.

In the Spirits segment and Other segments, annual supply contracts stipulating fixed quantities and fixed prices are in effect for glass bottles. Fixed-quantity contracts covering the period from harvest to harvest (September/October) are generally formed for wheat distillate and sugar. Neutral alcohol prices are adjusted every quarter with reference to publicly available and independent price reports (F.O.Licht, ICIS). Commodity price indices (LME, EUWID) are applied as a reference for the semi-annual adjustment of the prices of aluminium closures and cardboard packaging. The same applies for the Non-alcoholic Beverages segment to the extent that the above-mentioned raw materials and materials are also used in this segment. In the Fresh Juice Systems segment, purchases of the individual system components are predominantly managed on the basis of single contracts; in particular, the procurement of fruits (oranges) is dependent on harvest seasons in the global cultivation areas.

Quantitative disclosures regarding risks related to financial instruments

The specific qualitative disclosures regarding the individual risks related to financial instruments are provided as part of the quantitative disclosures discussed in the notes to the consolidated financial statements.

Risk assessment

With respect to financial risks as a whole, the estimate with respect to the likelihood of occurrence may have increased compared to the previous year, but the assessment of the severity of the risk remained unchanged. When weighted, these risks remained overall in the „medium risk“ category as was the case in the risk reporting for the 2014 financial year.

Industry risk

As with other daily consumable products, spirits, non-alcoholic beverages and fresh drinks such as freshly pressed fruit juices are considered to be Fast Moving Consumer Goods (FMCG). The relative ease with which such products can be substituted also requires for the preservation and expansion of the business volume, among other things, that new brands and products are continuously developed in significant volumes and introduced to the market. Market surveys and past experience document that the risk of not being able to successfully introduce new brands and products to the market in the FMCG segment – or that the success cannot be sustained – is significant. In particular in the Spirits segment, but to an increasing extent also in the Non-Alcoholic Beverages segment, such innovations represent an important building block for sustainable growth geared towards adding value for the Berentzen Group and therefore, in light of the presented background, bear the risk that the contributions to earnings planned insofar cannot be realised at all or in the budgeted volumes, despite appropriate countermeasures such as careful planning, product development and market tests conducted in advance of the introduction as well as subsequent marketing and sales promotions As a general rule, this applies accordingly in the Fresh Juice Systems segment, even though the focus of the risk from the perspective of the Berentzen Group insofar does not lie so much on the beverage ultimately purchased by the consumers, but rather on the system components fruit juicers, and consequently on the success of an innovation-driven machine technology in whose development the long-term and currently only supplier also plays an important role that is carried out as part of a close cooperation. Insufficient innovative capacity and thus technical innovations that fail to materialise, are late, or not successful on the market therefore also include the risk despite corresponding risk containment measures – in particular general engineering as well as ongoing engineering geared towards the development of new applications – contributions to earnings factored into the managerial planning cannot be realised at all or in part.

In addition, the general economic trend can have a direct influence on consumer behaviour. In addition to a decrease in consumer spending and/or consumer restraint in Germany, a considerable deterioration in conditions can lead to an increase in the market shares of discounters if the consumers switch to low-priced products such as dealer brands. Similar market trends are already becoming evident or are already established in numerous foreign markets, in particular in Europe and in bordering regions. This could increase pressure on the margins, which in particular would have a negative impact on the earnings situation in the Spirits segment and Other segments.

As a result of the increasing concentration in the German food retailing sector, the top key accounts – and therefore the dependency of individual suppliers on these major customers – are becoming more and more important. Comparable trends can also be observed abroad with corresponding effects on the subsidiaries. In some cases, substantial dependencies develop in the business relationships with individual major customers. All of the Group‘s segments are affected by this – each individually to a different extent – with the exception of the Other segments. In total, the Berentzen Group realised around 42% (38%) of its consolidated revenues in the 2015 financial year with its three largest customers, each of whom belong to the food retailing sector. In this context, there are various aspects that can have a negative impact on the success of the Berentzen Group‘s business. For example, the supplier agreements – as is typical in the industry – have a relatively short term and normally don‘t include any purchase commitments. Furthermore, there is the risk that important customers abruptly end their business relationships with the Berentzen Group or do not extend them and that the corporate group will not be able to quickly adjust its cost and production structure fully or sufficiently and/or cannot find another customer, leading insofar to excess capacities. The pressure on the individual supplier and price terms as well as conditions rises together with a customer‘s increasing importance; as a result, net selling prices in the Berentzen Group can decrease. It is accordingly possible that the Company may not at all be able to pass on price increases with respect to raw materials or rising personnel expenses and overheads, or that they can only be passed on in part or with a delay. If these risks are realised, this could prove to be a drag in particular on earnings and on the whole have a significant negative impact on the financial position, cash flows and financial performance of the Berentzen Group. The Berentzen Group is countering this risk by strengthening key account management together with further systematic efforts to increase sales and distribution. Advertising activities to promote the brand are intended to improve the corporate group's position vis-à-vis its business partners. All measures are accompanied by efforts to further expand the distribution channels in order to achieve a balanced customer portfolio as well as to continuously and diligently foster relationships with the customers' most important decision-makers and contact persons.

When weighted, these industry risks observed within the context of the risk management system remained overall in the „medium risk" category both with respect to their likelihood of occurrence as well as to their severity as was the case in the risk reporting for the 2014 financial year.

General business risk

As a globally-oriented and operating organisation, the Berentzen Group depends on the economic, political and social development of countries and regions in which it is already active on the market or plans to be. This relates both to the purchasing as well as the selling side of the business. The operating environment in the individual markets is subject to continuous – and in some cases very short-term – changes. The corporate group is exposed to a series of factors on which it only has a limited influence or none at all. These include, among other things, political, social, economic, or legal instabilities, including insufficiently developed or differentiated legal and administrative systems, restrictions on the movement of goods and capital, regulatory changes or limitations, encroachments, or the loss of property, volatility in the financial markets and changes with respect to exchange rates and the resulting market effects as well as general changes in the supply of goods and services, the demand for such goods and services, or consumer trends and/or behaviour. Such risks can have a temporary or permanent negative impact on business activities and therefore on the achievement of the objectives pursued by the Berentzen Group; this applies in particular for earnings-based objectives. Such general business risk is subject to permanent control in the accompaniment, monitoring and management of the operating business.

In this context, in particular the conflict in Crimea and/or Ukraine, the recession in the Russian economy as a result of western sanctions and the decline in the global market prices for crude oil, the political crises and conflicts in the Middle East, which have also affected Turkey, and not least the security situation in Europe, which has also deteriorated as a result of terror attacks and sustained terror risks were noteworthy in the 2015 financial year.

General business risk separately observed as part of risk management relate above all to the Spirits segment and Other segments. Restrictions on the marketing of alcoholic beverages, for instance through sales restrictions, increases in spirits duties or comparable foreign excise taxes, anti-alcohol campaigns or advertising bans, represent potential risks for the Berentzen Group. Legislative measures such as special taxes and measures regulating advertising have had a significant influence on the beverage industry in the past.

The discussion regarding restrictions on the freedom of advertising for alcoholic beverages persist; while further legal restrictions are not currently on the horizon at the national level, such restrictions have been implemented in the recent past in individual international markets of relevance for the Berentzen Group, for example in Turkey. The latter point also applies to an increase in excise taxes on alcoholic beverages; specifically for the market in Turkey there were further considerable tax increases in 2015 that have also been announced for the following years.

Following the estimate with respect to general business risk undertaken in the risk management system, the likelihood of occurrence was increased from „unlikely" to „possible", while the severity continues to be regarded as „extensive". Weighted overall, the classification thus increased to the „medium risk" category.

Performance-related risk in connection with the business model

Based on the Berentzen Group's risk categories, performance-related risk in connection with the business model represents those risks that can arise within the value added chain, i.e. as part of production and sales, to the extent that they are not assigned in particular to operating and product-related risk or industry risk.

In the Non-Alcoholic Beverages segment business environment, a significant portion of the business volume can be attributed to the Company's own business with products of franchise brands as well as the bottling of franchise or other third-party brands and private-label products in connection with service agreements.

As a general rule, the franchise business is based on a corresponding contractual agreement with a term lasting many years. In addition to competition-related provisions and an associated change-of-control clause, the franchise agreement also specifies performance-related indicators and provides for further agreements that entitle the franchiser to early terminate the franchise agreement in the event of non-compliance or non-performance and/or to set economically disadvantageous limitations on the rights of the franchisee.

Franchise or other third-party brands and private-label products are bottled on the basis of multiple service agreements, some with short contractual periods, some with medium contractual periods. Individually, these include various arrangements; furthermore, in one case, a competition-related qualified change-of-control clause that entitles the respective client to early termination of the agreement in the event of non-compliance or non-performance.

In addition, as with all contractual relationships, there is the risk – both with respect to the franchise agreements as well as the service agreements – that when the contractual term expires they will not be continued or can only be continued under terms and conditions that are unfavourable for the Berentzen Group.

The loss of the franchise business or the entire (or a significant portion of the) business involving the bottling of franchise or other third-party brands and private-label products can have a significant impact on the development of the business as well as the financial performance, cash flows and financial position as a result of major declines in revenue and earnings as well as structurally necessary follow-up measures and effects that must be reflected in the accounting, to the extent that such a loss cannot be replaced through the business with the Company's proprietary brands and products, another franchise business, or other corresponding contracts.

Early unintended termination of the franchise agreement or the service agreements is prevented to the extent possible through the agreement of realistic objectives, adherence to and strict compliance with agreements and instructions within the context of systematic contract management and through constant relationship management. However, since these are necessarily bilateral agreements, some risks – in particular those outside of the franchisee/contractor's area of influence – cannot insofar be entirely ruled out.

In the Spirits segment, the business with whiskey has become increasingly important in the past few years due to corresponding market demand. In addition to the shortage on the procurement market for whiskey, the mostly multi-year storage periods also require an anticipatory purchasing policy geared insofar towards the medium term in order to secure the basic materials. On the sales side, there are corresponding sales supply contracts with a standard term that is shorter than the storage period required for whiskey. This mismatch in periods leads to risks from the uncertainty regarding the sale of volumes of unprocessed or processed whiskey that can have a negative impact on the financial performance, cash flows and financial position.

When weighted, these performance-related risks in connection with the business model observed within the context of the risk management system remained overall in the „low risk“ category both with respect to their likelihood of occurrence as well as to their severity as was the case in the risk reporting for the 2014 financial year.

Other risks

Risks on the part of the Berentzen Group that are not classified under any of the aforementioned risk categories and which could have a negative impact on the Group's financial performance, cash flows and financial position are combined under the category „Other risks".

Legal and tax-related risks

As a concern operating in the international food industry, the Berentzen Group is exposed to various legal and regulatory risks. These include contractual and third-party risks in connection with the respective national or international provisions governing express warranties and product liability, food laws, consumer protection laws, competition and antitrust laws, trademark and patent laws, environmental, construction and planning laws, labour laws and occupational health and safety laws, foreign trade and customs laws, tax laws – in particular excise tax laws related to the taxation of alcoholic beverages – as well as provisions related to purchasing activities and procurement; for example the observation of sanctions lists. In addition, Berentzen-Gruppe Aktiengesellschaft is subject to obligations resulting from its listing on the stock exchange, in particular the provisions of the German Securities Trading Act (WpHG).

The Berentzen Group has methods and institutions at its disposal to ensure compliance with national and international laws and guidelines and, if necessary, the initiation of suitable countermeasures. These include in particular appropriate organisational instruments, including by-laws, competence guidelines, the corporate group's central Legal and Tax Department as well as the engagement of external advisers in legal and tax-related matters. Risk insurance policies are taken out for these risks to the extent possible and appropriate in the opinion of the Berentzen Group; in contrast, it is not possible to insure against possible reputation losses.

The aforementioned measures also serve not least to prevent and minimise legal risks that can ultimately manifest themselves in legal disputes or judicial, administrative, or other proceedings. The Group is represented in legal disputes by the corporate group's Central Legal Department or by the engagement of external legal advisers with the goal of preventing losses or keeping them as small as possible. Nevertheless, disadvantageous expenditures can arise for the Berentzen Group from any legal disputes and proceedings, not only if they are not covered or cannot be covered under insurance policies, but also if they exceed the risk provisions undertaken by means of insurance protection or provisions. There were no specific legal disputes that could possibly have a significant negative impact on the Group's financial performance, cash flows and financial position up to the date of approval for the consolidated financial statements and the annual financial statements of Berentzen-Gruppe Aktiengesellschaft as well as for the combined management report for the Berentzen Group (corporate group) and Berentzen-Gruppe Aktiengesellschaft. The notes to the consolidated financial statements include more detailed information regarding this under Note (4.6) Legal disputes.

Legal risks separately observed in connection with risk management include such risks arising from legal obligations entered into, primarily with respect to long-term contractual relationships, in particular based on third-party contractual relationships, risks arising from insufficient contract controlling and risks from contractually agreed change-of-control clauses. This can lead to legally and economically detrimental claims and/or the undesired cancellation of contracts or the forgone or delayed assertion of the Company's own claims.

Individual companies of the Berentzen Group are parties to bilateral contracts in which change-of-control clauses are agreed in various forms. Depending on the design in individual cases, these clauses entitle one or both contracting parties to terminate the agreement early or without notice if there is a change in control. This primarily relates to financing and sales contracts, a franchise agreement and a service agreement regarding the bottling of franchise brands. Furthermore, there are corresponding agreements with members of the Executive Board. The comments on financial risks in this section, the disclosures in Section (7.8) related to mergers and the Compensation Report in Section (3.1) include further details regarding this. The change of control with respect to Berentzen-Gruppe Aktiengesellschaft carried out at the beginning of March 2016 and presented in the report on subsequent events in Section (4) does not result in increased risk in the current opinion of the Berentzen Group, in particular as there is no change in the Berentzen Group's business strategy or its overall risk exposure associated with the acquisition of shares on the part of institutional investors not resulting in a change of control. In any case, in the Berentzen Group's opinion, the requirements for exercising the ensuing rights have not been met in the significant cases in which qualified change-of-control clauses have been agreed.

In addition, the other risks include such risks related to income, transaction and excise taxes resulting primarily from inappropriate tax treatment, improper handling that does not meet the formal requirements, or non-standard tax assessments on the part of the responsible tax authorities regarding transactions to the disadvantage of the taxpayer. In various capacities, the Group companies are largely subject to regular tax audits and insofar are closely monitored by the tax authorities. In light of the multitude and complexity of tax rules, it is nearly impossible to completely rule out these risks; both corresponding organizational measures for the review, processing and clearing of transactions as well as central departments for customs and tax-related matters in Germany and the consultation of external tax advisers serve to limit such risks.

Personnel risk

The expertise, commitment and motivation of employees are key factors of success for the Berentzen Group. Qualified specialists and managers are a requirement for the realisation of the strategic goals. In the increasing competition for personnel, the personnel management of the medium-sized corporate group, which operates globally in a highly structured environment, pursues the goal of attracting qualified specialists and managers, further developing their skills and binding them to the Company for the long term. The measures undertaken include, among other things, vocational training, an offer of dual courses of study, the promotion of talent, targeted training and personnel development measures, annual performance reviews, workplace health and integration management and variable remuneration components based on performance-related Group and personal goals. Not least, there is also anticipatory succession planning.

In the area of human resources, special risks arise from the fact that there could be general lack of sufficient human resources available with respect to key positions to be filled by specialists and managers in the corporate group or that a sufficient number of representatives could not be ensured. In addition to the measures described above, the minimisation of risk serves in particular the timely and continuous identification of key positions.

Risk assessment

When weighted, these other risks observed within the context of the risk management system remained overall in the „low risk" category both with respect to their likelihood of occurrence as well as to their severity as was the case in the risk reporting for the 2014 financial year.

Operating and product-related risk

Operating risks

In the Spirits, Non-Alcoholic Beverages and Other segments, there are operating risks primarily with respect to the breakdown of production plants or sites as well as, if applicable, with respect to the outsourcing of production capacities to another plant location that could lead to supply bottlenecks or delivery disruptions. The risk of production losses is minimised by means of ongoing maintenance and capital expenditures, the constant availability of technical service and emergency staffing plans. In addition, production capacities are available at other beverage manufacturers for emergencies and there is a business interruption insurance policy. In order to limit this risk, suppliers are carefully selected with a view towards maintaining long-term relationships as part of a sustainable relationship management process. In addition, the entire production process is also closely accompanied and monitored in collaboration with the suppliers. Specifically in the Fresh Juice Systems segment there are risks with respect to the system component fruit juicers in light of the low level of vertical integration and the concentration on one supplier in particular as a consequence of production disruptions on the part of that supplier. With respect to this, supply disruptions or bottlenecks in the specific case can furthermore lead to a situation in which the supplier justifiably or unjustifiably unilaterally terminates the supplier relationship or their capacity/willingness to make deliveries is otherwise limited or reduced, for example as a result of quality-related reductions in production volumes. The availability of alternative production capacities is currently very limited and it is expected that it could only be realised with a considerable delay. This risk is countered by means of a particularly close accompaniment and management of the long-term cooperation that includes, among other things, the employment of a local quality manager.

Furthermore, in the Spirits and Non-Alcoholic Beverages segments, whose manufacturing facilities and property have been utilised for decades, operating risks could arise from environmental damage. This is understood to be a directly or indirectly occurring identifiable, detrimental change (impairment) in protected species and natural habitats (biodiversity) as well as in waters or in the ground as a result of which the Group must bear environmental liability risks and risks arising from existing or changing general regulatory conditions. In addition to rules related to the environment that are included in the quality assurance system, risk provisions for environmental damage serve to cover insured losses.

Product-related risks

Product-related risks can result from product defects, product sabotage, or product extortion and in particular lead to health risks on the part of consumers, loss of reputation, and restrictions in the marketability of products up to and including product recalls. Product defects are defined as the unintentional chemical, physical, or microbiological contamination of a product in connection with the manufacturing process. In contrast, product sabotage and product extortion are based on intentional actions outside or within the Company during or subsequent to the manufacturing process.

In order to reduce the potential losses and/or the effects of an operating or product-related incident, the arrangements for security, plant and product safety are constantly further improved or expanded and monitored through corresponding checks. Installations for fire protection and burglary are maintained using state-of-the-art technology. Special measures are undertaken for the individualised management of access authority in the product-relevant workspaces.

The Berentzen Group responds to rising requirements from statutory provisions in the area of technology and product safety, for example for accident prevention and environmental protection or under the relevant food regulations, with internal plant inspections, by selecting reputable suppliers, with the use of qualified personnel and by engaging reliable service providers that demonstrate a proficiency in the use of their own products and the products the Berentzen Group. In addition, product safety is served by ongoing quality controls and the established quality assurance and crisis management system, which is subject to regular internal audits and corresponding external certifications according to recognised quality standards, namely according to the IFS (International Featured Standards) Food and/or Broker and also – in the Non-Alcoholic Beverages segment – in accordance with the Consolidated Standards for Beverage Facilities issued by AIB International (formerly: AIB – American Institute of Baking). Furthermore, in particular in the Fresh Juice Systems segment there are the certifications issued with respect to technical safety by the relevant testing organisations such as the Technical Inspection Association (TüV). For the procurement of capital goods and raw materials, quality standards are safeguarded by long-term partnerships; new suppliers must undergo a qualification process. An additional building block for the reduction of product-related risks consists in the covering of corresponding insured losses.

In addition, there are other product-related risks in the individual segments.

In the Fresh Juice Systems segment, the highest standards of quality are maintained for the oranges marketed in the „frutas naturales" variety. Depending on the time of the year and the harvest cycle, the fruits are procured from Southern Europe, but also from cultivation areas outside of Europe. Insofar, there are risks with respect to the availability of the oranges for a wide range of reasons. These include, among other things, a general market shortage, e.g. as a result of increased demand or poor harvests, errors, interruptions, or delays – considering the relatively easy perishability – in the particularly important logistics processes or also a deterioration in the relationship with the suppliers or producers. Measures to minimise the risk include an anticipatory procurement policy executed on the broadest possible supplier basis and with a view towards sustainable relationship management as well as the appropriate management and monitoring of the logistics processes.

The counterfeiting of products is a risk to be observed in particular with respect to spirits on the Turkish market assigned to the Other segments with the consequence of lost revenue and the loss of reputation. The tendency to copy original products is growing with increasing market prices for alcohol. Countering these risks requires active observation of the market and educating the customers and distributors as well as the initiation of legal action as a last resort.

Risk assessment

When weighted, these operating and product-related risks observed within the context of the risk management system remained overall in the „low risk" category both with respect to their likelihood of occurrence as well as to their severity as was the case in the risk reporting for the 2014 financial year.

IT risks

The reliability and security of the information technology (IT) are very important for the corporate group. At the same time, IT security around the world is exposed to increasing threats in general. This no only applies for the use of IT systems in connection with the business processes, but also for IT systems implemented for internal and external communication. Outages or disruptions of these IT systems signify risks for the availability, reliability and confidentiality of systems and data in development, production, distribution or administration and therefore for the Berentzen Group's financial position, cash flows and financial performance.

This risk is countered, among other things, through the redundant configuration of server systems, hardware support contracts with short reaction times, a direct availability of replacement parts and data lines as well as an uninterruptible power supply. An even higher availability of the ERP system is ensured by means of a high availability environment in connection with a storage solution. Data can be restored very quickly over a shadow database in the event of an interruption. In addition, all data sets are backed up daily. Firewall systems, a VPN solution with eToken, anti-virus scanners, spam and content filters, the Windows domain and authorisation concepts ensure a high degree of security for access rights and remote access.

The virtualisation environment of server systems allocated to multiple hardware platforms accommodates numerous virtual systems. A high degree of reliability is achieved by means of additional physical machines and a cluster solution allocated between two data processing centres that are connected redundantly. The storage system is also updated and a synchronous mirroring of data between data processing centres is set up.

When weighted, these IT risks observed within the context of the risk management system remained overall in the „low risk" category both with respect to their likelihood of occurrence as well as to their severity as was the case in the risk reporting for the 2014 financial year.

(5.3) Opportunities

The Group's broad positioning with its product range of spirits, non-alcoholic beverages and fresh juice systems as well as the stronger alignment in modern, health-oriented markets allows the Berentzen Group to emancipate itself from critical demand factors and declining beverage product categories and opens up manifold opportunities for sustained positive business performance. They are based on the consistent dual-track operational positioning in the traditional segments – with spirits and non-alcoholic beverages, branded products and branded dealer or private-label products as well as the national market and international markets – but in particular in the Fresh Juice Systems segment, which has belonged to the Group since the 2014 financial year. These opportunities are supported by a consistent focus on the needs of the consumers as well as those of the trade and catering partners. In addition to endogenous factors based on internal decisions and measures, exogenous factors can also have an impact on the market success. The most important opportunities that arise against this background are described below. However, they only represent a sample of the possibilities and a snapshot assessment, because the Berentzen Group is continually further developing just like the markets, and therefore the significance of an opportunity can decrease just as options that are entirely unknown today can arise in the future. Therefore, the Berentzen Group observes all relevant trend lines in order to systematically take advantage of future opportunities with decisions that are appropriate for the situation.

Opportunities from the change in general economic conditions

Opportunities open up for the Group from the development of national and international general economic conditions if the economy in the important industrial nations such as the USA as well as Germany permanently retains the growth recorded in 2015. From the perspective of the Berentzen Group, the resulting potential for opportunities must insofar be regarded subject to this proviso in light of the ongoing worldwide political crises and conflicts expanded over the course of 2015 as well as the most recent general economic forecasts.

The money market policy trends that appeared with the weakening of the euro against other currencies, but in particular vis-à-vis the U.S. dollar, supported the opportunities in the aforementioned segments with respect to the export business outside of the euro zone, above all in the USA.

Further positive potential influences arise from the reduction in bureaucratic hurdles, which eases the entry into new markets and also reduces the costs for access to existing markets. Concrete opportunities can arise from the currently negotiated – albeit also disputed in some aspects – free trade agreement between the USA and the European Union (TTIP – Transatlantic Trade and Investment Partnership).

Opportunities in connection with strategic decisions

As an internationally active beverage concern, the Berentzen Group positions itself strategically in modern, fresh and health-oriented beverage segments (such as mineral water and fresh juice systems) in order to achieve a better balance between the social influences, traditionally the products of the Spirits segment in general and specifically the carbonated beverages in the Non-Alcoholic Beverages segment. In addition, the Group opens up new international growth opportunities as a result.

The Berentzen Group's spirits umbrella brands „Berentzen" and „Puschkin" are widely recognised in the German market. Therefore, measures intended to bolster the brand name in the areas of marketing and distribution form a key basis for long-term business success. The existing market potential can be better utilised thanks to the introduction of innovative new products, a stronger reference to topics and occasions for the marketing of special products (e.g. in connection with major sporting events), the increased use of advertising online and social media communication, or the stabilisation of new customer and sales channels. As a result of a concentration on relevant core articles, a more offensive accentuation of product qualities and optimised sales structures in Germany, the main brands can be better utilised, in particular, the potential for added value. Further opportunities can arise if some competitors withdraw.

A strong trend towards premium products with high-quality features has developed at the market level in the area of branded dealer and private-label products in the Spirits segment. Opportunities continue to arise in this area for suppliers such as the Berentzen Group, who can realise better access to the trade partners with innovations, good concepts and the reputation already earned in this regard and separate themselves somewhat from the pure price pressure in the competition.

In the business with segments assigned to alcoholic beverages, the management of the international business with branded spirits was once again strategically controlled by external sales partners in order to reduce operating risks in the past two years. This approach permits greater risk-optimised flexibility with respect to the reaction to market changes and thus enables the Berentzen Group to quickly and efficiently take advantage of opportunities in growth markets.

The nearly nationwide listing of the Mate drink „Mio Mio Mate“ achieved in the Non-Alcoholic Beverages segment affords subsequent opportunities to further expand on the „Mio Mio“ brand‘s previously demonstrated national potential and to utilise it in this spirit for the establishment of further branded products. This is accordingly associated with the possibility of expanding this segment‘s classic regional sales area to the entire country for a broader range of products, thereby developing additional sales potential. Following the particular challenges of the first operating year of the franchise business with the branded beverages of the Sinalco Group started at the beginning of 2015, there are opportunities to exploit the experience and knowledge gathered over the course of that year as part of a consistent implementation of counteracting measures and thereby expand the business volume. There are also opportunities in this context as a result of the withdrawal of an international competitor from certain varieties of packaging.

In the Fresh Juice Systems segment, in particular the competitive advantage of the „Citrocasa“ brand from the positioning as a premium system vendor of technically high value fruit juicers, particularly juicy oranges of the „frutas naturales“ variety, customer-specific containers and accompanying services present opportunities for the further development of the international growth potential. Technical innovations of the system component fruit juicers such as the newly developed compact juicer „Revolution“ afford additional opportunities that insofar can expand the competitive edge and open up new, previously unutilised capabilities and thus new customer groups or distribution channels. Furthermore, the potential for opportunities is supported by the trend towards fresh and natural products observed with consumers and in the food trade.

Opportunities from the implementation of operating measures

The Berentzen Group is already one of the most efficient spirits manufacturers in Germany, because it subjects its production and logistics processes to continuous analysis and always finds approaches for additional optimisations. Additional productivity increases are therefore regarded as possible, in particular as replacement investments are also designed not only with stabilisation in mind, but rather as an improvement in the status quo. This applies corresponding for the Non-Alcoholic Beverages segment with the focus on production and fresh juice systems, in particular with a view towards the demanding logistics for fruits.

With respect to procurement, the Berentzen Group is dependent on the commodity and producer markets. Insofar, cost advantages can be realised if there is a general decrease in commodity prices or if medium to long-term supplier contracts can be formed for the procurement of such commodities at favourable points in time. Specifically, bountiful harvests of commodities and traded goods of agrarian origin with respect to individual raw materials needed for the production of spirits and non-alcoholic beverages as well as the oranges sold in the Fresh Juice Systems segment can lead to favourable price trends.

Other than on the cost side, further opportunities are also afforded on the sales side. Above all the innovative capacity of all the segments of the Berentzen Group presents further potential for such opportunities. The corporate group‘s expertise in the development of high-quality and great-tasting, market-oriented and timely innovations represents a factor of success that is valued in particular by the consumers. Thanks to committed employees in research and development on the one hand as well as quality assurance on the other hand, the Berentzen Group can set itself positively apart from the competition with respect to its products and bring about a perception on the part of customers that has a subsequent impact on sales and earnings.

Opportunities in connection with total funding

The Berentzen Group's solid cash flow provides sufficient financial leeway and flexibility for the implementation of its operating strategies and initiatives. Furthermore, this financial strength facilitates easier access to refinancing or, if necessary, additional financing options at respectively good terms and conditions.

Opportunities from strategic acquisitions

With its current positioning, the Berentzen Group considers itself in a good position to meet the various needs of the consumers as well as those of its trade and catering partners in large volumes with its product portfolio of spirits, non-alcoholic beverages and fresh juices. In addition to the opportunities highlighted from organic growth, the Berentzen Group also continues to pursue exogenous growth opportunities in connection with opportunities presented as a result of selective business acquisitions that support the Group's growth strategy.

As a general rule, these opportunities not only open up the possibility of sensibly expanding sales channels or rounding out the product and customer portfolio, they also leverage and utilise mutual synergy effects. Therefore, business acquisitions can have a positive impact on the business performance and the Group's financial performance, cash flows and financial position.

(5.4) Overall assessment of risks and opportunities

The Executive Board and Supervisory Board of the Berentzen Group are regularly informed of the Company's risk and opportunity situation.

In the opinion of the Management, the Berentzen Group's risk exposure may have increased slightly overall compared to the previous year, but it remains manageable from today's perspective.

On the basis and in the sense of the assessment matrix presented in Section (5.1), there are no risks assessed as „high" risks. Compared to the risk reporting provided in connection with the Group management report for the 2014 financial year, there are no changes in the assessment of financial risks at the „medium risk" level, even though the relevant likelihood of occurrence was raised one level. General business risk is now assessed as „medium risk" due to the likewise increase of one level in the likelihood of occurrence; in contrast, the assessment of industry risk remained unchanged at the „medium risk" level overall. With respect to the remaining risks presented, there were no changes individually with respect to the likelihood of occurrence and severity; consequently, the individual assessments remained respectively at the „low risk" level.

In particular supported by the improved financial performance as well as the corporate group's continued good cash flows, no separate or cumulative risks are expected by the Management with respect to the risks described above and their possible likelihood of occurrence that could jeopardize the company as a going concern with a period of at least one year.

Moreover, the Executive Board sees potential for the Group in the consistent pursuit of the illustrated opportunities, in particular in the Non-Alcoholic Beverages and Fresh Juice Systems segments, that should not be passed up.

The Berentzen Group continues to have high liquidity at its disposal and therefore the possibility of taking advantage of its growth potential as well as to implement other measures to improve its profitability and systematically invest in its further development both through organic growth as well as through opportune business acquisitions.

However, the materialisation of risks or the realisation of opportunities can have an impact on the Group's forecasts.

(5.5) Comments on the accounting-related internal control and risk management system

The objective of the accounting-related internal control and risk management system set up by the Berentzen Group is to ensure the propriety of the financial reporting in the sense of the compliance with all the relevant provisions for the annual and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft as well as the management report, which is prepared in the form of a combined management report for Berentzen Group (corporate group) and Berentzen-Gruppe Aktiengesellschaft.

Internal control system

The internal control system in the Berentzen Group includes all principles, methods and measures to ensure the effectiveness, efficiency and compliance of the accounting as well as to ensure the compliance with the relevant legal provisions.

In the Berentzen Group, the internal control system comprises the internal control and internal monitoring system. Below the level of the Executive Board, the responsibility for the internal control system lies in particular with the areas of Controlling and Reporting, Accounting and Finance and Taxes as well as Legal and Personnel, which are managed centrally at Berentzen-Gruppe Aktiengesellschaft.

Process-integrated and process-independent control measures form the elements of the internal monitoring system. In addition to the manual process controls – for instance, the „dual control principle“ – IT process controls in the system represent a significant part of the process-integrated measures. Expanded risk control matrices are introduced for material transactions that are updated on an ongoing basis. Furthermore, process-integrated monitoring is ensured through organisational measures, for example by means of guidelines or access restrictions as well as through specific Group functions such as the central Investment Controlling or also a central Legal and Tax department.

The Supervisory Board – specifically the Finance and Audit Committee – of Berentzen-Gruppe Aktiengesellschaft and an additional external Auditing department for the Berentzen Group are involved in the internal control system at the Group level with the process-independent audit procedures.

Accounting process

In the legal sense, the Executive Board is obligated to prepare the annual and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft as well as the combined management report for the Berentzen Group (corporate group) and Berentzen-Gruppe Aktiengesellschaft, while the respectively responsible Executive Board member bears the overall responsibility for all processes.

All accounting entries are recorded in the annual financial statements of the individual companies of the corporate group by Berentzen-Gruppe Aktiengesellschaft‘s central Accounting department, with the exception of foreign Group companies, using the SAP ERP system developed by the homonymous software enterprise. The application of the SAP system is periodically reviewed by the auditor and/or the Group auditor. The standardised, uniform preparation of the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft is ensured due to the fact that the individual annual financial statements are primarily prepared centrally. All accounting entries are recorded in the annual financial statements of the foreign Group companies by the Company‘s respective local Accounting department using various ERP systems or in line with corresponding agreements by external expert service providers. The individual annual financial statements of the foreign Group companies consolidated in the consolidated financial statements are included by means of a corresponding reporting package, which also contains further information – for instance, for the notes to the consolidated financial statements. The reporting packages of the material foreign Group companies included in the consolidated financial statements are subjected to an audit in accordance with International Standards on Auditing (ISA) or a review, depending on their significance for the Group and/or the consolidated financial statements.

The information resulting from the separate annual financial statements and reporting packages is transferred to a consolidation file that is not integrated in the ERP system. Manual reconciliation and a review by the Group auditor ensure the accuracy of the transferred data.

All consolidation processes for the preparation of the consolidated financial statements of Berentzen-Gruppe Aktiengeselschaft, such as the consolidation of capital, the consolidation of assets and liabilities, and the consolidation of income and expenses, are listed in the consolidation file. The result is tested for plausibility and validated with the help of the statement of changes in equity.

The disclosures in the notes to the separate financial statements and the notes to the consolidated financial statements are prepared and documented on the basis of the information provided to the central Accounting and Controlling department as well as computer-based evaluations.

Comments on the main features of the internal control and risk management system with respect to the accounting process

The internal control and risk management system with respect to the accounting process ensures an efficient accounting process in which errors are largely avoided, but at any rate can be detected.

The system is based on a central accounting and reporting function for all German Group companies, which simultaneously also manages and controls the accounting and reporting function of the foreign Group companies.

The accounting entries recorded in the respective Group companies, which are reviewed on an ongoing basis for completeness and accuracy, for example as part of plausibility assessments, by means of sampling, or computer-based processes, as well as periodic or as-needed specific control activities, form the basis for the data used to prepare the separate annual financial statements and the consolidated financial statements as well as the combined management report. Further accounting control mechanisms include analytical audits with respect to the individual line items of the separate annual financial statements and consolidated financial statements, and with respect to the consolidated financial statements both at the aggregated level of the Group as well as at the level of the underlying separate annual financial statements of the individual companies.

As a general rule, internal processes are subject to the „dual control principle“, which is applied accordingly based on the size of the company. Accounting-related processes are audited in selected areas by an additional external auditor.

There is an authorisation concept for the IT systems employed in the accounting area in order to prevent unauthorised access and unauthorised use as well as to ensure that the accounting-related data cannot be altered.

Additional building blocks to ensure an orderly, uniform and continuous accounting process include sufficient staffing levels in responsible functional areas with employees who exhibit the requisite qualifications as well as clear legal and internal instructions with respect to a separation of functions for the key areas involved in the accounting process, but also in the form of the preparation and updating of accounting-related guidelines.

The clear separation of areas of responsibility as well as various control and inspection mechanisms ensure the propriety of the accounting system as a whole. On this basis, it is ensured that transactions are recorded, processed and documented as well as evaluated in their entirety on a timely basis and properly in the bookkeeping system in compliance with statutory provisions, the German accepted accounting principles and international accounting standards and also accurately included and presented in the separate annual financial statements and consolidated financial statements as well as in the combined management report.

(6) Forecast report

The Forecast report for the Berentzen Group takes account of the relevant facts and events known at the time of preparation of the consolidated financial statements which might have an impact on the corporate group's future business performance. The forecasts made herein on the basis of the current version of the integrated corporate plan for the Berentzen Group for the 2016 financial year are built around the organic development of the corporate group excluding significant non-recurring (special) effects and changes arising from possible company acquisitions; where such events need to be incorporated at the time of preparation of the present Forecast report, this must be stated accordingly.

(6.1) General economic and industry-specific conditions

General economic conditions

In its World Economic Outlook Update dated January 2016, the International Monetary Fund (IMF) predicted that the global economy would expand by 3.4% in 2016. In its DIW Wochenbericht weekly report dated December 2015, the German Institute for Economic Research (DIW Berlin) expresses its view that real gross domestic product will rise by 3.6% worldwide; the latest IMF forecasts are thus 0.2 percentage points below its own projections made in October 2015 and those of DIW Berlin. The IMF similarly reduced its forecast for economic growth in the industrialised nations by 0.1 percentage point to 2.1%. Within this total, the expectations for the United States and the eurozone are moving in opposite directions. Set against growth of 2.6% predicted for the United States, which is 0.2 percentage points below the forecast made in October 2015, the IMF improved its projected economic growth for the eurozone by 0.1 percentage points to 1.7% in 2016, whereas DIW Berlin expects expansion of 1.5%. Growth of 4.3% is anticipated for the emerging markets; here, too, the IMF adjusted its estimate from October 2015 downwards by 0.2 percentage points.

The IMF sees risks for the global economy, and hence also for the European economy, predominantly in the transition of the Chinese economy from industry and exports to services and consumption, a further fall in the price of oil and the lift-off in interest rates in the United States at the end of 2015 in combination with a strong dollar and a potential further escalation in existing geopolitical tensions. This last factor is related by DIW Berlin specifically to the conflicts in the Middle East, risks that it describes as considerable.

With regard to German economic output, the IMF is demonstrating greater optimism than in October 2015, similarly correcting its forecast upwards by 0.1 percentage points to take the growth rate to 1.7%. DIW Berlin is similarly predicting GDP growth of 1.7% in real terms in 2016, attributing this mainly to domestic demand coupled strongly with the good situation on the labour market. All in all, however, domestic demand is expected to benefit from temporary effects, notably including the boost to purchasing power yielded by lower oil prices and the stimulus provided by the influx of refugees.

DIW Berlin believes that monetary and financial policy will be less expansionary in 2016, with a neutral position predominating both globally and in the eurozone. In terms of the development of the euro against the US dollar, a forecast issued by leading German banks in February 2016 points to a moderate appreciation of the US currency over the one-year horizon.

The referendum regarding the UK's continued membership of the EU to be held in mid-2016 could, however, have a significant impact not yet included in these forecasts on both the financial and currency markets and on economic development especially in the EU.

Developments on the drinks market

As was already the case in the past, the forecasts for domestic and international spirits activities vary greatly from region to region.

The projections made by the British market researcher Euromonitor in 2014 for the volume of spirits sales in the significant international markets served by the Berentzen Group suggest that the figures for the respective segments will tend to decline in 2016, albeit with exceptions in some individual instances.

It remains difficult to make valid sales forecasts for Turkey due to more factors than simply ongoing regulatory constrictions. At the same time, the market researchers at Euromonitor had considered sales growth of 1.6% to be possible for the Turkish spirits market as a whole in 2016, with growth rates of 3.7% and 4.8% even being eyed for liqueurs and vodka respectively. As recently as June 2015, the experts still considered it likely that the market would expand on the back of rising tourist arrivals, among other factors. In the meantime, the Berentzen Group believes there are good reasons for doubting these forecasts on account of the worsening market environment caused by internal and external political crises and conflicts, and the associated deterioration in the security situation. The forecasts for the US spirits market were more optimistic. Accordingly, the market researcher was predicting sales growth of 2.3% for the market as a whole in 2016, including 1.9% and 2.3% for the liqueur and vodka product categories respectively. With regard to the activities involving spirits in the international duty free distribution channel that are important for the corporate group, internal assessments suggest that the sales volume will improve strongly.

The rise in the average retail volume across the board recorded in the eurozone and the EU in 2015 according to Eurostat figures, and especially in sales volumes in the retail trade in the “Food, beverages and tobacco” category, is not reflected in the sales trend for spirits forecast by Euromonitor in the most important European international markets for the corporate group. Whereas the Dutch spirits market is forecast to have suffered a further slight decline of 0.5% forecast overall, the sales forecasts in the key market segments of relevance for the corporate group of vodka and liqueur are moving in opposite directions, with an increase of 2.0% in the first instance and a decrease of 1.4% in the second. The forecasts for the spirits market in the Czech Republic are negative across the board. All in all, sales volumes are expected to have contracted by 0.5% across the spirits market as a whole and sales of liqueurs and vodka to have fallen by 0.6% and 1.3% respectively.

For the market in Germany, the retail trade association Handelsverband Deutschland (HDE) released a statement in January 2016 projecting an increase of around 1.5% in inflation-adjusted retail revenues in 2016 following on from growth of 2.7% in real terms in 2015. In light of the expected development of the domestic market, the Berentzen Group believes that this positive trend will apply analogously to the “Food, beverages and tobacco” category determined by the Federal Statistical Office, although at a weakened level. Sales of spirits in the German retail trade are unlikely to match the rise of around 0.7% recorded in the previous year in this context, and will remain stable at best. Accordingly, the general market trend in the domestic spirits business will presumably not yield a tangible boost to growth. The core brands “Berentzen” and “Puschkin” have been anchored more firmly in consumer awareness by the constant promotional activities that were initiated in 2013. It is nonetheless essential to continue systematically promoting the commercial operations in order to sustainably generate profitable growth in a saturated, price-driven domestic market that is increasingly being dominated by promotional activities. This will be achieved primarily by establishing innovations and carrying out targeted promotional measures. Internal appraisals based on the trends observed over the last few years suggest it is also possible that the shares of spirits sales enjoyed by proprietary brands in the food retail sector will increase further in the market, a development from which the corporate group’s branded dealer and private-label products can also benefit.

The anticipated development of the underlying conditions for the Non-alcoholic Beverages segment on the German market is inconsistent. The Verband Deutscher Mineralbrunnen e.V. (VDM), a German mineral water industry association, has expressed its belief that the positive sales trend for natural mineral water will continue in 2016. According to the VDM, this will be driven by the trend for healthy diets and the desire on the part of consumers to enjoy natural, healthy, locally sourced foods. Against this backdrop, the Berentzen

Group assesses the market outlook for its activities involving soft drinks to be restrained, meaning that domestic sales of non-alcoholic beverages are unlikely to prove anything more than constant overall compared with 2015. The corporate group is building on the position it has achieved in this segment as a strong partner to northern German retailers and the hospitality trade with attractive products under its own proprietary and franchise brands and the possibility of offering a wide range of bottle sizes. In addition, its product portfolio provides excellent coverage of the consumer trend for "local brands" and the increased consumption of mineral waters. The drinks marketed under the proprietary "Mio Mio" brand, and especially "Mio Mio Mate", now provide better access to the domestic food retail trade, in turn opening up further potential for branded beverages from the proprietary product portfolio. This essentially gives rise to growth prospects, although the outlook for the consumption of non-alcoholic beverages does traditionally depend more on good weather in the spring and especially in the summer.

With reference to the presentation of the developments on the drinks market in the Economic report (section 2.1), as far as the Berentzen Group is aware, to all intents and purposes there are no all-round, resilient market data available for the Fresh Juice Systems segment, meaning that it makes use of the market development of fresh drinks like not-for-concentrate juices, freshly squeezed fruit juices and smoothies as a leading indicator. According to an internal assessment, the Berentzen Group is working on the assumption – just like the VDM for the German market as described above – that the long-standing trend for sensible, healthy diets will persist. This goes hand in hand with the positive sales and revenue development for fresh drinks recorded in the past as confirmed by market study published by the Association of the Industry of Juices and Nectars from Fruits and Vegetables of the European Union (AIJN) in 2015 covering the period from 2010 to 2014, with corresponding growth rates especially on the main markets in Europe, and specifically in central Europe, albeit at a relatively low level in absolute terms.

(6.2) Key operating topics in the 2016 financial year

The operating activities of the Berentzen Group will again focus overall on generating growth and boosting profitability in the 2016 financial year by means of the strategic optimisation and orientation of the individual segments. The corporate group aims to position itself more strongly in modern, freshness- and health-conscious beverage and product segments (such as mineral water and fresh juice systems) in order to gain a better balance with the societal influences that traditionally dominated the products of the Spirits segment in general and sugary soft drinks in the Non-alcoholic Beverages segment in particular. The goal here is to tap new growth opportunities, including on international markets. Within this setting, the Berentzen Group will concentrate more on a few, strong growth fields.

Following the revitalisation of the two umbrella brands "Berentzen" and "Puschkin" carried out since the 2013 financial year, a major objective of the Spirits segment consists of reinforcing and increasing the high awareness levels of these brands and the associated market position in this and other spirits categories. Among other things, this will involve constantly enhancing the product range and adopting a promotional policy that is as targeted as it is pro-active, featuring a dense array of sales activities. Innovations and renovations, including a rejuvenation of the product portfolio featuring an increased number of premium innovations, together with an optimisation of the marketing and sales budgets and structures are planned to achieve this goal. The promotional activities will continue to revolve around online and social media communications that match the media usage patterns of younger target groups. The goal in activities involving branded dealer and private-label products is to at least stabilise the business at roughly the same high level as has been achieved over recent years. Against the backdrop of a cautious overall evaluation of the underlying conditions, the internal forecasts assume that it will not be possible to repeat the business volume attained in the 2015 financial year. The sales policy is geared to implementing innovative promotional concepts and developing value-adding private-label concepts in cooperation with the trade partners. Furthermore, the Company is looking to go on benefiting from the expansion of internationally active food retailers outside Germany and to distribute more own private-label products both inside and outside Germany. The goal here is to strengthen the international activities involving branded dealer and private-label products that have suffered of late mainly from adverse changes in the underlying economic conditions and to press ahead with the internationalisation of its business.

The objectives in the international activities involving branded spirits, which were similarly negatively affected by economic and political developments in the past financial year, are primarily geared to consolidating and regaining the momentum of growth in relevant international markets, mainly including the Benelux states, the Czech Republic, Austria, Switzerland and the duty free distribution channel as well as the United States. In addition, the aim is to tap further international markets in southern and eastern Europe and the market in Japan by stepping up sales activities in the countries concerned. In this context, the focus is notably on implementing product innovations under the two umbrella brands “Berentzen” and “Puschkin”. With regard to the international business on the Turkish market that has been hard hit by extraneous influences of late, the main objective is to improve the financial performance while restoring the kind of sales and revenue growth that had been recorded until now. In response to the contracting business notably over the last few months of the 2015 financial year and hence over the year as a whole, together with the persistently difficult and risk-fraught economic environment, a shift in sales resources was initiated from the local distribution channel through hotels to business in the traditional food retail trade dominated by “corner shops”; this move went well over the last financial year. At the same time, other options are also being examined.

The goals in the Non-alcoholic Beverages segment are to reverse the trend observed in the 2015 financial year and to raise both the business volume and profitability back to the levels achieved previously. In this context, the operational measures are geared towards both the Company’s proprietary brands and products and especially the franchise business involving Sinalco Group products. With regard to the proprietary soft drinks, the aim is to expand the almost nationwide listing of the mate-based beverage “Mio Mio Mate” and other products under the “Mio Mio” brand to achieve complete coverage in Germany and to support the buildup of other proprietary brands to unlock domestic potential. A makeover is planned for the “Vivaris” brand as well as other product innovations under this umbrella, together with the further development of the proprietary regional water brands, notably including new product and bottle variants and a repositioning of individual brands. The main task, however, will be to successfully run the franchise business involving the branded beverages of the Sinalco Group that commenced in January 2015. Besides stepping up acquisition and distribution activities supported by an increased marketing budget, this will include optimising the corresponding production and logistics processes and leveraging opportunities arising from the withdrawal of an international competitor from certain bottle types. This last point, coupled with the additional bottling of private label products started at the end of the 2015 financial year, is expected to have a positive effect on the production of soft drinks for external customers.

The goal in the Fresh Juice Systems segment is to leverage the competitive advantage of the “Citrocasa” brand arising from the positioning as a system vendor for high-tech juicers, particularly fruity oranges under the “frutas naturales” brand, customer-specific bottling systems and accompany service offerings with a view to unlocking further international potential. Alongside the targeted successive consolidation of the domestic market in Austria, the focus will be on markets in western and eastern Europe and the Far East accordingly, with special attention being paid to increasing market penetration in Germany. In parallel to and support of this, it is planned to develop the hospitality trade as a further distribution channel for fresh juice systems with the newly developed, compact “Revolution” juicer that rolled out at the end of October 2015, and push the international expansion of the fruit logistics function. Additional short- to medium-term investments in sales and technical service have been prioritised to provide further support.

In parallel to these topics relating to organic growth, the strong cash position enjoyed by the corporate group provides options for leveraging possibilities by means of strategic acquisitions, should appropriate opportunities arise.

(6.3) Anticipated development of financial performance

Anticipated development of the segments

	2015 EUR'000	Forecast for the 2016 financial year
Contribution margin after marketing budgets		
Segment		
Spirits	26,189	Slight decline
Non-alcoholic Beverages	17,673	Sharp increase
Fresh Juice Systems	6,682	Sharp increase
Other [1]	4,680	Sharp increase
Total	**55,224**	

[1] Notably including international operations with branded spirits.

Each of the four segments in the corporate group is again expected to generate a segment profit (contribution margin after marketing budgets) in the 2016 financial year, although the development of the individual segments is likely to differ.

A slight decline in the segment profit is anticipated in the Spirits segment, given the assumptions outlined above. This statement is based mainly on the conservative budget for the business involving branded dealer and private-label products coupled notably with foreseeable price rises for the sourcing of raw materials. With regard to the domestic spirits market, however, it is harder to make a reliable forecast due to the fact that the composition of sales and revenues with products with better or worse quality margins despite active management depends heavily on external factors like the future development of consumption patterns and the corresponding demand.

In contrast, the segment profit in the Other segment, which notably encompasses international operations with branded spirits, is expected to improve sharply. This is based on an intensification of relevant sales activities in a series of significant foreign markets. An important role in this regard will be played by developments on the spirits business in Turkey, which is subject to greater planning uncertainty on account of the underlying market conditions, especially as a recovery is not yet in sight in the market environment. On the contrary, the crisis in the local tourist trade has worsened following further terrorist attacks at the start of 2016, serving to additionally depress the distribution channel through the hotel trade that continues to be used by the Turkish group company.

With regard to the Non-alcoholic Beverages segment, the corporate group similarly expects to record a sharp increase in segment profit. This can be attributed mainly to the expansion of the franchise business involving the drinks of the Sinalco Group together with a further extension of the product portfolio managed under the “Mio Mio” brand.

The Berentzen Group expects the Fresh Juice Systems segment to record another sharp increase in segment profits following on from its successes in the 2015 financial year. This will be built upon the continued unlocking of the international potential of fresh juice systems in general and the newly developed, compact “Revolution” juicer in particular.

Anticipated development of total operating performance and consolidated operating profit

	2015 EUR'000	Forecast for the 2016 financial year
Total operating performance	159,035	Considerable increase
Consolidated operating profit (consolidated EBIT)	7,575	Sharp increase
Consolidated operating profit before depreciation and amortisation (consolidated EBITDA)	15,657	Sharp increase

The Berentzen Group expects to record a considerable increase in total operating performance in the 2016 financial year despite a generally restrained outlook for the sector development in the individual segments, with the exception of the Fresh Juice Systems segment. The main drivers in this context are expected to be the revenue and profit contributions from the Fresh Juice Systems and Non-alcoholic Beverages segments on the back of the objectives and measures described for the relevant segments above.

Against this backdrop, the corporate group anticipates a sharp improvement in the consolidated operating profit (consolidated EBIT) and consolidated EBITDA on the back of a tangible decline in depreciation and amortisation in relative terms. Alongside the increase in total operating performance, this also includes a further improvement in the gross profit margin despite a foreseeable rise in the cost of raw materials in individual segments in line with the expansion of the volume of business and a shift in the contributions of the individual segments to the profits of the corporate group.

(6.4) Anticipated development of cash flows and financial position

Based on the anticipated development of operating activities as described above, it is assumed that the good to solid cash flows and financial position of the corporate group will not change significantly overall. The starting point here is the cash flow and financial position of the corporate group at December 31, 2015.

Anticipated development of cash flows

	2015 EUR'000	Forecast for the 2016 financial year
Operating cash flow	8,115	Considerable increase

The corporate group expects to enjoy a considerable improvement in its operational cash flow in line with the forecast increase in profit.

Anticipated development of the financial position

	12/31/2015 EUR'000 / %	Forecast for the 2016 financial year
Adjusted consolidated equity ratio	37.2%	Negligible decline
Leverage ratio	-29.2%	Considerable increase
Working Capital	-15,746	Considerable increase

The Berentzen Group expects to enjoy an increase in consolidated shareholders' equity in absolute terms in line with the higher profit forecast. On account of the changes occurring in the other parameters used in the calculation of this indicator relating to the projected expansion of the business volume, the adjusted consolidated equity ratio is likely to decline by a negligible amount at the same time.

Cash and cash equivalents will probably be much lower at December 31, 2016 on account of the projected expansion of the business volume and the ensuing rise in working capital. This will result in a considerable increase in the leverage ratio calculated as the proportion of cash and cash equivalents accounted for by the financial liabilities of the corporate group. In absolute terms, however, the corporate group expects its remaining net liquidity to remain positive on aggregate at the end of the 2016 financial year upon only a slight increase in financial liabilities.

The corporate plan for the 2016 financial year calls for the funding structure of the corporate group to remain balanced overall, although the indicators used to manage the corporate group are also subject to year-end-related effects to a not inconsiderable extent.

(6.5) General statement regarding the anticipated development of the corporate group

Best known for its "Berentzen" and "Puschkin" umbrella brands, the Berentzen Group stands nationally and internationally for 250 years of spirits competence from Germany. An important part of the corporate group is, however, built around the business with non-alcoholic beverages, where the Group company Vivaris Getränke GmbH & Co. KG has been active on the German soft drinks market for decades with its proprietary brands and a franchise business based on long-term contracts. The investment made in 2014 to acquire the profitable Fresh Juice Systems segment marketed internationally under the "Citrocasa" brand has proved to be a both significant and correct decision for the further development of the corporate group in terms of more than just the past 2015 financial year; it has also set a strategic direction of travel. The move has helped the Berentzen Group to gain a broader base and deliberately position itself increasingly in modern, freshness-oriented market segments for beverages.

The Berentzen Group again faces a challenging financial year in 2016. All of the factors listed here are of crucial importance for the development of the corporate group: the targeted tapping of the available growth potential in many foreign markets in the Fresh Juice Systems segment; the restrained expectations regarding the development of the spirits market affecting the spirits business; uncertainty surrounding the success of innovations by their very nature; and measures required in the Non-alcoholic Beverages segment. In this context, all the commercial activities focus on generating further growth and boosting profitability.

The anticipated, tangible improvement in the financial performance and – measured by the relevant performance indicators – good to solid cash flows and a financial position that are largely unchanged are built around the viability of proprietary products and brands together with the successful implementation of the key topics in the individual segments, especially in the Non-alcoholic Beverages and Fresh Juice Systems segments. Also important in this regard is a high level of innovation across all corporate segments coupled with appropriate corporate structures for the targeted risks and rewards.

These forecasts are based notably on an unchanged corporate structure compared with the 2015 financial year. Accordingly, significant deviations may arise from the realisation of the possible opportunities to make further company acquisitions. Furthermore, the actual business performance is dependent not least upon the general economic and industry-specific environment and may be negatively affected by more strongly adverse changes in the underlying conditions described. Both positive and negative deviations from the forecast may also result from not only the opportunities and risks described in the Report on opportunities and risks but also such opportunities and risks as were not identifiable at the time of preparation of the present combined Management Report.

(7) Acquisition-related disclosures and explanatory report of the Executive Board

The acquisition-related disclosures in accordance with Section 315 (4) and Section 289 (4) HGB and the explanatory report of the Executive Board of Berentzen-Gruppe Aktiengesellschaft form part of the Combined Management Report.

Beyond this, the Executive Board believes there is no need for any further explanations within the meaning of Section 175 (2) 1 and Section 176 (1) 1 AktG.

(7.1) Composition of subscribed capital

The subscribed capital of Berentzen-Gruppe Aktiengesellschaft of EUR 24,960 thousand is divided into 9,600,000 shares of common stock structured as no-par bearer shares and is fully paid in. The notional nominal value per share is EUR 2.60.

All the shares confer the same rights and obligations. The rights and obligations of the shareholders are derived in detail from the provisions of the German Stock Corporation Act (AktG), and notably from Section 12, Section 53a et seq., Section 118 et seq. and Section 186 AktG.

(7.2) Restrictions relating to voting rights or the transfer of assets

Each share confers one vote in the general meeting and is definitive for the share of the Company's profit attributable to the shareholders. Excluded from this are the treasury shares held by Berentzen-Gruppe Aktiengesellschaft, which do not confer any rights to the Company. In the instances set forth in Section 136 AktG, the voting right is excluded from the shares concerned by act of law. Violations of notification obligations within the meaning of Section 21 (1) and (1a) of the German Securities Trading Act (WpHG) may lead to rights conferred by shares and also the voting right being abrogated at least temporarily pursuant to Section 28 WpHG.

The Executive of Berentzen-Gruppe Aktiengesellschaft Board is not aware of any contractual restrictions on voting rights or the transfer of shares.

(7.3) Equity holdings exceeding 10% of voting rights

The following direct holdings and eligible indirect holdings in accordance with Section 22 WpHG of Berentzen-Gruppe Aktiengesellschaft equity in excess of 10% of the voting rights exist:

Name, registered office	Direct / indirect holding of equity exceeding 10% of the voting rights
BGAG Beteiligungs GmbH, Grünwald	Direct
AURELIUS SE & Co. KGaA (formerly known as Aurelius AG), Grünwald	Indirect

The above disclosures are based notably on the notifications pursuant to Section 21 WpHG that Berentzen-Gruppe Aktiengesellschaft has received and published.

(7.4) Shares with special rights that confer control powers

There are no shares with special rights in accordance Section 315 (4) No. 4 and Section 289 (4) No. 4 HGB that confer control powers.

(7.5) Type of voting right control where employees hold equity and do not exercise their control rights directly

Where they hold Berentzen-Gruppe Aktiengesellschaft equity, employees normally exercise their voting rights like other shareholders directly in compliance with the statutory provisions and the arrangements set forth in the Articles of Association of Berentzen-Gruppe Aktiengesellschaft. The Company is not aware of any employees who hold Company equity and do not exercise their control rights directly.

(7.6) Statutory provisions and regulations in the Articles of Association regarding the appointment and dismissal of members of the Executive Board and amendments to the Articles of Association

Appointment and dismissal of members of the Executive Board

The appointment and dismissal of members of the Executive Board is based on Section 84 and Section 85 AktG in conjunction with Article 6 of the Articles of Association of Berentzen-Gruppe Aktiengesellschaft. Article 6 para. 1 of the Articles of Association states that the Executive Board will consist of at least two members. According to Article 6 para. 2 of the Articles of Association, the number of Executive Board members is determined by the Supervisory Board. The Supervisory Board may appoint a chairman and a deputy chairman of the Executive Board.

Amendments to the Articles of Association

According to Section 119 (1) No. 5 and Sections 179, 181 and 133 AktG, a resolution adopted by the general meeting is normally required to make amendments to the Articles of Association of Berentzen-Gruppe Aktiengesellschaft. At the same time, there are numerous further provisions in the German Stock Corporation Act that may become applicable in the event of provisions in the Articles of Association, modifying the regulations mentioned above. According to Article 19 para. 3 of the Articles of Association, resolutions are adopted by the general meeting with a simple majority of the votes cast and, where the law prescribes a capital majority as well as the voting majority, with a simple majority of the capital stock eligible to vote represented when the resolution is put to the vote, provided compulsory statutory provisions do not require a larger majority. According to Article 15 of the Articles of Association, amendments only affecting the formatting of the Articles of Association may be adopted by the Supervisory Board without a resolution from the general meeting.

(7.7) Powers of the Executive Board notably regarding the option to issue or buy back shares

Authorised Capital (not issued)

The Executive Board of Berentzen-Gruppe Aktiengesellschaft is authorised, with the consent of the Supervisory Board, to increase the capital stock by issuing new bearer shares of common stock in exchange for cash or in-kind contributions on one or more occasions, but for a maximum total of up to EUR 12,480 thousand, in the time until May 21, 2019 (Authorised Capital 2014). A subscription right is normally to be granted to the shareholders. The Executive Board is, however, authorised, with the consent of the Supervisory Board, to exclude the statutory subscription right of the shareholders in the following instances:

- For fractional amounts;
- For the acquisition of non-cash contributions, such as the granting of shares against the contribution of companies, against the contribution of company divisions or participating interests in companies, or against the contribution of other assets;
- In order to issue shares to employees of the Company and affiliated companies downstream of the Company to an appropriate extent, however with a total proportionate share of capital stock not exceeding EUR 2,496 thousand attributable to such shares;
- In order to grant to the holders and/or creditors of conversion and/or warrant rights, or the debtors of conversion and/or warrant obligations, conferred by convertible bonds and/or warrant bonds issued by the Company directly or by way of a (direct or indirect) majority-owned company, a subscription right to new shares to the extent to which they would be entitled following exercise of the conversion and/or warrant rights or settlement of the conversion and/or warrant obligations;

— If the capital increase is carried out against cash contributions and the total proportionate amount of the capital stock attributable to the new shares for which the subscription right is excluded does not exceed EUR 2,496 thousand and 10 percent of the capital stock present at the date when the new shares were issued, and the issue amount for the new shares is not significantly below the quoted price within the meaning of Section 203 (1) and (2) and Section 186 (3) 4 AktG for the already listed shares of the same class and features at the date when the Executive Board definitively set the issue amount. The maximum volume stated in this paragraph is reduced by the proportionate amount of capital stock attributable to shares, or to which conversion or warrant rights, or conversion or warrant obligations, conferred by bonds relate, that have been issued or sold since May 22, 2014 upon direct, corresponding or analogous application of Section 186 (3) 4 AktG.

Where the shareholders' subscription right is not excluded, it may also be granted to the shareholders in the form of an indirect subscription right in accordance with Section 186 (5) 1 AktG.

The Executive Board is authorised, with the consent of the Supervisory Board, to establish the further details of the execution of capital increases under Authorised Capital.

Issue of convertible and/or warrant bonds (not issued)

Nominal amount, authorisation period, number of shares, maturity

The annual general meeting on May 22, 2014 and the separate meeting of the preferred shareholders on May 22, 2014 authorised the Executive Board, with the consent of the Supervisory Board, to issue once or more than once up until May 21, 2019 bearer or registered convertible bonds and/or warrant bonds (referred to together as "bonds" below) with a total nominal amount of up to EUR 200,000 thousand and to grant to or impose on holders or creditors of the bonds conversion or warrant rights and/or conversion or warrant obligations relating to new shares of common bearer stock, or shares of preferred bearer stock without voting rights, of the Company with a proportionate share of capital stock totalling up to EUR 12,480 thousand in strict compliance with the terms and conditions of the convertible bonds or warrant bonds. In this regard, however, conversion and warrant rights, and conversion and warrant obligations, relating to new shares of non-voting preferred bearer stock may only be granted to the extent that the proportionate share of capital stock attributable to existing shares of common stock at the date of granting exceeds the proportionate share of capital stock attributable to existing shares of non-voting preferred stock at the date of granting. The bonds together with conversion and warrant rights, and conversion and warrant obligations, may be issued with or without limited maturities.

Apart from euros, the bonds may also be issued in the legal currency of any OECD country – restricted to the equivalent euro amount. The total nominal amount of the bonds may not exceed EUR 200,000 thousand or the equivalent amount in a different legal currency. Issuance may also take place by way of a (direct or indirect) majority-owned company; in this instance, the Executive Board is authorised, with the consent of the Supervisory Board, to assume the guarantee for the bonds on behalf of the Company and grant to the holders or creditors of such bonds conversion or warrant rights on Company shares.

Granting of subscription rights, exclusion of subscription rights

The shareholders are entitled to a subscription right to the bonds, subject to the authorisations below. The subscription right may also be granted indirectly by acquiring the bonds of one or more banks, or equivalent companies as defined in Section 186 (5) 1 AktG, with the undertaking to offer them to the shareholders for subscription.

Where both bonds conferring conversion or warrant rights on the subscription of shares of common bearer stock and bonds conferring conversion or warrant rights on the subscription of shares of preferred bearer stock are issued, the subscription rights on the bonds conferring conversion or warrant rights on shares of the other class may be excluded for holders of shares of one class, provided that the subscription ratio for the bond subscription is set at the same level for the holders of both share classes (crossed exclusion of subscription rights).

In addition, the Executive Board is authorised, with the consent of the Supervisory Board, to exclude the subscription right of shareholders to the bonds:

- For fractional amounts;
- Where necessary to grant to the holders or creditors of previously granted conversion or warrant rights on Company shares, or to the holders or creditors of bonds conferring conversion or warrant obligations, a subscription right to the extent to which they would be entitled as shareholders following exercise of these rights or settlement of the conversion or warrant obligations;
- Where bonds conferring conversion or warrant rights, or conferring conversion or warrant obligations, on new shares of preferred bearer stock are issued against cash contributions, and the issue price is not significantly below the theoretical market value of the bonds calculated in accordance with recognised mathematical methods. However, the shares of preferred stock to be issued to service the conversion and/or warrant rights, or conversion and/or warrant obligations, thus conferred may not exceed a total of 10 percent of the capital stock, either at the time the conversion takes effect or – if this figure is lower – at the date when this authorisation was used. The maximum volume stated in this paragraph for the shares of preferred stock to be issued to service the right and obligations is reduced by the proportionate amount of capital stock attributable to shares or to which conversion or warrant rights, or conversion or warrant obligations, conferred by bonds relate, that have been issued or sold since May 22, 2014 upon direct, corresponding or analogous application of Section 186 (3) 4 AktG.

The issues of convertible bonds and/or warrant bonds may be divided into fractional bearer bonds each conferring equal rights.

Conversion rights, conversion obligations

In the event that bonds conferring conversion rights are issued, the holders or creditors may exchange their bonds for new shares of common bearer stock and/or new shares of common share of preferred bearer stock without voting rights of the Company in compliance with the bond terms and conditions. The proportionate share of capital stock of the shares to be issued upon conversion may not exceed the nominal amount of the bond or a lower issue price. The exchange ratio is calculated by dividing the nominal amount of a bond by the defined conversion price for one Company share. The exchange ratio may also be calculated by dividing the issue price of a bond that is lower than the nominal amount by the defined conversion price for one new Company share. The exchange ratio may be rounded to a conversion ratio with a full number and, if appropriate, an additional cash payment may be established. Furthermore, it may be established that fractional amounts are consolidated and/or compensated in cash.

The bond terms and conditions may also allow for a conversion obligation. In this instance, the previous paragraph is applicable analogously.

Warrant rights, warrant obligations

In the event that bonds conferring warrant rights are issued, one or more warrants are attached to each bond entitling the holder or creditor to acquire Company shares in strict compliance with the warrant terms and conditions to be established by the Executive Board. It may be established that fractional amounts can be consolidated and/or compensated in cash. The warrant terms and conditions may also allow for the warrant price to be set by transferring fractional bonds and, if appropriate, making an additional cash payment. The proportionate share of capital stock of the shares to be acquired for each bond may not exceed the nominal amount of the warrant bond or an issue price that is less than the nominal amount. Where fractional amounts of shares arise, it may be established that these fractional amounts can be consolidated to acquire whole shares in compliance with the warrant or bond terms and conditions, where necessary against additional payment.

The bond terms and conditions may also allow for a warrant obligation. In this instance, the previous paragraph is applicable analogously.

Right to offer alternative performance

The bond terms and conditions may include the right for the Company not to grant new no-par shares in the event that the conversion or warrant rights are exercised but to make a cash payment corresponding to the arithmetic mean of the closing prices for preferred shares of the Company in electronic trading on the Frankfurt Stock Exchange over a period to be established in the bond terms and conditions for the number of shares to be delivered otherwise. The bond terms and conditions may also allow for a bond conferring conversion rights or warrant rights or obligations to be converted into existing shares of the Company or a different listed company instead of new shares from a conditional capital increase, or the warrant rights or conversion rights or obligations to be satisfied by delivering such shares. The bond terms and conditions may also allow for a combination of the performance forms listed above.

The bond terms and conditions may also grant the Company the right to grant no-par shares of the Company or a different listed company to the holders or creditors, in part or in full, upon expiry of a bond conferring conversion rights or warrant rights or obligations (this also includes expiry due to termination), instead of paying the cash amount due.

Conversion/option price, dilution protection

With the exception of cases where a conversion or warrant obligation is envisaged, the conversion or option price to be established for a no-par share of the Company must in each case amount to at least 80% of the arithmetic mean of the closing prices for the preferred shares of the Company in electronic trading on the Frankfurt Stock Exchange on the last ten trading days prior to the day the resolution was adopted by the Executive Board regarding the issuance of bonds conferring conversion or warrant rights or obligations. In the event that a subscription right is granted, the conversion or option price to be set in each case for a no-par share of the Company must be at least 80% of the arithmetic mean of the closing prices for the preferred shares of the Company in electronic trading on the Frankfurt Stock Exchange during the subscription period with the exception of the days of the subscription period that are required to ensure that the conversion or option price can be announced in a timely manner in accordance with Section 186 (2) sentence 2 AktG. These provisions are without prejudice to Section 9 (1) AktG and Section 199 AktG.

In the case of a conversion / option obligation, or in cases where alternative performance is offered, in compliance with the specific bond terms and conditions the conversion or option price must either amount to at least the minimum price mentioned above or correspond to the arithmetic mean of the closing prices for the preferred shares of the Company in electronic trading on the Frankfurt Stock Exchange on the ten trading days prior to the expiry date or a different defined date, even if this average price is below the minimum price mentioned above (80%). These provisions are without prejudice to Section 9 (1) AktG and Section 199 AktG.

Notwithstanding Section 9 (1) AktG, the bond terms and conditions may contain dilution-protection clauses in the event that the Company increases the capital stock during the conversion or warrant period with a subscription right granted to its shareholders or issues further convertible bonds or warrant bonds or grants or guarantees other warrant rights, and no subscription right is granted to the holders of conversion or warrant rights to the extent to which they would be entitled following execution of the conversion or warrant rights or settlement of the conversion or option obligation, provided the adjustment is not already required by force of law. The terms and conditions may allow for a value-protection adjustment of the conversion or option price for other measures taken by the Company that may lead to a dilution of the value of the conversion or warrant rights. In all circumstances, the proportionate share of capital stock of the shares to be acquired for each bond may not exceed the nominal amount of the bond or an issue amount that differs from the nominal amount, provided Section 199 (2) AktG does not require otherwise.

Authorisation to establish the further terms and conditions of the bonds

The Executive Board is authorised, with the consent of the Supervisory Board, to establish the further details of the issuance and features of the bonds and their terms and conditions, notably including the interest rate, type of interest, issue price, maturity, denomination and conversion or warrant period, the specification of an additional cash payment, the compensation or the consolidation of fractional amounts and cash payment instead of delivery. In the event of issuance by way of a (direct or indirect) majority-owned company, the Executive Board is additionally required to obtain the consent of the executive bodies of the majority-owned company issuing the bond.

Conditional Capital (not issued)

The capital stock is conditionally increased by up to EUR 12,480 thousand through the issuance of up to 4,800,000 new shares of common bearer stock qualifying for dividends from the beginning of the financial year in which they are issued (Conditional Capital 2014). The conditional capital increase serves to grant shares to the holders or creditors of convertible bonds and/or warrant bonds conferring conversion or warrant rights, and/or conversion or warrant obligations, issued or guaranteed by the Company or by way of a company majority-owned (directly or indirectly) by the Company in accordance with the authorisation resolved by the annual general meeting on May 22, 2014. New shares are issued at the conversion or option price established in the authorisation mentioned above. The conditional capital increase is only carried out as use is made of conversion or warrant rights conferred by bonds, or conversion or warrant obligations conferred by bonds are settled, and other performance forms are not used to service such rights or obligations. The Executive Board is authorised, with the consent of the Supervisory Board, to establish the further details of the execution of the conditional capital increase.

Treasury shares (own shares)

The extraordinary general meeting of July 20, 2015 authorised the Executive Board to purchase shares of common or preferred stock of the Company up until July 21, 2020 with a proportionate share of capital stock totalling up to EUR 2,496 thousand attributable to such shares, upon the condition that not more than 10 percent of the Company's capital stock is attributable to the shares to be purchased on account of this authorisation, together with other Company shares which the Company has already acquired and still holds, or which are attributable to the Company in accordance with Section 71d and Section 71e AktG. Trading in treasury shares is not permitted. Furthermore, the conditions set forth in Section 71 (2) 2 and 3 AktG must be observed. The authorisation may be exercised in full or in part. The purchase may take place during the authorisation period once or spread across various purchase dates, until the maximum purchase volume has been reached.

The purchase takes place in accordance with the principle of equal treatment (Section 53a AktG) by way of the stock exchange or by way of a public tender offer addressed to all holders of shares of common or preferred stock.

- Where the purchase is made on the stock exchange, the purchase price for each share of common or preferred stock (excluding transaction costs) may not be 10 percent more or less than the quoted price for the common or preferred shares in XETRA trading of Deutsche Börse AG (or a comparable successor system) determined in the opening auction on the day of purchase. The last closing price is definitive instead, should a quoted price not be determined for the shares of common or preferred stock in the opening auction on that day.
- Where the purchase is made by way of a public tender offer, the tender price (excluding transaction costs) may not be 10 percent more or less than the average quoted price for the common or preferred shares on the last three trading days prior to the tender publication date, determined on the basis of the arithmetic mean of the closing auction prices for the common or preferred shares in XETRA trading of Deutsche Börse AG (or a comparable successor system). The volume of the tender may be limited. Where the total number of shares tendered in response to a public tender offer exceeds its volume, the purchase may be made in proportion to the shares tendered (tender rate); in addition, the preferential acceptance of small packages of shares (up to 50 shares per shareholder) may be permitted as well as rounding in accordance with commercial principles in order to avoid any imputed fractional amounts of shares. Any further shareholder tendering right is excluded accordingly. The closing price is definitive instead, should no quoted price be determined for the common or preferred shares in the closing auction on the last three trading days.

The Executive Board is authorised to use shares purchased on account of the authorisation described above for any and all purposes permitted by law. This notably includes:

— Selling treasury shares again in accordance with the principle of equal treatment (Section 53a AktG) through the stock exchange or offering them to the shareholders for acquisition on account of an offer addressed to all shareholders while maintaining the subscription right;
— Offering treasury shares to third parties within the framework of company mergers or the acquisition of companies, company divisions or participating interests in companies as consideration, in each case under exclusion of the purchase or subscription right of the shareholders;
— Using treasury shares to settle exchange or subscription rights conferred by convertible bonds and convertible profit-sharing rights and by warrant bonds and warrant profit-sharing rights or conversion obligations conferred by convertible bonds, under exclusion of the shareholders' purchase or subscription right in each case. All in all, a proportionate share of at most 10% of the capital stock may be attributable to the shares transferred on account of this authorisation, provided the shares are used to settle exch ange or subscription rights or conversion obligations issued or conferred by analogous application of Section 186 (3) sentence 4 AktG. This percentage threshold is reduced by the proportionate share of capital stock attributable to shares issued or sold during the period of this authorisation or on account of other authorisations at the time of use pursuant to or in accordance with Section 186 (3) sentence 4 AktG, under exclusion of the subscription right;
— Selling treasury shares against cash payment that is not significantly less than the quoted price for Company shares of the same class at the time of sale, under exclusion of the shareholders' purchase or subscription right in each case. This authorisation is, however, only valid upon condition that the imputed share of capital stock of the shares sold under exclusion of the subscription right in accordance with Section 186 (3) sentence 4 AktG may not exceed 10% of the capital stock in total; this percentage th reshold is reduced by the proportionate share of capital stock attributable to shares issued during the period of this authorisation on account of other authorisations pursuant to or in accordance with Section 186 (3) sentence 4 AktG, under exclusion of the subscription right;
— Retiring treasury shares, without the retirement or the performance of the retirement requiring a further resolution from the general meeting. The retirement is carried out by way of a capital decrease in such a way that the capital stock remains unchanged and the imputed share of other shares in capital stock increases in accordance with Section 8 (3) AktG.

The authorisations listed above may be used once or more than once, individually or together, and regarding partial volumes of the treasury shares purchased.

The Executive Board of Berentzen-Gruppe Aktiengesellschaft decided in the 2015 financial year to make use of the authorisation granted by the general meeting to purchase treasury shares in accordance with Section 71 (1) No. 8 AktG. At December 31, 2015, the Company held 155,743 treasury shares.

(7.8) Significant Company agreements subject to change-of-control provisions in the event of a takeover bid

Funding agreements

Berentzen-Gruppe Aktiengesellschaft is party to a working capital agreement with a funding volume of EUR 2.5 million in the function of borrower. The relevant terms and conditions allow for the creditor to terminate the working capital agreement without notice and with immediate effect in the event that a change of control occurs at the borrower during the term of the agreement, causing the risk situation to deteriorate from the point of view of the creditor, and under the further proviso that negotiations with the creditor do not lead to agreement on continuing the credit arrangement within four weeks of the change of control occurring. A change of control at the borrower is deemed to occur when a different shareholder assumes or acquires at least 50% of the voting rights in the borrower. In this context, voting rights are deemed allocated in accordance with Section 30 of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz – WpÜG).

Berentzen-Gruppe Aktiengesellschaft is also party to a framework agreement regarding a credit guarantee with a funding volume of EUR 0.5 million serving to provide security for spirits tax payable as required by the relevant statutes. This includes an agreement that changes in the shareholder structure of Berentzen-Gruppe Aktiengesellschaft of more than five percent constitute an extraordinary termination right for the finance provider; excluded from this are such changes that are attributable to the purchase of additional shares by AURELIUS SE & Co. KGaA (formerly known as Aurelius AG).

The exercise of these termination rights could have a negative effect on the funding of the Berentzen Group's ongoing business activities, at least temporarily.

Distribution agreements

Under the terms of a contractual agreement with a spirits producer domiciled outside Germany, Berentzen-Gruppe Aktiengesellschaft is authorised to distribute branded spirits produced by this company in Germany. The distribution agreement contains a mutually applicable provision granting the other contractual party in each case the right to invoke the extraordinary termination of the agreement in the event of a change of control (change-of-control clause). A change of control within the meaning of this distribution agreement is deemed to exist in the event that the direct or indirect acquisition of a majority holding or control in the other contractual party by a third party, or the direct or indirect acquisition of a participating interest or opportunity to influence the other contractual party by a third party which, in the view of the entitled party under this provision, competes with that party.

Furthermore, Berentzen-Gruppe Aktiengesellschaft has concluded contractual agreements with a number of domestic and international distributors regarding the distribution of branded spirits outside of Germany. These distribution agreements similarly also include mutual agreements that permit the other contracting party in each case to invoke the extraordinary termination of the distribution agreement in question in the event of a change of control (change-of-control clauses). In the basic form of the agreements, a change of control is defined as a change in the participating or controlling interests in the other contractual party or any contractual party with a direct holding or controlling interest in this second contractual party. In this context, „control" describes the authority conferred by a contract, a participating interest or other principle to assume the executive management of a different party. Internal restructurings are not classified as a change of control. As this basic form may be the subject of individual negotiations between the contractual parties, agreements deviating from this may be reached in individual instances.

In the event that these termination rights are exercised, the right to distribute the third-party branded spirits concerned in Germany could cease or the distribution of proprietary branded spirits of the Berentzen Group outside Germany could be impaired, at least temporarily. This in turn could have a negative effect on the financial performance, cash flows and financial position of the corporate group.

Agreements with members of the Executive Board

Under the service agreements concluded by Berentzen-Gruppe Aktiengesellschaft with the members of the Executive Board, the members of the Executive Board have a special termination right they can invoke under conditions defined more closely in the respective service agreements in the event of transformation or restructuring measures at Berentzen-Gruppe Aktiengesellschaft. One member of the Executive Board has also been granted the option of a special termination right for the service agreement in the event of a change of control at Berentzen-Gruppe Aktiengesellschaft.

Where the employment relationship ends as a result of such a special termination right, the members of the Executive Board are each entitled to a severance payment; please refer to the comments regarding the components of the remuneration system for the Executive Board in the Remuneration report under section (3.1) for further details in this regard. Furthermore, the exercise of such special termination rights could have a negative effect on the business performance of the Berentzen Group at least temporarily.

Other agreements

Some subsidiaries of Berentzen-Gruppe Aktiengesellschaft have similarly concluded significant agreements, including funding and distribution agreements, a franchise agreement and a services agreement regarding the bottling of franchised branded products, which also include change-of-control clauses that fundamentally grant an extraordinary termination right to the other contractual party in each instance, even if the precise terms differ in each individual case. A change of control within the meaning of these agreements is defined in some cases not only as a direct but also an indirect change to the participating or controlling interest in the subsidiaries that are party to the respective agreement that may occur as a result of a change in the participating or controlling interests in Berentzen-Gruppe Aktiengesellschaft.

(7.9) Compensation agreements made by the Company with the members of the Executive Board or employees in the event of a takeover bid

Members of the Executive Board

The service agreements concluded with the members of the Executive Board contain provisions allowing for the members to receive additional special remuneration provided more than one-quarter of all shares, or shares constituting a majority of the former shares of common Company stock are sold, in the event of a takeover bid by existing shareholders; please refer to the comments regarding the components of the remuneration system for the Executive Board in the Remuneration report under section (3.1) for further details.

In addition, the service agreement with one member of the Executive Board contains provisions conferring a special termination right which the member of the Executive Board can exercise in the event of a takeover bid or a change of control at Berentzen-Gruppe Aktiengesellschaft, among other things. In the event that the special termination right is exercised, the member of the Executive Board is entitled to a severance payment; again, please refer to the comments regarding the components of the remuneration system for the Executive Board in the Remuneration report under section (3.1) for further details.

Employees

Berentzen-Gruppe Aktiengesellschaft has not entered into any compensation agreements with its employees in the event of a takeover bid.

(8) Berentzen-Gruppe Aktiengesellschaft (explanatory comments on the basis of HGB)

Berentzen-Gruppe Aktiengesellschaft (the "Company") based in Haselünne, Germany, is the parent company of Berentzen-Gruppe. Unlike the consolidated financial statements of the Berentzen Group, which are prepared in accordance with the International Financial Reporting Standards (IFRS), its annual financial statements are prepared in accordance with German commercial law as embodied in the German Commercial Code (Handelsgesetzbuch – HGB) and the German Stock Corporation Act (Aktiengesetz – AktG).

(8.1) Underlying principles of the Company

The business activities of Berentzen-Gruppe Aktiengesellschaft essentially comprise the production of spirits, which from the corporate point of view are managed in the Spirits and Other segments. In addition, the Company performs management and central functions for the Berentzen Group by carrying out significant overarching activities for the domestic subsidiaries and the corporate group. The centrally pooled and managed functions notably include the strategy of the corporate group, corporate communications including capital market reporting, financial management including corporate funding, finance and accounting, human resources, IT, internal support for legal and tax affairs, and corporate compliance.

The Company produces its spirits at the Minden facility in Germany. In addition, the logistics centre operated by the Company under a logistics and services agreement for the distribution of spirits is located in Stadthagen, Germany.

Furthermore, Berentzen-Gruppe Aktiengesellschaft directly and indirectly holds participating interests in more than 25 domestic and international subsidiaries; there are no minority stakes. Against this backdrop, the management and central functions influence the performance of the Company alongside the commercial operations. Accordingly, the key items are the costs for services performed passed on to the subsidiaries and the income from investments and participating interests resulting from the holding function performed by Berentzen-Gruppe Aktiengesellschaft.

At December 31, 2015, Berentzen-Gruppe Aktiengesellschaft employed 218 (216) people at three facilities, including 107 (105) at the Haselünne facility, 106 (106) at the Minden facility and 5 (5) at the Stadthagen facility.

As a publicly traded company governed by the law of a member state of the European Union (EU), Berentzen-Gruppe Aktiengesellschaft is required by Article 4 of Regulation (EC) No. 1606/2002 to prepare and publish its consolidated financial statements in accordance with IFRS and the applicable further provisions of commercial law specified in Section 315a (1) HGB. Accordingly, the management of the corporate group takes place on this basis and exclusively at corporate level. The income-related performance indicators for Berentzen-Gruppe Aktiengesellschaft encompass those of the Spirits and Other segments. For further information in this regard, please refer to the comments in the Combined Management Report in sections (2), (5) and (6): the Economic report, the Report on opportunities and risks, and the Forecast report. On account of the significance of Berentzen-Gruppe Aktiengesellschaft for the corporate group, please similarly refer to the relevant comments relating to the corporate group in the Combined Management Report regarding cash flow and financial position indicators as there are no key performance indicators in this regard that relate exclusively to Berentzen-Gruppe Aktiengesellschaft.

Further information notably regarding the organisation and principles underlying Berentzen-Gruppe Aktiengesellschaft and the commercial activities of the Company and its subsidiaries is presented in section (1), Underlying principles of the corporate group, in the Combined Management Report.

(8.2) Economic report

(8.2.1) Economic conditions and business performance

The general economic conditions for Berentzen-Gruppe Aktiengesellschaft and its subsidiaries together with the key developments and events affecting their performance are presented in the Economic report for the corporate group as described in section (2.1), General economic and industry-specific conditions, and section (2.2.3), Business performance – Significant developments and events, in the Combined Management Report. In particular, the comments regarding the Spirits and Other segments of the corporate group are applicable.

(8.2.2) Financial performance

The following table summarizes the development of the financial performance. Certain non-recurring items (special effects) have been eliminated from individual items in the Income Statement in line with the definition of the normalised operating result or EBIT (earnings before interest and taxes) used as a management ratio in the corporate group.

	2015		2014		Change	
	EUR'000	%	EUR'000	%	EUR'000	%
Revenues	96,525	99.7	97,981	97.0	-1,456	-1.5
Change in inventories	305	0.3	3,070	3.0	-2,765	-90.1
Total operating performance	**96,830**	**100.0**	**101,051**	**100.0**	**-4,221**	**-4.2**
Purchased goods and services	52,513	54.2	57,533	56.9	-5,020	-8.7
Gross profit	**44,317**	**45.8**	**43,518**	**43.1**	**799**	**1.8**
Other operating income	3,998	4.1	3,775	3.7	223	5.9
Personnel expenses	11,728	12.1	11,260	11.1	468	4.2
Depreciation, amortisation and write-downs	2,344	2.4	2,525	2.5	-181	-7.2
Other operating expenses	26,102	27.0	29,352	29.0	-3,250	-11.1
Operating costs	40,174	41.5	43,137	42.6	-2,963	-6.9
Operating result (EBIT)	**8,141**	**8.4**	**4,156**	**4.2**	**3,985**	**95.9**
Other taxes	84	0.1	50	0.1	34	68.0
Income from investments and participating interests	-3,868	-4.0	1,169	1.2	-5,037	>-100.0
Special effects (non-recurring)	-509	-0.5	0	0.0	509	>-100.0
Profit before income taxes	**3,680**	**3.8**	**5,275**	**5.3**	**-1,595**	**-30.2**
Income tax expense	1,129	1.2	992	1.0	137	13.8
Net profit for the year	**2,551**	**2.6**	**4,283**	**4.3**	**-1,732**	**-40.4**

Revenues and total operating performance

The revenues of Berentzen-Gruppe Aktiengesellschaft without spirits tax totalled EUR 96.5 (98.0) million in the 2015 financial year; the revenues including spirits tax amounted to EUR 303.5 (290.4) million.

Including the change of EUR 0.3 (3.1) million in inventories, the total operating performance came to EUR 96.8 (101.1) million.

Purchased goods and services

The goods and services purchased by the Berentzen Group relate mainly to the inputs of rectified spirit and distillates, sugar and sugar-containing preliminary products for the production of spirits as well as glass bottles, packaging and other materials for product features.

Against the backdrop of the lower total operating performance, purchased goods and services decreased to EUR 52.5 (57.5) million in absolute terms in the 2015 financial year, with the ratio of purchased goods and services to revenues declining to 54.2% (56.9%). Within this overall picture, the individual sourcing markets for the raw materials relevant to Berentzen-Gruppe Aktiengesellschaft developed unevenly, although the cost prices did decline year-on-year in relative terms when viewed as a whole. Notable exceptions were whiskey purchases denominated in US dollars. In addition, sales-related changes in the product and customer mix are reflected in the improved gross profit margin.

Other operating income

At EUR 4.0 (3.8) million, other operating income in the 2015 financial year was up slightly on aggregate on the previous year. The total includes cost and other reimbursements of EUR 2.1 (2.1) million paid by business partners and subsidiaries in connection with licence, sales and services agreements, income of EUR 0.5 (0.7) million from the reversal of provisions and income of EUR 0.4 (0.0) million from the disposal of non-current assets. Among other things, this latter item includes income from the sale in the 2015 financial year of part of a property at the Haselünne facility that was no longer needed for business operations.

Personnel expenses

Berentzen-Gruppe Aktiengesellschaft had 218 (216) employees on December 31, 2015, of whom 68 (71) worked in production activities and 128 (129) in commercial and administrative activities; 22 (17) apprentices were in vocational training. The personnel expenses increased by EUR 0.5 million to EUR 11.7 (11.3) million. Qualification- and performance-related changes to the remuneration structures were the main reason for this. Berentzen-Gruppe Aktiengesellschaft had an average of 172 (172) full-time equivalents in the 2015 financial year. There was an increase to 12.1% (11.1%) in the ratio of personnel expenses to revenues.

Depreciation, amortisation and write-downs

Scheduled depreciation, amortisation and write-downs amounted to EUR 2.3 (2.5) million in the 2015 financial year. Whereas the scheduled depreciation taken on property, plant and equipment was somewhat lower, the amortisation recognised on intangible assets remained at around the same level as in the previous year.

Other operating expenses

Other operating expenses declined to EUR 26.1 (29.4) million. Within this total, the expenditure on marketing and trade advertising fell to EUR 11.5 (12.6) million notably due to a change in the advertising strategy for the umbrella spirits brands “Berentzen” and “Puschkin” in Germany in the 2015 financial year, built around online and social media communications instead of the TV presence targeted in the previous year. Transport and selling expenses, which encompass the remuneration paid to the external spirits distribution organisation in Germany together with shipping and logistics costs, declined to EUR 8.7 (9.5) million. Maintenance expenses remained constant at EUR 1.1 (1.1) million, while other overheads amounted to EUR 4.8 (6.2) million.

Operating costs

The total operating costs including depreciation, amortisation and write-downs came to EUR 40.2 (43.1) million, down by 6.9% on the previous year.

Income from investments and participating interests

There was an aggregate net loss of EUR 3.9 million on income from investments and participating interest following from a net gain of EUR 1.2 million in the previous year.

The income from participating interests and income under profit-and-loss transfer agreements with affiliated companies amounted to EUR 3.0 (5.8) million. This relates almost exclusively to a dividend payment by the Austria-based subsidiary T M P Technic-Marketing-Products GmbH in the 2015 financial year and the share of profits of the Vivaris Getränke GmbH & Co. KG subsidiary attributable to Berentzen-Gruppe Aktiengesellschaft in the previous year.

The write-downs on investments totalled EUR 2.5 (0.1) million. These relate to the write-down to book value of the investment in an affiliated company and a long-term loan in connection with the performance of the Turkish subsidiary influenced notably by a deterioration in the market environment. The expenses from losses assumed fell to EUR 0.9 (1.0) million. Such expenses result from losses assumed from subsidiaries with which profit-and-loss transfer agreements are in place.

The income from long-term loans of financial assets, which is generated mainly with affiliated companies, remained unchanged at EUR 0.4 (0.4) million.

The interest expenses of EUR 3.3 (3.3) million accrued mainly in connection with the bond issued by Berentzen-Gruppe Aktiengesellschaft in October 2012. The total decreased slightly for the debt instruments used by the Company with variable interest components coupled with persistently low and falling market interest rates.

Special effects (non-recurring items)

The non-recurring expenses in connection with the conversion completed at the end of September 2015 of the listed preferred shares into common shares existing at that time and the subsequent admission of all common shares of Berentzen-Gruppe Aktiengesellschaft for trading in the regulated market of the Frankfurt Stock Exchange (General Standard) were recognised as a non-recurring item in the 2015 financial year; such expenses totalled EUR 0.5 million.

Income tax expence

Actual income taxes payable totalled EUR 1.1 (1.0) million in the 2015 financial year notably on account of the profit recorded for the year. This essentially results from trade tax and corporate income tax for the 2015 financial year. Effects arising from the recognition of deferred tax assets and liabilities arising from temporary differences between the commercial and tax balance sheets had little effect on the income tax payable.

Operating profit and net profit for the year

Even though the total operating performance declined by EUR 4.2 million year-on-year, the operating profit of EUR 8.1 (4.2) million generated in the 2015 financial year proved to be much stronger than in the previous financial year. For the most part, this can be attributed to a relative improvement in gross profit coupled with a lower ratio of purchased goods and services to revenues and lower operating costs. With a net loss of EUR 3.9 million from investments and participating interests – set against a net gain of EUR 1.2 million in the 2014 financial year – and income taxes of EUR 1.1 (1.0) million, Berentzen-Gruppe Aktiengesellschaft generated a net profit for the year of EUR 2.6 (4.3) million overall.

Proposal for the utilisation of distributable profit by the Executive Board

The distributable profit of Berentzen-Gruppe Aktiengesellschaft in the 2015 financial year amounts to EUR 4.6 (4.3) million. This total includes the remaining profit of EUR 2.8 (0.0) million brought forward from the previous year and the difference of EUR 0.8 million between the face value and purchase cost of treasury shares (own shares).

The Executive Board of Berentzen-Gruppe Aktiengesellschaft will propose to the annual general meeting that the distributable profit for the 2015 financial year of EUR 4.6 million be used to pay a dividend of EUR 0.20 per common share eligible for dividends for the 2015 financial year with any remaining amount carried forward to new account. Taking into account the treasury shares not eligible for dividends held by the Company on the day of the annual general meeting in accordance with Section 71b AktG, this corresponds to an anticipated payout totalling around EUR 1.9 million and an amount of EUR 2.7 million carried forward to new account. The payment of this dividend is dependent upon the approval of the annual general meeting on May 12, 2016. The number of shares eligible for dividends may change up until the annual general meeting. If this is this case, an accordingly amended proposal regarding the utilisation of the distributable profit may be submitted to the annual general meeting while retaining unchanged the payout of EUR 0.20 per common share eligible for dividends.

(8.2.3) Cash flows

Funding structure

In its role as parent company of the Berentzen Group, Berentzen-Gruppe Aktiengesellschaft acts as the central source of funding for the affiliated companies. The overall funding of the Berentzen Group at the end of the 2015 financial year is described in detail in section (2.2.5), Cash flows, of the Economic report for the corporate group.

Cash Flow Statement for the period from January 1 to December 31, 2015

The following Cash Flow Statement shows the development of cash at the Company. The Cash Flow Statement is based on a definition of cash that encompasses the balance of liquid assets less the bank liabilities due without notice.

Cash and cash equivalents include the current account maintained with a bank that is used to settle a factoring agreement, containing the cash available at all times from this factoring agreement ("customer settlement account"). The receivables from the customer settlement account have different characteristics from usual current account receivables from banks, notably with regard to interest.

	2015 EUR'000	2014 EUR'000
Net profit for the year	2,551	4,283
Depreciation and amortisation on intangible assets and property, plant and equipment	2,344	2,525
Write-downs on financial assets	2,500	137
Operating cash flow	**7,395**	**6,945**
Losses (+) / gains (-) on the disposal of non-current assets	-350	-13
Increase (+) / decrease (-) in non-current provisions	369	112
Increase (+) / decrease (-) in other provisions	1,021	-1,908
Decrease (+) / increase (-) in inventories, trade receivables and other assets not attributable to investing or financing activities	-4,926	4,642
Increase (+) / decrease (-) in trade payables and other liabilities not attributable to investing or financing activities [1]	21,459	1,253
Cash flow from operating activities	**24,968**	**11,031**
Proceeds from disposals of intangible assets	0	13
Payments for investments in intangible assets	-69	-89
Proceeds from disposals of property, plant and equipment	1,102	20
Payments for investments in property, plant and equipment	-2,055	-1,739
Proceeds from disposals of financial assets	2,500	2,801
Payments for investments in financial assets [1]	-1,950	-17,574
Cash flow from investing activities	**-472**	**-16,568**
Payments for the acquisition of treasury shares (own shares)	-1,174	0
Dividends paid	-1,536	-960
Cash flow from financing activities	**-2,710**	**-960**
Change in cash and cash equivalents	**21,786**	**-6,496**
Cash and cash equivalents at the start of the period	7,724	14,220
Cash and cash equivalents at the end of the period	**29,510**	**7,724**

[1] Year-ago figure adjusted due to changed allocation.

Operating cash flow and cash flow from operating activities

The operating cash flow remained positive, increasing to EUR 7.4 (6.9) million in the 2015 financial year on the back of a profit for the year of EUR 2.6 (4.3) million.

The cash flow from operating activities also includes cash movements in working capital. All in all, this gave rise to a net cash inflow of EUR 25.0 (11.0) million in the 2015 financial year. Cash movements in current assets, some of which relate to the reporting date and revenues as well as notably a cash- and scheduling-related increase in the amounts receivables from affiliated companies, led to a net cash outflow of EUR 4.9 million; this is set against a net cash inflow of EUR 4.6 million in the 2014 financial year. There was a considerable increase in the spirit tax liabilities compared with the reporting date in the previous year. Whereas an early partial payment EUR 20.0 million was made for spirits tax liabilities arising from revenues in the Spirits and Other segments in Germany at the end of the reporting period in the 2014 financial year, an equivalent partial payment, which would have totalled EUR 19.5 million, was not made in the 2015 financial year. As a consequence, the increase in the spirits tax liabilities at December 31, 2015 resulted in a net cash inflow of EUR 20.8 (1.6) million. All in all, the change in other provisions and other liabilities gave rise to a net cash inflow of EUR 22.9 million after a net cash outflow of EUR 0.5 million in the previous year.

Cash flow from investing activities

Investing activities led to a net cash outflow of EUR 0.5 (16.6) million. The investments in property, plant and equipment totalled EUR 2.1 (1.7) million set against proceeds from the disposal of items of property, plant and equipment of EUR 1.1 (0.0) million. The payments for investments in financial assets amounted to EUR 2.0 (17.6) million, of which EUR 2.0 (15.9) million related to the acquisition of all the shares in the Austria-based company T M P Technic-Marketing-Products GmbH completed in October 2014. Proceeds of EUR 2.5 (2.8) million from the disposal of financial assets were generated exclusively from the redemption of long-term loans to affiliated companies.

Cash flow from financing activities

Financing activities gave rise to a net cash outflow of EUR 2.7 (1.0) million, resulting from the dividend payment of EUR 1.5 (1.0) million based on the relevant resolutions adopted by the general meeting together with payments of EUR 1.2 (0.0) million in connection with the share buy-back programme of Berentzen-Gruppe Aktiengesellschaft initiated in July 2015.

Cash and cash equivalents

All in all, cash and cash equivalents totalled EUR 29.5 (7.7) million at year-end, of which EUR 8.7 (4.1) million relates to receivables from the customer settlement account maintained with a bank that is used for settlement under a factoring agreement. The short-term working capital line had not been utilised as of the reporting date.

(8.2.4) Financial position

The following Balance Sheet is structured by the maturity of the various items recognised as assets and liabilities:

	12/31/2015		12/31/2014		Change
	EUR'000	%	EUR'000	%	EUR'000
Assets					
Intangible assets	246	0.2	407	0.2	-161
Property, plant and equipment	21,392	12.6	22,202	15.0	-810
Financial assets	38,425	22.7	43,425	29.3	-5,000
Non-current assets	**60,063**	**35.5**	**66,034**	**44.5**	**-5,971**
Inventories	26,799	15.9	26,831	18.1	-32
Receivables and other assets	52,647	31.1	47,768	32.2	4,879
Cash and cash equivalents	29,509	17.4	7,723	5.2	21,786
Current assets	**108,955**	**64.4**	**82,322**	**55.5**	**26,633**
Other assets	**156**	**0.1**	**77**	**0.0**	**79**
	169,174	**100.0**	**148,433**	**100.0**	**20,741**
Shareholders' equity and liabilities					
Shareholders' equity	**45,192**	**26.7**	**45,351**	**30.6**	**-159**
Pension and other non-current provisions	3,142	1.8	2,773	1.8	369
Liabilities from bonds	50,000	29.6	50,000	33.7	0
Non-current liabilities	**53,142**	**31.4**	**52,773**	**35.5**	**369**
Spirits tax liabilities	44,258	26.2	23,425	15.8	20,833
Other current liabilities and other current provisions	25,998	15.4	26,316	17.7	-318
Deferred tax liabilities	584	0.3	566	0.4	18
Current liabilities	**70,840**	**41.9**	**50,307**	**33.9**	**20,533**
Other liabilities	**0**	**0.0**	**2**	**0.0**	**-2**
	169,174	**100.0**	**148,433**	**100.0**	**20,741**

Assets

Total assets increased to EUR 169.2 (148.4) million compared with December 31, 2014. Non-current assets amount to EUR 60.1 (66.0) million, accounting for around 35.5% (44.5%) of total assets.

Non-current assets

Alongside property, plant and equipment such as property, technical equipment and machinery, plant and office equipment, which accounts for EUR 21.4 (22.2) million of non-current assets, a further EUR 38.4 (43.4) million relates to financial assets primarily including shares of EUR 30.1 (31.5) million in affiliated companies and long-term loans of EUR 8.3 (12.0) million used to ensure the long-term funding of affiliated companies. Intangible assets consisting mainly of software licences and delivery rights make up a further EUR 0.2 (0.4) million of total non-current assets.

All in all, Berentzen-Gruppe Aktiengesellschaft had non-current assets totalling EUR 2.1 (21.4) million in the 2015 financial year.

Current assets

At 48.3% (58.0%), trade receivables and other assets, which increased by EUR 4.9 million in nominal terms following a reduction of EUR 6.9 million in the previous year, accounted for the largest part of current assets totalling EUR 109.0 (82.3) million. This increase essentially reflects a cash- and scheduling-related rise in amounts receivable from affiliated companies together with an increase in individual items included in other assets. Trade receivables declined by EUR 0.4 million to EUR 0.7 (1.1) million.

The proportion of current assets accounted for by inventories fell in relative terms from 32.6% to 24.6%, while the stocks of inventories remained almost unchanged on the previous year in absolute terms at EUR 26.8 million.

Cash and cash equivalents of EUR 29.5 (7.7) million increased as a result of the net cash inflow totalling EUR 21.8 million shown in the Cash Flow Statement. This stems to a large extent from the decision, unlike in the 2014 financial year, not to make an early partial payment of spirits tax liabilities, which would have amounted to EUR 19.5 million if it had been made in the same way as in the previous year.

Shareholders’ equity and liabilities

Shareholders’ equity

Shareholders’ equity decreased to EUR 45.2 (45.3) million. This figure is based on the net profit for the year of around EUR 2.6 (4.3) million and includes the dividend payment of EUR 1.5 (1.0) million resolved by the annual general meeting in May 2015 as well as the cost of EUR 1.2 million for the purchase of treasury shares in connection with the share buy-back programme of Berentzen-Gruppe Aktiengesellschaft adopted in the 2015 financial year which are to be deducted from shareholders’ equity in the Balance Sheet.

Non-current liabilities

Around EUR 53.1 (52.8) million was available to the Company in the form of non-current liabilities. The bond issued in the 2012 financial year with an issue volume of EUR 50.0 million and pension provisions of EUR 2.8 (2.7) million represent the largest individual items included in non-current liabilities.

Current liabilities

Current liabilities increased to EUR 70.8 (50.3) million in absolute terms, accounting for 41.9% (33.9%) of total liabilities in relative terms.

Spirits tax liabilities amounted to EUR 44.3 (23.4) million. In the 2014 financial year, the Berentzen Group had made an early partial payment of EUR 20.0 million for spirits tax liabilities at the end of the financial year. An equivalent partial payment, which would have totalled EUR 19.5 million, was not made in the 2015 financial year. As a result of this, the figure disclosed at the end of the 2015 financial year represents the spirits tax liabilities for the last two months of the financial year, whereas only the spirits tax liability for the last month of the 2014 financial year was disclosed at December 31, 2014.

Other liabilities and other current provisions declined to an aggregate total of EUR 26.0 (26.3) million.

(8.2.5) General statement about the business performance and economic position

Business performance

With an expanded business volume overall, the business performance of Berentzen-Gruppe Aktiengesellschaft proved healthy as a whole.

The positive sales trend in domestic activities involving branded spirits – both as a whole and with the two umbrella brands "Berentzen" and "Puschkin" – and branded dealer and private-label products more than offset declining sales in international operations caused mainly by extraneous influences.

Please refer to the comments on the Spirits and Other segments in the Economic report in section (2.2.3) of the Combined Management Report for further details.

Economic position

The Company's economic situation is satisfactory overall in light of the financial performance.

Even though higher sales volumes in the spirits business failed to translate into better revenues and total operating performance, Berentzen-Gruppe completed the 2015 financial year with a much higher operating profit of EUR 8.1 (4.2) million on the back of improved profitability overall. In contrast, the income from investments and participating interests moved in the opposite direction. In the previous year, a good operating performance and profit transfers from the Vivaris Getränke GmbH & Co. KG subsidiary aided by a non-recurring item ensured that the operating profit translated into a net profit for the year of EUR 4.3 million. In contrast, not only was the investment income lower in the 2015 financial year, there was also an increase in write-downs on investments in connection with the performance of the Turkish subsidiary that was negatively affected by the adverse development of the market environment. All in all, the net profit for the year totalled EUR 2.6 million.

For more information about the Company's continued positive and solid cash flows and financial position, please refer to the presentation for the corporate group in the Economic Report in section (2.2.5) and (2.2.6) of the Combined Management Report.

(8.3) Report on subsequent events

Significant events after the end of the reporting period are presented in the Report on subsequent events in section (4) of the Combined Management Report.

(8.4) Report on opportunities and risks

The business performance of Berentzen-Gruppe Aktiengesellschaft is essentially subject to the same opportunities and risks as the corporate group. These opportunities and risks are presented in the Report on opportunities and risks in section (5) of the Combined Management Report. Whereas some individual risks affect the Company directly in connection with its operating activities –corresponding to those of the corporate group in the Spirits and Other segments – or the management and central functions it assumes, or opportunities arise for it from this, Berentzen-Gruppe Aktiengesellschaft essentially participates directly or indirectly in the opportunities and risks of its subsidiaries proportionately in accordance with its shareholding.

Moreover, Berentzen-Gruppe Aktiengesellschaft as the parent company of the corporate group is integrated in the corporate risk management system, as described in detail in section (5.1) of the Report on opportunities and risks.

The description of the internal control system of Berentzen-Gruppe Aktiengesellschaft with regard to the financial reporting process is provided with the presentation of the internal control and risk management system with regard to the financial reporting process in section (5.5) of the Report on opportunities and risks.

(8.5) Forecast report

The expectations for Berentzen-Gruppe Aktiengesellschaft are reflected in the expectations of the corporate group as a result of its position and its weight. In this context, the Company's financial position, cash flows and financial performance depend on both its own business performance, especially its commercial operations involving the production and distribution of spirits, and its subsidiaries' business performance plus the dividend payments or profit shares to which it is entitled.

Based on the forecast development of the corporate group for the 2016 financial year, it is expected that Berentzen-Gruppe Aktiengesellschaft will again generate a high enough net profit for the year in the 2016 financial year to be able to pay an appropriate dividend out of the associated distributable profit.

Please refer to section (6) of the Forecast report of the Combined Management Report for further comments regarding the key issues for the commercial activities in the 2016 financial year and a general statement regarding the anticipated performance of the corporate group.

(8.6) Dependent company report

In the 2015 financial year, Berentzen-Gruppe Aktiengesellschaft was a dependent company within the meaning of Section 312 AktG of AURELIUS SE & Co. KGaA (formerly known as Aurelius AG), Grünwald, and BGAG Beteiligungs GmbH, Grünwald, an AURELIUS Group company majority owned by AURELIUS SE & Co. KGaA.

As there are no control agreements with the controlling companies, the Executive Board of Berentzen-Gruppe Aktiengesellschaft is required to prepare a report on relations with affiliated companies in accordance with Section 312 AktG. The relations with BGAG Beteiligungs GmbH, AURELIUS SE & Co. KGaA (formerly Aurelius AG) and their affiliated companies for the 2015 financial year are presented in this report.

In its closing declaration in the Dependent Company Report in accordance with Section 312 (3) AktG, the Executive Board states the following:

"We declare that, based on the circumstances known at the time the legal transactions listed in the report on relations with affiliated companies were entered into, or the measures listed in the report were undertaken or omitted, in the 2015 financial year, we received appropriate consideration for each transaction and did not suffer any disadvantage as a result of measures undertaken or omitted."

(9) Declaration by company management and Corporate Governance Report

The declaration regarding the corporate governance of Berentzen-Gruppe Aktiengesellschaft pursuant to Section 289a HGB is part of the Combined Management Report and also incorporated into the Corporate Governance Report, which is available for examination at the website www.berentzen-gruppe.de/en/.


KULTIG.
SPRITZIG. FRISCH.
MIO MIO COLA
KULTIG. SPRITZIG. FRISCH.
MIO MIO MATE
KULTIG. SPRITZIG. FRISCH.
MIO MIO COLA
ZERO
GENIESSE DEN AKTIVIERENDEN GESCHMACK

J. Consolidated Financial Statements

Consolidated Statement of Financial Position at December 31, 2015

	Note	12/31/2015 EUR'000	12/31/2014 EUR'000
ASSETS			
Non-current assets	(2.1)		
Intangible assets	(2.2)	14,350	16,710
Property, plant and equipment	(2.3)	45,983	46,198
Other financial assets	(2.4)	639	564
Deferred tax assets	(2.5)	57	0
Total non-current assets		**61,029**	**63,472**
Current assets			
Inventories	(2.6)	32,281	32,036
Trade receivables	(2.7)	12,449	13,299
Income tax assets	(2.8)	710	340
Other current financial assets	(2.9)	444	459
Cash and cash equivalents	(2.10)	63,140	41,066
Other current assets	(2.11)	10,880	13,489
Total current assets		**119,904**	**100,689**
TOTAL ASSETS		**180,933**	**164,161**

	Note	12/31/2015 EUR'000	12/31/2014 EUR'000
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY	(2.12)		
Subscribed capital		24,555	24,960
Additional paid-in capital		6,821	6,821
Retained earnings		12,418	13,134
Total shareholders' equity		**43,794**	**44,915**
Non-current liabilities			
Non-current provisions	(2.13)	11,950	12,250
Non-current financial liabilities	(2.14)	49,579	49,365
Deferred tax liabilities	(2.5)	2,314	2,873
Total non-current liabilities		**63,843**	**64,488**
Current liabilities			
Spirits tax liabilities	(2.15)	44,258	23,425
Current provisions	(2.16)	80	80
Income tax liabilities	(2.17)	608	468
Current financial liabilities	(2.18)	786	2,860
Trade payables and other liabilities	(2.19)	27,564	27,925
Total current liabilities		**73,296**	**54,758**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**180,933**	**164,161**

Consolidated Statement of Comprehensive Income for the period from January 1 to December 31, 2015

	Note	2015 EUR'000	2014 EUR'000
Revenues	(3.1)	158,549	153,456
Change in inventories	(3.2)	486	2,682
Other operating income	(3.3)	5,088	10,702
Purchased goods and services	(3.4)	83,478	84,810
Personnel expenses	(3.5)	22,409	20,655
Amortisation and depreciation of assets	(3.6)	8,082	7,427
Asset impairments / reversals of impairments	(3.7)	-470	0
Other operating expenses	(3.8)	43,088	43,310
Financial income	(3.9)	77	130
Financial expenses	(3.9)	4,048	4,310
Profit before taxes		**3,565**	**6,458**
Income taxes	(2.5)	1,326	2,254
Consolidated profit		**2,239**	**4,204**
Foreign currency differences		-531	60
Items to be reclassified to the income statement at a later date		**-531**	**60**
Revaluation of defined benefit obligations		-160	-2,716
Deferred taxes on revalution of defined benefit obligations		47	801
Items not to be reclassified to the income statement at a later date		**-113**	**-1,915**
Consolidated comprehensive income		**1,595**	**2,349**
Earnings per share after profit attributable to shareholders (euros per share)			
Basic / diluted earnings per common share	(3.11)	0.234	0.408
Basic / diluted earnings per preferred share	(3.11)	/	0.468

Consolidated Statement of Changes in Shareholders’ Equity for the period from January 1 to December 31, 2015

	Subscribed capital EUR‘000	Additional paid-in capital EUR‘000	Retained earnings EUR‘000	Total shareholders‘ equity EUR‘000
Total at 1/1/2014	**24,960**	**6,821**	**11,745**	**43,526**
Consolidated profit			4,204	**4,204**
Other income			-1,855	**-1,855**
Consolidated comprehensive income			2,349	**2,349**
Divdends paid			-960	**-960**
Total at 12/31/2014	**24,960**	**6,821**	**13,134**	**44,915**
Total at 1/1/2015	**24,960**	**6,821**	**13,134**	**44,915**
Consolidated profit			2,239	**2,239**
Other income			-644	**-644**
Consolidated comprehensive income			1,595	**1,595**
Dividends paid			-1,536	**-1,536**
Treasury shares (own shares) purchased	-405		-775	**-1,180**
Total at 12/31/2015	**24,555**	**6,821**	**12,418**	**43,794**

Consolidated Cash Flow Statement for the period from January 1 to December 31, 2015

	2015 EUR'000	2014 EUR'000
Consolidated profit	2,239	4,204
Income tax payable	1,326	2,254
Interest income	-77	-130
Interest expenses	4,045	4,310
Amortisation and depreciation of assets	8,082	7,427
Asset impairments / reversals of impairments	-470	0
Change in other non-cash positions	-823	-3,059
Increase (+)/decrease (-) in provisions	-300	2,181
Gains (-)/losses (+) on the disposal of non-current assets	-296	-276
Increase (+)/decrease (-) in receivables assigned under factoring agreements	-2,647	-3,904
Decrease (+)/increase (-) in other assets	5,787	-912
Increase (+)/decrease (-) in spirits tax liabilities	20,832	1,549
Increase (+)/decrease (-) in other liabilities	-413	-1,714
Cash and cash equivalents generated by operating activities	**37,285**	**11,930**
Income tax paid	-2,113	742
Interest received	72	178
Interest paid	-3,870	-3,938
Cash flow from operating activities	**31,374**	**8,912**
Proceeds from disposals of intangible assets	287	58
Payments for investments in intangible assets	-426	-354
Proceeds from disposals of property, plant and equipment	2,280	683
Payments for investments in property, plant and equipment	-6,932	-5,350
Proceeds from disposals of financial assets	15	67
Proceeds from government grants	237	0
Payments for additions to the consolidated group	-1,950	-15,500
Proceeds from cash and cash equivalents acquired with additions to the consolidated group	0	2,228
Cash flow from investing activities	**-6,489**	**-18,168**
Payments for the purchase of treasury shares (own shares)	-1,180	0
Payments in connection with the issuance of bonds	-5	-5
Payments for leases	0	-1
Dividend payments	-1,536	-960
Cash flow from financing activities	**-2,721**	**-966**
Change in cash and cash equivalents	**22,164**	**-10,222**
Cash and cash equivalents at the start of the period	40,976	51,198
Cash and cash equivalents at the end of the period	**63,140**	**40,976**

For the definition of cash and cash equivalents, and their composition at the end of the period, see Note (2.10).

For the explanatory notes to the Cash Flow Statement, see Note (4.1).

Notes to the Consolidated Financial Statements of Berentzen-Gruppe Aktiengesellschaft for the 2015 financial year

(1) Policies and methods

(1.1) Information about the company

Berentzen-Gruppe Aktiengesellschaft (the "Company"), Haselünne, is a stock corporation (Aktiengesellschaft) organised under German law. The Company's registered head office is in Ritterstraße 7, 49740 Haselünne, Germany, and the Company is registered in the Commercial Register maintained by Osnabrück District Court (HRB 120444).

The business activities of Berentzen-Gruppe Aktiengesellschaft and its affiliated companies comprise the production and distribution of spirits and non-alcoholic beverages, and the development and distribution of fresh juice systems.

(1.2) Explanatory notes to the policies and methods applied in the preparation of the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft in accordance with International Financial Reporting Standards (IFRS)

Principal accounting policies

The consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft at December 31, 2015 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the interpretations of the IFRS Interpretations Committee as applicable in the European Union (EU). All pronouncements by the International Accounting Standards Board (IASB) subject to mandatory adoption have been taken into account, leading to a true and fair view of the financial position, cash flows and financial performance of Berentzen-Gruppe Aktiengesellschaft.

The consolidated financial statements comply with the European Union directive regarding consolidated accounts (Directive 83/349/EEC). As a publicly traded company governed by the law of a member state of the European Union (EU), Berentzen-Gruppe Aktiengesellschaft is required by Article 4 of Regulation (EC) No. 1606/2002 to prepare and publish its consolidated financial statements in accordance with IFRS and the applicable further provisions of commercial law specified in Section 315a (1) of the German Commercial Code (HGB).

The consolidated financial statements have been prepared in euros (EUR). All amounts are shown in thousand of euros (EUR'000). The consolidated financial statements are based on historical acquisition cost – with the exception of the measurement of financial instruments held for sale at fair value and the measurement of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss – and are prepared in accordance with the consolidation, recognition and measurement methods described below. The total expenditure format has been chosen for the presentation of the Statement of Comprehensive Income.

In order to improve the clarity and informative value of the financial statements, individual items have been grouped together in the Statement of Comprehensive Income and the Statement of Financial Position. These items are shown and explained separately in the Notes to the Consolidated Financial Statements. Estimates are required to prepare consolidated financial statements in accordance with IFRS. Furthermore, the application of uniform recognition and measurement methods requires the management to make judgements. Areas with greater scope for such judgements, for which assumptions and estimates are of significance for the consolidated financial statements, are listed in Note (1.8), "Assumptions and estimates".

The Executive Board approved the present consolidated financial statements at December 31, 2015 and the combined Group management report for the 2015 financial year for publication and submission to the Supervisory Board on March 18, 2016.

(1.3) New IFRS and amended IAS standards

The International Accounting Standards Board (IASB) and the IFRS Interpretations Committee have adopted, and are developing, further standards and interpretations. Unless stated otherwise, the application of these revised standards and interpretations does not have any material impact on the presentation of the financial performance, cash flows and financial position of the corporate group. It does, however, lead to additional disclosures in some cases.

Interpretations and amendments to published standards subject to mandatory initial application in financial year 2015

Standard	Mandatory adoption	Content
IFRIC 21 "Levies"	6/17/2014	IFRIC 21 „Levies" contains guidance on when to recognise a liability for a levy imposed by a government that is not a levy within the meaning of IAS 12 „Income Taxes". The interpretation addresses the question of what the „obligating event" is that leads to the recognition of a liability to pay a levy. In the Berentzen Group, levies within the meaning of IFRIC 21 include spirits tax. The liability arising from spirits tax is already recognised at the reporting date and disclosed under a separate item in the Statement of Financial Position.
Collection of amendments to various IFRS „Annual Improvements to IFRSs 2011-2013 Cycle"	1/1/2015	IAS 40 „Investment Property": Clarifying that judgement is needed to determine whether the acquisition of investment property is a business combination in the scope of IFRS 3. IFRS 1 „First-time Adoption of International Financial Reporting Standards": Clarifying the meaning of „each IFRS effective at the end of the entity's first IFRS reporting period" in IFRS 1.7. IFRS 3 „Business Combinations": Clarifying the exception scope for joint ventures. IFRS 13 „Fair Value Measurement": Clarifying the scope of the portfolio exception.

Standards, interpretations and amendments to published standards that are not the subject of mandatory adoption in financial year 2015 and have not been the subject of early adoption by the corporate group

Standard	Mandatory adoption	Content
IAS 1 „Principles of disclosure"	1/1/2016	The amendments to IAS 1 standard are designed to improve financial reporting in terms of disclosures in the notes to the financial statements. The standard now places a greater focus on the principle of materiality and permits further disaggregations of the minimum line items in the Statement of Financial Position and the additional disclosure of subtotals. In addition, the amendments grant greater flexibility regarding the ordering of notes disclosures and remove the previously applicable guidance for identifying significant accounting policies.
IAS 16 „Property, Plant and Equipment" and IAS 38 „Intangible Assets"	1/1/2016	The amendments to IAS 16 and IAS 38 contain guidance on which depreciation methods can be used for property, plant and equipment and intangible assets. Under the amendments, the revenue-based method is not considered an appropriate depreciation method as it does not reflect the expected pattern of consumption of the future economic benefits embodied in the asset but is simply a pattern for the generation of the anticipated future economic benefits. In certain limited circumstances, revenue can be used as the basis for determining the anticipated pattern of consumption, provided the use of this method leads to the same result as the use of a benefits-dependent method. Early adoption of the standard is permitted. The amendments will not have a material impact on the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft.

Standard	Mandatory adoption	Content
IAS 16 „Property, Plant and Equipment“ and IAS 41 „Agriculture“	1/1/2016	The amendments to IAS 16 and IAS 41 bring bearer plants, such us grape vines, rubber trees and oil palms, into the scope of IAS 16. Due to the fact that mature bearer plants are used solely to grow produce and are no longer subject to significant transformations, their operation is similar to that of manufacturing. Consequently, they should be accounted for in the same way as property, plant and equipment using the acquisition or revaluation model under IAS 16. The produce growing on bearer plants remains within the scope of IAS 41. Early adoption of the standard is permitted. The amendments will not have a material impact on the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft.
IAS 19 „Defined Benefit Plans: Employee Contributions“	2/1/2015	The amendment adds to the standard an option in accounting for defined benefit plans to which employees (or third parties) make compulsory contributions. The management is currently assessing the possible impact on the consolidated financial statements of the Berentzen Group.
IAS 27 „Separate Financial Statements“	1/1/2016	The amendment to IAS 27 allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The existing options for measurement at cost or in accordance with IAS 39 and IFRS 9 are retained. Early adoption of the standard is permitted. The amendments will not have a material impact on the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft.
IFRS 11 „Joint Arrangements“	1/1/2016	The amendments to IFRS 11 provide additional guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business within the meaning of IFRS 3 in accordance with the provisions of IFRS 3- meaning using the acquisition method- and other relevant standards. It has also been clarified that the interests already held in a joint operation are not revalued upon acquisition of further interests in that joint operation. These amendments are, however, not applicable where the joint operations are under the common control of an (ultimate) parent company.
Collection of amendments to various IFRSs „Annual Improvements to IFRSs 2010-2012 Cycle“	2/1/2015	IFRS 2 „Share-based Payment“: Clarifying the definition of „vesting conditions“. IFRS 3 „Business Combinations“: Clarifying certain aspects of accounting for contingent consideration in a business combination. IFRS 8 „Business Segments“: Clarifying that a reconciliation of the total of the reportable segments‘ assets to the entity‘s assets should be disclosed. IFRS 13 „Fair Value Measurement“: Clarifying the removal of the paragraph with guidance on short-term receivables and payables with no stated interest rate. IAS 16 „Property, Plant and Equipment“: Clarifying the requirements for the revaluation method to address concerns about the calculation of the accumulated depreciation and amortisation at the date of the revaluation. IAS 24 „Related Party Disclosures“: Clarifying the definition of „related party“ and its influence on the interpretation of the term „key management personnel“. IAS 38 „Intangible Assets“: Clarifying the requirements for the revaluation method to address concerns about the calculation of the accumulated depreciation and amortisation at the date of the revaluation.
Collection of amendments to various IFRSs „Annual Improvements to IFRSs 2012-2014 Cycle“	1/1/2016	IFRS 5 „Non-current Assets Held for Sales and Discontinued Operations“: No change in the method of accounting for reclassification from „held for sale“ to „held for distribution“ or vice versa; plus separate guidance on when the criteria for classification as „held for distribution“ are no longer met. IFRS 7 „Financial Instruments“: Disclosures: Clarifying that servicing contracts represent continuing involvement and are to be included in transfer disclosures, and clarifying the disclosures to be made in interim financial statements regarding the offsetting of financial assets and liabilities. IAS 19 „Employee Benefits“: Including corporate bonds in the same currency (not only the same country) when determining the discount rate. IAS 34 „Interim Financial Reporting“: Amending IAS 34 to clarify that disclosures must be made in the interim financial statements or elsewhere in the interim financial report. The interim financial report should include a cross-reference in this instance. Early adoption is permitted. The management is currently assessing the impact on the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft.

Standards, interpretations and amendments to published standards that have not yet been adopted by the EU

The corporate group will adopt these standards and interpretations from the date when they subject to mandatory adoption by the EU.

Standard	Anticipated adoption	Content
IAS 7 “Statement of Cash Flows”	1/1/2017	The IASB published amendments to IAS 7 “Statement of Cash Flows” in late January 2016. These amendments are intended to improve the information provided to users of financial statements about an entity’s financing activities. In particular, they require disclosure of liabilities that generate or will generate cash flows in the future and that are attributable to financing activities according to the definition of IAS 7. One way to fulfil these disclosure obligations is to provide a reconciliation between the opening and closing balances for liabilities arising from financing activities. Early application of the amended Standard is permitted. The Management is currently assessing the effects of these amendments on the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft.
IAS 12 “Recognition of deferred tax assets for unrealised losses”	1/1/2017	The amendments to IAS 12 that were finalised by the IASB in January 2016 added a clarifying paragraph and an additional illustrative example on the question of when deferred tax assets are to be recognised for unrealised losses in the statement of financial position. In particular, they clarify that unrealised losses on debt instruments measured at fair value but measured at cost for tax purposes give rise to deductible temporary differences. Early application of the amended Standard is permitted. The amendments to IAS 12 are not expected to have a material effect on the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft.
IFRS 9 „Financial Instruments“	1/1/2018	In July 2014, the IASB issued the final version of IFRS 9 „Financial Iinstruments“. The standard now also contains rules for the impairment of financial instruments and a new classification category of fair value through other comprehensive income (FVOCI). The future rules governing the impairment of financial instruments will be based on the expected loss model. Under this two-stage model, 12-month expected credit losses are normally recorded from initial recognition. In the event of a significant increase in credit risk, recognition switches to full lifetime expected credit losses from that date. The conditions for classification as FVOCI are that - the instruments concerned satisfy the cash flow characteristics test, which has to be satisfied identically for classification at amortised cost, and - the underlying business model permits both holding and selling. The impact of the new standard is currently being assessed by the management.
IFRS 10 „Consolidated Financial Statements“ and IAS 28 „Investments in Associates and Joint Ventures“	undetermined	The amendments to these standards relate to the sale or contribution of assets between an investor and its associate or joint venture. They contain guidance on the question in the extent to which unrealised gains or losses on transactions with assets between an investor and its associate should be recognised. The key is whether the assets involved constitute a business within the meaning of IFRS 3 „Business Combinations“. A full gain or loss is recognised by the investor if this condition is satisfied. A partial gain or loss is recognised if the assets do not constitute a business within the meaning of IFRS 3. Early adoption is permitted. The amendments will not have a material impact on the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft.
IFRS 10, IFRS 12 and IAS 28 “Applying the consolidation exception”	undetermined	The amendments to the Standards IFRS 10, IFRS 12 and IAS 28 clarify the application of the consolidation exception in cases when the parent company is defined as an investment company. The amendments confirm that the exemption from preparing consolidated financial statements is also available to subsidiaries of an investment company that are also parent companies. Moreover, subsidiaries that provide services that relate to the parent company’s investment activities (investment-related services) should not be consolidated if the subsidiaries themselves are investment entities. Furthermore, the amendments allow for a simplification of the equity method applied to entities that are not themselves investment entities, but hold shares in an associated investment entity. These amendments will have no effects on the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft because the definition criteria for investment entities are not met.

Standard	Anticipated adaption	Content
IFRS 15 „Revenue from Contracts with Customers“	1/1/2018	On May 28, 2014, the IASB in conjunction with the FASB issued a new standard regarding the recognition of revenue. This new standard consolidates the existing standards and interpretations containing rules for the recognition of revenue. IFRS 15 is applicable to all revenue-based transactions across all industries and provides a single principles based, five-step model: - Identify the contract(s) with the customer, - Identify the performance obligations in the contract, - Determine the transaction price, - Allocate the transaction price to the performance obligations in the contract, - Recognise revenue when (or as) the entity satisfies a perfomance obligation. In future, revenue will be recognised when control over the goods or services passes to the customer; the transfer of risks and rewards will only represent an indicator. In addition, there is guidance on whether revenue should be recognised on a specific date or over a specific period of time. IAS 11 „Construction Contracts“, IAS 18 „Revenue“ and the interpretations IFRIC 13 „Customer Loyalty Programmes“, IFRIC 15 „Agreements for the Construction of Real Estate“, IFRIC 18 „Transfers of Assets from Customers“ and SIC 31 „Revenue- Barter Transactions Involving Advertising“ will be superseded once IFRS 15 comes into force. Early adoption is permitted. IFRS 15 is expected to have an impact on the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft and is currently being assessed by the management.
IFRS 16 “Leases”	1/1/2019	The IASB published the new Standard IFRS 16 „Leases“ on January 13, 2016. This new Standard supersedes the previous Standard IAS 17 for leases and the Interpretations IFRIC 4, SIC-15 and SIC-27. IFRS 16 changes the accounting treatment to be applied by the lessee particularly in that it no longer applies the distinction between operating and finance leases, but instead requires recognition of both a right-of-use asset and a lease liability. The lease liability is measured at the present value of the remaining lease payments over the lease term plus any residual value guarantees. Whereas the right-of-use asset is generally depreciated on a straight-line basis, the lease liability is compounded in periods subsequent to initial recognition. With respect to the accounting treatment to be applied by the lessor, the previous rules of IAS 17 were retained, so that leases are classified as either operating or finance leases and accounted for accordingly. Assuming prior adoption by the EU, early application of the Standard is permitted if IFRS 15 „Revenues“ is applied concurrently. The Berentzen Group acts both as lessor and lessee and will therefore be affected by the amendments to these Standards. The Management is currently assessing the concrete effects.

(1.4) Consolidation

Principles of consolidation

Essentially all subsidiaries that are controlled by Berentzen-Gruppe Aktiengesellschaft are included in the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft alongside the parent company, Berentzen-Gruppe Aktiengesellschaft. According to IFRS 10, the corporate group controls an investee when: it has power over the investee; it has exposure, or rights, to variable returns from its involvement with the investee; and it has the ability to use its power to affect the amount of the investor’s returns. Subsidiaries are included in the consolidated financial statements under full consolidation from the date when the corporate group gains control over the investee. Deconsolidation takes place from the date at which that control is lost. The accounting treatment is in accordance with the acquisition method as defined in IFRS 3 in conjunction with IFRS 10.

Shares in non-fully consolidated companies are normally carried at their acquisition cost, as no active market exists for these companies and fair values cannot reasonably be determined reliably. Where there is evidence that the fair value is lower, this is recognised.

For debt consolidation, the receivables and liabilities of the companies included are netted.

During the elimination of intercompany profits and losses, profits and losses from intra-Group transactions between affiliated companies are eliminated. Deferred tax assets and liabilities are recognised in accordance with IAS 12 for differences resulting from consolidation activities recognised in profit or loss. Income and expenses from intra-Group transactions, especially those arising from intercompany transactions, are eliminated in the Statement of Comprehensive Income.

Business combinations

The consolidation of investments in subsidiaries is carried out in accordance with the acquisition method as defined in IFRS 3 in conjunction with IFRS 10 by netting consideration transferred against the fair value of the assets, liabilities and contingent liabilities assumed at the time of acquisition. In this context, the acquisition cost for a business combination corresponds to the fair value of the assets given up, equity instruments issued and the liabilities arising or assumed at the time of acquisition. Incidental acquisition costs are normally recognised as an expense.

Where the net assets measured at fair value exceed the consideration transferred, this portion is recognised as goodwill. In the converse instance, the difference is recognised directly in the Statement of Comprehensive Income.

(1.5) Consolidation group

Essentially all domestic and foreign companies controlled by Berentzen-Gruppe Aktiengesellschaft within the meaning of IFRS 10 are included in the consolidated financial statements at December 31, 2015 alongside Berentzen-Gruppe Aktiengesellschaft. Including Berentzen-Gruppe Aktiengesellschaft, the group of companies included in the consolidated financial statements comprises ten (previous year: ten) domestic and six (previous year: six) foreign Group companies.

Name	Registered office
Domestic Group companies	
Berentzen-Gruppe Aktiengesellschaft (parent company)	Haselünne
Berentzen Distillers Asia GmbH	Haselünne
Berentzen Distillers International GmbH	Haselünne
Berentzen Distillers Turkey GmbH	Haselünne
Berentzen North America GmbH	Haselünne
Der Berentzen Hof GmbH	Haselünne
DLS Spirituosen GmbH	Flensburg
Doornkaat AG	Norden
Pabst & Richarz Vertriebs GmbH	Minden
Vivaris Getränke GmbH & Co. KG	Haselünne
Foreign Group companies	
Berentzen Alkollü İçkiler Ticaret Limited Sirketi	Istanbul, Republic of Turkey
Berentzen Distillers CR, s.r.o.	Prague, Czech Republic
Berentzen Spirit Sales (Shanghai) Co., Ltd.	Shanghai, People‘s Republic of China
Berentzen Spirits India Private Limited	Gurgaon, Republic of India
Berentzen USA, Inc.	Dover / Delaware, United States of America
T M P Technic-Marketing-Products GmbH	Linz, Republic of Austria

Berentzen Spirit Sales (Shanghai) Co., Ltd. filed for commencement of insolvency proceedings in 2015 due to insolvency; this filing was rejected by the competent court for inexplicable reasons. Please refer to Note (4.6) for details on this subject.

General partnerships and the shell companies that do not have their own business activities are not consolidated, as their influence on the financial position, cash flows and financial performance of the corporate group is insignificant overall. The not fully consolidated subsidiaries account for less than 1% of the aggregate revenues, net profit and liabilities of the corporate group.

There have been no changes to the consolidation group since the consolidated financial statements at December 31, 2014.

(1.6) List of corporate shareholdings

The following list shows the shareholdings of Berentzen-Gruppe Aktiengesellschaft pursuant Section 313 (2) No. 1-4 HGB.

Direct subsidiaries

Name, registered office	Shareholding in %
Berentzen Distillers International GmbH, Haselünne [1]	100.0
Der Berentzen Hof GmbH, Haselünne [1] [2] [4]	100.0
DLS Spirituosen GmbH, Flensburg [1] [2] [4]	100.0
Doornkaat AG, Norden [1] [2] [4]	100.0
Kornbrennerei Berentzen GmbH, Haselünne	100.0
LANDWIRTH'S GmbH, Minden [2]	100.0
Medley´s Whiskey International GmbH, Haselünne	100.0
Pabst & Richarz Vertriebs GmbH, Minden [1] [2] [4]	100.0
Puschkin International GmbH, Haselünne	100.0
Strothmann Spirituosen Verwaltung GmbH, Haselünne	100.0
T M P Technic-Marketing-Products GmbH, Linz, Austria [1]	100.0
Turoa Rum International GmbH, Haselünne	100.0
Vivaris Getränke GmbH & Co. KG, Haselünne [1] [3]	100.0
Winterapfel Getränke GmbH, Haselünne [2]	100.0

[1] The companies marked with [1] are included in the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft, Haselünne, by way of full consolidation.

[2] A profit-and-loss transfer agreement has been concluded with the companies marked with [2].

[3] Pursuant to Section 264b HGB, the commercial partnerships marked with [3] are exempted from the obligation to prepare, have audited and publish annual financial statements and a management report in accordance with the regulations applicable to incorporated firms.

[4] Pursuant to Section 264 (3) HGB, the incorporated firms marked with [4] are exempted from the obligation to prepare, have audited and publish annual financial statements and a management report in accordance with the regulations applicable to incorporated firms.

Indirect subsidiaries (domestic)

Name, registered office	Shareholding in %
Domestic companies	
Berentzen Distillers Asia GmbH, Haselünne [1]	100.0
Berentzen Distillers Turkey GmbH, Haselünne [1]	100.0
Berentzen North America GmbH, Haselünne [1]	100.0
Die Stonsdorferei W. Koerner GmbH & Co. KG, Haselünne	100.0
Grüneberger Spirituosen und Getränkegesellschaft mbH, Grüneberg	100.0
Vivaris Getränke Verwaltung GmbH, Haselünne	100.0

[1] The companies marked with [1] are included in the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft, Haselünne, by way of full consolidation.

Indirect subsidiaries (foreign)

Name, registered office	Shareholding in %
Foreign companies	
Berentzen Alkollü İçkiler Ticaret Limited Sirketi, Istanbul, Republic of Turkey [1]	100.0
Berentzen Distillers CR, spol. s.r.o., Prague, Czech Republic [1]	100.0
Berentzen Spirit Sales (Shanghai) Co., Ltd., Shanghai, People's Republic of China [1]	100.0
Berentzen Spirits India Private Limited, Gurgaon, India [1]	100.0
Berentzen USA, Inc., Dover / Delaware, USA [1]	100.0
Double Q Whiskey Company Ltd., London, UK	100.0
Sechsämtertropfen G. Vetter Spolka z o.o., Jelenia Gora, Poland	100.0

[1] The companies marked [1] are included in the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft, Haselünne, by way of full consolidation.

Where permitted, the domestic incorporated firms and limited liability firms as noted make use of the disclosure options granted to them in accordance with Section 264 (3) and Section 264b HGB.

(1.7) Foreign currency translation

The consolidated financial statements at December 31, 2015 prepared in accordance with IFRS have been prepared in euros (EUR), the functional currency of Berentzen-Gruppe Aktiengesellschaft. Pursuant to IFRS 10 Consolidated Financial Statements, the annual financial statements of the domestic subsidiaries included in consolidation are prepared in accordance with uniform recognition and measurement methods.

Since all the foreign subsidiaries conduct their business activities independently in financial, economic and organisational regards, the respective local currency is their functional currency. Accordingly, items in the Statement of Financial Position are translated using the rate applicable at the reporting date; items in the Consolidated Statement of Comprehensive Income are translated using the annual average rate.

Differences arising from the translation of financial statements of foreign subsidiaries are treated in a way that does not affect profit or loss and carried under retained earnings.

Berentzen-Gruppe Aktiengesellschaft has applied the following exchange rates for foreign currency translation:

Country	Currency code	Average rate [1]		Year-end rate [1]	
		2015	2014	12/31(2015	12/31/2014
People´s Republic of China	CNY	6.9149	8.1685	7.0805	7.4708
India	INR	71.1830	80.9924	72.2024	77.3816
Czech Republic	CZK	27.2821	27.5326	27.0217	27.7129
Republic of Turkey	TRY	3.0232	2.9051	3.1842	2.8232
United States of America	USD	1.1103	1.3291	1.0907	1.2155

[1] rate for 1 euro in local currency.

Foreign currency transactions are translated into the functional currency using the exchange rates applicable at the transaction date or the measurement date in the event of remeasurement. Gains and losses resulting from the settlement of such transactions and from translation at the end-of-period exchange rate of monetary assets and liabilities maintained in foreign currency are normally recognised in the Statement of Comprehensive Income. Foreign currency gains and losses resulting from the translation of cash and cash equivalents and financial liabilities are carried under Financial income or Financial expenses in the Statement of Comprehensive Income, and all other foreign currency gains and losses under Other income.

(1.8) Recognition and measurement methods

Intangible assets

Intangible assets are recognised at amortised cost. All intangible assets with the exception of goodwill have a determinable useful life and are amortised over the useful life of the asset in question on a straight-line basis.

For accounting purposes, it is assumed that trademarks and copyrights have a finite useful life. Amortisation is taken on proprietary brands on a straight-line basis over the individually estimated useful life of 8 to 15 years. Acquired technologies, customer lists and software licences are amortised on a straight-line basis over an estimated economic useful life of no more than eight years. Purchase commitments are amortised during the agreed term across the annual quantity purchased using a charge rate for each period; their operational useful life totals between 5 and 10 years.

Intangible assets that are subject to scheduled amortisation are tested for impairment when relevant events and/or changes in circumstances indicate that the carrying amount may no longer be recoverable. An impairment loss is recognised in the amount of the carrying amount in excess of the recoverable amount. The recoverable amount is the higher of the fair value of the asset less the costs to sell and the value in use. The fair value of trademarks and copyrights is measured using the multi-period excess earnings method (MEEM). Where the reasons for the previously recognised impairments no longer apply, the impairments on such assets are reversed to the value that would have arisen had no impairments been recognised in earlier periods.

Under IFRS 3 Business Combinations, goodwill is not subject to amortisation; instead, it undergoes an impairment test once a year at the level of cash-generating units and where there are indications of an impairment. The goodwill is tested for impairment by setting the recoverable amount of a cash-generating unit against its carrying amount including goodwill. The recoverable amount is the higher of the fair value less the costs to sell of the cash-generating unit and its value in use. Where the carrying amount exceeds the recoverable amount, an impairment loss in the amount of the difference is recognised on the goodwill allocated to this cash-generating unit. Impairments of goodwill may not be reversed in later periods.

Research costs are carried as current expense. Development costs are not capitalised, as the conditions for capitalisation stated in IAS 38 are not routinely met

Property, plant and equipment

Items of property, plant and equipment are recognised at their historical cost less scheduled depreciation and, where necessary, less appropriate impairments. Acquisition or production cost includes those costs that are directly attributable to the purchase. Finance costs are not capitalised as part of the historical cost, as these are not routinely directly attributable to the acquisition, construction or production of a qualifying asset. At the Berentzen Group, depreciation of the items of property, plant and equipment always starts when the asset is used.

Subsequent acquisition/production costs are not included in the cost of the asset unless it is probable that future economic benefits will flow to the corporate group and the cost of the asset can be reliably measured. All other repair and maintenance costs are recognised as an expense in the Statement of Comprehensive Income in the financial year in which they accrue.

No depreciation charges are taken on land. Depreciation on property, plant and equipment is taken exclusively using the straight-line method. The following standard economic useful lives are used as the basis for depreciation charges throughout the corporate group:

	Economic useful life, in years
Buildings	20- 75
Land improvements	10- 30
Technical plant and machinery	5- 25
Plant and office equipment	3- 30
Other plant	3- 30

The residual values and economic useful lives are reviewed at each reporting date and, if necessary, adjusted. Where there are indications for an impairment, and the recoverable amount is less than the amortised cost, impairments are recognised on property, plant and equipment. The recoverable amount is the higher of the fair value of the asset less the costs to sell and the value in use. For the impairment test, assets are grouped together at the lowest level for which cash flows can be identified separately (cash-generating unit – CGU). In the case of assets for which an impairment has been recognised in the past, a further test is carried out at each reporting date to ascertain whether the impairment should be reversed (write-up).

Gains and losses on the disposal of assets are measured as the difference between the proceeds on disposal and the carrying amount and recognised in the Statement of Comprehensive Income under Operating income or Other operating expenses.

Leases

In accordance with IAS 17, the economic ownership of a leased asset is attributable to the lessor if substantially all the significant risks and rewards incidental to ownership of the asset remain with the lessor (finance lease). Where economic ownership of the leased item of property, plant and equipment is attributable to Berentzen Group companies, the leased asset is capitalised at cost at the inception of the lease or, if lower, the present value of the minimum lease payments. Depreciation is taken – in line with comparable acquired items of property, plant and equipment – on a straight-line basis over the useful life or the term of the lease, where this is shorter. The payment obligations resulting from the future lease payments are recognised as liabilities and discounted.

Where Berentzen Group companies act as the lessor of a finance lease, receivables are recognised in the amount of the net investment value arising from the leases and the interest income is recognised in profit or loss.

Leases under which a substantial portion of the opportunities and risk incidental to ownership of the leased asset remains with the lessor are classified as operating leases. Both expenses and income in connection with operating leases are recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Inventories

Inventories are measured at the lower of cost and net realisable value. Alongside the direct costs which are generally measured at the moving average, the cost of inventories comprises appropriate portions of the required indirect materials and production overheads as well as production-related depreciation that can be attributed directly to the production process. The cost of administration and social facilities is included insofar as it can be attributed to production. The inventory risk arising from a lower net realisable value, the period of storage, shrinkage and so on is reflected by means of write-downs. Reversals (write-ups) are recognised if the reasons that led to a write-down of the inventories no longer apply.

Income taxes, and deferred tax assets and liabilities

Income taxes comprise both the taxes on income to be paid immediately and deferred tax assets and liabilities.

Income taxes essentially comprise the current corporate-income and trade taxes. Effects arising from the measurement of deferred taxes compliant with IAS 12 on account of temporary differences between the commercial balance sheet and the tax balance sheet or as a result of the recognition and measurement of tax loss carryforwards that have not already been utilised are similarly included in income taxes.

Deferred tax assets and liabilities are measured in accordance with IAS 12. Under these rules, probable tax savings and charges arising in the future are recognised for temporary differences between the carrying amounts stated in the consolidated financial statements and the values of assets and liabilities stated for tax purposes. Anticipated tax savings arising from the utilisation of loss carryforwards estimated as realisable in the future are capitalised.

In accordance with IAS 12.74, deferred tax assets and liabilities broken down by current/non-current are offset within the individual company and within a group of companies for income tax purposes.

Deferred tax assets arising from deductible temporary differences and tax loss carryforwards exceeding the deferred tax liabilities arising from taxable temporary differences are only recognised to the extent that it is probable that enough taxable income will be generated to realise the corresponding benefits. Various factors such as the loss history and operating plans are applied to assess the probability of the future utility of deferred tax assets.

The tax charges on planned dividend payouts by domestic and international subsidiaries are insignificant and hence not normally recognised. These tax charges arising from German corporate-income and trade tax of approximately 1.5% on all dividends would exist for subsidiaries with the legal form of an incorporated company.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets that are not classified at fair value through profit or loss as described below are measured at their fair value plus transaction costs upon initial recognition. Additions and disposals of financial assets are recognised at the trade date. The trade date is the date that the corporate group commits itself to purchase or sell the asset.

Financial assets are normally divided into the following categories and sub-categories for the purposes of subsequent measurement:

- Financial assets at fair value through profit or loss,
- Long-term loans and receivables,
- Held-to-maturity investments,
- Financial assets held for sale.

The classification depends upon the purpose for which the individual financial assets were acquired. The management determines the classification of the financial assets upon initial recognition and reviews the classification at each reporting date.

The “financial assets at fair value through profit or loss” category contains two sub-categories: financial assets classified as held for sale from the outset and financial assets classified at fair value through profit or loss from the outset. A financial asset is allocated to this category if it was purchased in principle with the intention to sell in the short term or the financial asset was designated accordingly by management. Derivatives are similarly classified as held for trading, provided they are not designated as hedges. Assets in this category are recognised as current assets if they are either classified as for trading purposes or will probably be realised within twelve months of the reporting date. Financial assets designated at fair value through profit or loss are initially recognised at fair value; associated transaction costs are recognised in profit or loss. Financial assets held for sale are carried at fair value upon subsequent measurement. Any gain or loss on financial assets held for sale arising from subsequent measurement is recognised under Other operating income or Other operating expenses in the Statement of Comprehensive Income.

Long-term loans and receivables are non-derivative financial assets with fixed or determinable payments that are not listed on an active market. They arise when the corporate group makes cash, goods or services directly available to a debtor without any intention of trading the receivables. They are classified as current assets, with the exception of such assets that fall due twelve months or more after the reporting date. The latter are carried as non-current assets. Long-term loans and receivables are carried under Trade receivables and Other assets in the Statement of Financial Position. After their initial recognition, long-term loans and receivables are measured at amortised cost using the effective interest method, less any impairments. Gains or losses are recognised under Other operating income or Other operating expenses in the Statement of Comprehensive Income in the profit or loss for the period when the long-term loans and receivables are derecognised or impaired, and within the framework of amortisation.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed terms, for which the Group’s management has the intention and ability to hold them until maturity. With the exception of those investments that fall due within twelve months of the reporting date and are carried as current assets accordingly, the financial instruments in this category are disclosed under non-current assets. After their initial recognition, held-to-maturity investments are measured at amortised cost. Gains or losses are recognised under Financial income or Financial expenses in the Statement of Comprehensive Income in the consolidated profit for the period when the held-to-maturity investments are derecognised or impaired, and within the framework of amortisation.

Financial assets held for sale are non-derivative financial assets that are either assigned to this category or not assigned to any of the other categories listed. They are classified as non-current assets, provided the management does not have the intention to sell them within twelve months of the reporting date. After their initial recognition, financial assets held for sale are measured at fair value, with any unrealised gains or losses recognised directly in the reserve for unrealised gains under Other income. Dividend income from financial assets in this category is recognised under Other income in the Statement of Comprehensive Income. Dividends on equity instruments held for sale are recognised as Other income in the Statement of Comprehensive Income when the corporate group’s right to receive payment is established. Shares in affiliated companies, participating interests, securities and shares in cooperatives are similarly classified as financial assets held for sale, although they are normally measured at their respective acquisition cost as the fair value is not capable of being reliably measured. The shares held by the Berentzen Group, for which there is currently no intention to sell, are not listed and no active market exists for them. Where there are indications that they are lower, the fair values are stated.

Cash and cash equivalents

Cash and cash equivalents comprise cash, sight deposits and other current, highly liquid financial assets with an original maturity of less than three months.

Treasury shares

Treasury shares purchased and held are measured at cost, including directly allocable transaction costs, and are deducted directly from equity instead of being recognised in profit or loss. The imputed share of nominal capital attributable to treasury shares is set off against subscribed capital, and the difference between the imputed nominal value and the acquisition cost of purchased treasury shares is set off against retained earnings.

Provisions

Other provisions within the meaning of IAS 37 take account of present legal or constructive obligations towards third parties that arise from past events, the settlement of which is expected to result in an outflow of resources and a reliable estimate can be made of the amount of the obligation. The provisions are recognised with the amount expected to be required to settle the obligation. Non-current provisions are recognised at their discounted settlement amount at the reporting date. Increases in provisions resulting from compounding are recognised in the Statement Comprehensive Income under Financial expenses. Provisions are not offset against rights of recourse.

Employee benefits

The actuarial measurement of the pension provisions for the company pension plan is carried out using the projected unit credit method prescribed by IAS 19. The defined benefit obligation (DBO) is measured annually by an independent actuary using the projected unit credit method. The present value of the DBO is calculated by discounting the anticipated future cash outflows with the market yields on high quality corporate bonds with equivalent terms to the pension obligations. This was 1.5% during the reporting period (previous year: 1.4%). Actuarial gains and losses based on experience adjustments and the effects of changes to the actuarial assumptions are recognised directly in other comprehensive income (OCI) and not in profit or loss.

Post-employment benefits are granted where an employee is terminated before reaching ordinary retirement age or an employee leaves employment voluntarily against payment of a termination indemnity. Berentzen-Gruppe Aktiengesellschaft recognises termination payments when it is demonstrably committed to terminate the employment of present employees in accordance with a detailed formal plan without realistic possibility of withdrawal from that plan.

Liabilities

Liabilities comprise financial liabilities, trade payables and other liabilities. Upon initial recognition, they are measured at the fair value of the consideration received less the transaction costs associated with the borrowing.

In the subsequent period, financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised directly in profit or loss when the liabilities are derecognised and within the framework of amortisation.

Non-current liabilities are subsequently measured at amortised cost. Differences between historical cost and the redemption amount are measured in accordance with the effective interest method.

Current liabilities are recognised at their redemption or settlement amount. Please also refer to the explanatory notes to the recognition and measurement of financial instruments.

Financial liabilities arising from finance leases are recognised at the fair value of the leased asset or the present value of the minimum lease payments, where this value is lower.

Spirits tax and import duties are recognised in the amount payable to the main customs offices and are shown in a separate item in order to improve the informative value of the consolidated financial statements.

Contingent liabilities are not recognised in the Statement of Financial Position. Although they do represent obligations arising from past events, the existence of which depends upon several uncertain events that cannot be controlled by the Company. An existing obligation leads to an outflow of resources with a probability of less than 50%. The contingent liabilities are shown in Note (4.4) in the Notes to the Consolidated Financial Statements.

Government grants

According to IAS 20, government grants are action by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity; those forms of government assistance which cannot reasonably have a value placed on them and transactions with government which cannot be distinguished from the normal trading transactions of the entity are excluded.

Government grants related to assets are presented as a deferred item within liabilities and reversed in profit or loss on a straight-line basis over the expected useful life of the assets concerned.

Impairments of financial assets and liabilities

IAS 39 requires an entity to assess at every reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

In the case of equity instruments classified as held for sale, a material or lasting decline in the fair value below the acquisition cost of these equity instruments is considered an indicator that the equity instruments are impaired. When there is such an indication for held-for-sale assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment losses previously recognised relating to the financial asset in question – is derecognised in shareholders' equity and recognised in the Statement of Comprehensive Income. Once they have been recognised in the Statement of Comprehensive Income, impairment losses on equity instruments are not reversed in profit or loss.

An impairment loss is recognised on trade receivables when there is objective evidence that the amounts due for payment are not fully collectible. The following are considered indicators for the presence of an impairment: considerable financial difficulties on the part of a debtor; it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; and a breach of contract, such as a default or delinquency in interest or principal payments. The amount is recognised in the Statement of Comprehensive Income under Other operating expenses. The impairment is the difference between the carrying amount and the fair value of the future cash flows, discounted using the effective interest rate. The carrying amount of the receivable is reduced by means of a valuation adjustment account, and the loss is recognised under Other operating expenses in the Statement of Comprehensive Income. Where a receivable has become uncollectible, it is set against the valuation adjustment account. Subsequent cash receipts on previously derecognised amounts are set against the impairments on trade receivables presented in the Statement of Comprehensive Income.

Derecognition of financial assets and liabilities

A financial asset is derecognised when one of the following three conditions is met:

- The contractual rights to receive the cash flows from the financial asset have expired,
- The corporate group retains the contractual rights to receive the cash flows from the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets the conditions in IAS 39.19,
- The corporate group has transferred its contractual rights to receive the cash flows from the financial asset and either (a) transfers substantially all the risks and rewards incidental to ownership of the financial asset or (b) neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, but transfers control over the asset.

Where the corporate group transfers its contractual rights to cash flows from an asset, but neither transfers nor retains substantially all the risk and rewards incidental to ownership of this asset, and retains control over the transferred asset at the same time, the corporate group continues to recognise the transferred asset to the extent of its continuing involvement. When the continuing involvement takes the form of guaranteeing the transferred asset, the extent of the continuing involvement is lower of the original amount of the asset and the maximum amount of the consideration received that the corporate group could be required to repay.

A financial liability is derecognised when the obligation underlying this liability is discharged or cancelled or expires.

If an existing financial liability is exchanged for another liability of the same lender with substantially different contractual terms, or the conditions of an existing liability are changed significantly, such an exchange or change leads to the derecognition of the original liability and recognition of a new liability. The difference between the respective carrying amounts is recognised in the Statement of Comprehensive Income.

Recognition of income and expenses

Normally, revenues and other operating income are not recognised until the services have been performed, or the goods or products have been delivered, and hence the risk has been transferred.

Operating expenses are recognised at the date of performance or date of incurrence.

Interest income and expenses are recognised in the Statement of Comprehensive Income.

Assumptions and estimates

When preparing the consolidated financial statements, assumptions have been made and estimates applied that have an impact on the disclosure and measurement of the recognised assets, liabilities, income, expenses and contingent liabilities.

These assumptions and estimates essentially relate to the assessment of the impairment of intangible assets, the definition of uniform economic useful lives, the collectibility of receivables, the recognition and measurement of provisions, and the realisation of future tax savings.

In the course of business combinations, assumptions are made for the purpose of purchase price allocation regarding the valuation of assets acquired and liabilities assumed, especially relating to the acquired intangible assets, as the fair value is used as the measure. This is generally measured as the present value of the future cash flows taking into account the present value of the depreciation-related tax benefit.

The present value of the pension obligations depends upon a number of factors that are based on actuarial assumptions. The assumptions applied when determining the net expenses (income) for pensions include the anticipated discount rate. Berentzen-Gruppe Aktiengesellschaft determines the appropriate discount rate at the end of each year. This is the interest rate used when measuring the present value of the anticipated future cash outflows required to settle the obligation. Due to Company-specific factors, the rate of increase in the pension obligation is 1.5% (previous year: 1.5%). Further significant assumptions for pension obligations are based on existing market conditions. These actuarial assumptions may differ from actual developments due to changed market and economic conditions, thus leading to a significant change in the pension and similar obligations.

The measurement of provisions for legal disputes and for regulatory and administrative proceedings and investigations (legal disputes) depends on estimates to a considerable degree. Legal disputes often involve complex legal questions and are fraught with considerable uncertainties. Accordingly, the determination at the reporting date of whether a current obligation probably results from a past event, whether a future outflow of economic resources is probable, and whether the obligation can be estimated reliably necessarily entails a considerable degree of discretion. Such determinations are generally made in consultation with the Group's central Legal Department and outside legal advisors. It may be necessary to recognise a new provision for an ongoing legal dispute as a result of new developments or to adjust the amount of an existing provision. In addition, the outcome of a legal dispute could give rise to expenditures that exceed the provision recognised for the respective proceeding. Legal disputes can have significant effects on the financial position, cash flows and financial performance of the Berentzen Group.

The repayment obligations (liabilities) arising from deposits received are measured using the turnover rate of the returnable containers determined in accordance with the respective container type and the underlying deposit system.

Income taxes must be estimated for each tax jurisdiction in which the corporate group operates. This involves calculating the anticipated current income tax payable and assessing the temporary differences arising from the differing treatment of certain items in the Statement of Financial Position between the consolidated financial statements prepared in accordance with IFRS and the financial statements prepared under tax law. Where there are temporary differences, such differences normally result in the recognition of deferred tax assets and liabilities in the consolidated financial statements. The management must make assessments when calculating actual and deferred taxes. Deferred tax assets are disclosed to the extent that it is probable that they can be utilised. The utilisation of deferred tax assets depends on the possibility of generating sufficient taxable profit given the respective tax type and tax jurisdiction, whereby any legal restrictions regarding the maximum periods for loss carryforwards need to be taken into account. Various factors, such as past financial performance, operating plans, loss carryforward periods and tax planning strategies, are applied when assessing the probability of being able to utilise deferred tax assets in the future. Where the actual results differ from these estimates, or these estimates need to be adjusted in future periods, this may have a negative impact on the Company's financial position, cash flows and financial performance. Where there is a change in the assessment of the value of deferred tax assets, write-downs are taken on the deferred tax assets and recognised in profit or loss.

Fluctuating economic cycles give rise to risks for the further development of the market and economic situation. These fluctuations may cause underlying premises to differ from actual developments and have an impact on commodity prices, interest rates and patterns of consumer behaviour.

The assumptions and estimates are underpinned by premises that are based on the currently available information. The actual values may in some cases differ from the assumptions and estimates made. Changes are recognised in profit or loss at the date when a better understanding is gained.

(2) Explanatory notes to the Consolidated Statement of Financial Position

(2.1) Non-current assets

Analysis of intangible assets and property, plant and equipment in the 2014 and 2015 financial years

	Intangible assets EUR'000	Property, plant and equipment EUR'000	Total non-current assets EUR'000
Acquisition/production cost			
Balance at 1/1/2014	59,562	145,485	205,047
Additions from change in consolidation group	14,488	513	15,001
Additions	311	5,392	5,703
Disposals	-1,230	-4,028	-5,258
Currency effects	-1	4	3
Balance at 12/31/2014	73,130	147,366	220,496
Additions	426	6,932	7,358
Disposals	-1,959	-9,166	-11,125
Reclassifications	36	-36	0
Currency effects	1	-8	-7
Balance at 12/31/2015	71,634	145,088	216,722
Amortisation/depreciation/impairments			
Balance at 1/1/2014	55,545	99,349	154,894
Additions	2,063	5,364	7,427
Disposals	-1,187	-3,549	-4,736
Currency effects	-1	4	3
Balance at 12/31/2014	56,420	101,168	157,588
Additions	2,617	5,465	8,082
Impairments/write-ups	-1	-469	-470
Disposals	-1,753	-7,053	-8,806
Currency effects	1	-6	-5
Balance at 12/31/2015	57,284	99,105	156,389
Carrying amounts at 12/31/2015	**14,350**	**45,983**	**59,134**
Carrying amounts at 12/31/2014	**16,710**	**46,198**	**62,908**

(2.2) Intangible assets

Analysis of intangible assets in the 2014 and 2015 financial years

	Goodwill EUR'000	Trademarks, customer lists and technical knowledge EUR'000	Licences and other intangible assets EUR'000	Advance payments made EUR'000	Total intangible assets EUR'000
Acquisition/production cost					
Balance at 1/1/2014	0	56,693	2,869	0	59,562
Additions from change in consolidation group	6,056	8,417	15	0	14,488
Additions	0	147	164	0	311
Disposals	0	-403	-827	0	-1,230
Currency effects	0	0	-1	0	-1
Balance at 12/31/2014	6,056	64,854	2,220	0	73,130
Additions	0	288	113	25	426
Disposals	0	-1,789	-170	0	-1,959
Reclassifications	0	0	36	0	36
Currency effects	0	0	1	0	1
Balance at 12/31/2015	6,056	63,353	2,200	25	71,634
Amortisation/depreciation/ impairments					
Balance at 1/1/2014	0	53,360	2,185	0	55,545
Additions	0	1,813	250	0	2,063
Disposals	0	-361	-826	0	-1,187
Currency effects	0	0	-1	0	-1
Balance at 12/31/2014	0	54,812	1,608	0	56,420
Additions	0	2,390	227	0	2,617
Impairments/write-ups	0	0	-1	0	-1
Disposals	0	-1,585	-168	0	-1,753
Currency effects	0	0	1	0	1
Balance at 12/31/2015	0	55,617	1,667	0	57,284
Carrying amounts at 12/31/2015	**6,056**	**7,736**	**533**	**25**	**14,350**
Carrying amounts at 12/31/2014	**6,056**	**10,042**	**612**	**0**	**16,710**

The following table shows the breakdown of the net carrying amounts of the intangible assets:

	12/31/2015 EUR'000	12/31/2014 EUR'000
Trademarks	3,686	5,229
Customer lists	1,932	2,268
Technical knowledge	1,730	1,987
Purchase commitments	388	558
Trademarks, customers lists and technical knowledge	7,736	10,042
Goodwill	6,056	6,056
Licences and other intangible assets	533	612
Advance payments made	25	0
	14,350	**16,710**

Upon initial consolidation on the basis of the purchase price allocation that was carried out, there were additions totalling EUR 14,488 thousand to intangible assets in the 2014 financial year from the acquisition of T M P Technic-Marketing-Products GmbH, attributable to trademarks, customer lists, technical knowledge and goodwill of EUR 6,056 thousand. For more information about the business combination, please refer to Note (4.3).

With regard to the capitalised trademarks, no impairment was identified in the 2014 financial year. The present value of the anticipated future cash flows based on the short- and medium-term plan forms the basis for determining any impairment loss. The discount factor used to determine the present value was 5.6% (previous year: 5.8%).

No intangible assets were encumbered with security interests at December 31, 2015.

Costs for research and development, and quality assurance of EUR 1,998 thousand (previous year: EUR 1,822 thousand) were recognised as an expense during the reporting period.

(2.3) Property, plant and equipment

Analysis of property, plant and equipment in the 2014 and 2015 financial years

	Land, equivalent rights to real property, and buildings, including buildings on land not owned EUR'000	Technical equipment and machinery EUR'000	Other equipment, plant and office equipment EUR'000	Advances to suppliers and construction in progress EUR'000	Total property, plant and equipment EUR'000
Acquisition/production cost					
Balance at 1/1/2014	47,711	72,589	24,200	985	145,485
Additions from change in consolidation group	265	78	170	0	513
Additions	364	2,297	1,974	757	5,392
Disposals	-16	-628	-3,384	0	-4,028
Reclassifications	0	510	94	-604	0
Currency effects	0	0	4	0	4
Balance at 12/31/2014	48,324	74,846	23,058	1,138	147,366
Additions	93	2,178	3,221	1,440	6,932
Disposals	-2,039	-1,326	-5,801	0	-9,166
Reclassifications	92	928	82	-1,138	-36
Currency effects	0	0	-8	0	-8
Balance at 12/31/2015	46,470	76,626	20,552	1,440	145,088
Amortisation/depreciation/ impairments					
Balance at 1/1/2014	25,543	55,215	18,591	0	99,349
Additions	721	2,773	1,870	0	5,364
Disposals	-15	-587	-2,947	0	-3,549
Currency effects	2	0	2	0	4
Balance at 12/31/2014	26,251	57,401	17,516	0	101,168
Additions	728	2,977	1,760	0	5,465
Impairments/write-ups	90	-558	-1	0	-469
Disposals	-1,221	-1,228	-4,604	0	-7,053
Currency effects	0	0	-6	0	-6
Balance at 12/31/2015	25,848	58,592	14,665	0	99,105
Carrying amounts at 12/31/2015	**20,622**	**18,034**	**5,887**	**1,440**	**45,983**
Carrying amounts at 12/31/2014	**22,073**	**17,445**	**5,542**	**1,138**	**46,198**

Significant additions to property, plant and equipment in the 2015 financial year

	Land, equivalent rights to real property, and buildings EUR'000	Technical equipment and machinery EUR'000	Other equipment, plant and office equipment EUR'000	Advances to suppliers and construction in progress EUR'000
Tap systems			1,566	
Refrigerators/vending machines			338	
Empty bottles/crates			975	
Packaging machine		403		
Bulk bottle depalletizer		395		
Mineral water supply and pipes		390		
Hot water tank		85		
Bottle conveyor monitor		75		
Bottling equipment				740
Machinery				347
Crate sorting equipment				101
Bottle conveyors				100
Bottling system main chain				100
Other	93	830	342	52
	93	**2,178**	**3,221**	**1,440**

Government grants of EUR 273 thousand (previous year: EUR 1 thousand) have been recognised for assets at the operating facility of Vivaris Getränke GmbH & Co. KG in Grüneberg/Brandenburg within the framework of investment allowances and subsidies. These are carried as an accrual within Other liabilities and reversed in profit or loss on a straight-line basis over the expected useful life of the assets concerned.

As in the previous year, no items of property, plant and equipment were encumbered with security interests at December 31, 2015.

Contractual obligations of EUR 800 thousand (previous year: EUR 255 thousand) to sell items of property, plant and equipment existed at December 31, 2015.

Disposals of property, plant and equipment in the 2015 financial year

By way of a purchase agreement dated June 8, 2015, Berentzen-Gruppe Aktiengesellschaft sold the part of a property at the Haselünne facility that was no longer needed for business operations.

Compliant with IFRS 5, the property was presented at June 30, 2015 as a non-current asset held for sale and measured at amortised cost, because the carrying amount was less than the fair value less costs to sell.

The sale was completed in the second half of the 2015 financial year. A purchase price of EUR 1,095 thousand was recorded for the property and the proceeds of EUR 265 thousand arising from the disposal are included in Other operating income.

The property was allocated to the Spirits segment.

Operating leases

The Berentzen Group has entered into various rental and lease agreements that are classified as operating leases on account of their economic content. The lease agreements essentially relate to the vehicle fleet, leased offices and business premises, and plant and office equipment. Rental and lease expenses of EUR 1,068 thousand (previous year: EUR 912 thousand) were paid under operating leases during the reporting period.

The following table shows the breakdown of financial obligations arising from operating rental and lease agreements by residual maturity:

	2015 EUR'000	2014 EUR'000
Minimum lease payments due in less than one year	873	823
Minimum lease payments due in more than one year and less than five years	1,017	798
Minimum lease payments due in more than five years	18	6
Total minimum lease payments under operating leases	**1,908**	**1,627**

The Berentzen Group also acts as lessor under rental and lease agreements that are similarly to be classified as operating leases. These essentially relate to the letting of parts of buildings and storage space. Rental and lease payments of EUR 265 thousand (previous year: EUR 271 thousand) were received during the reporting period. The anticipated future payments received under operating rental and lease agreements have the following maturity structure:

	2015 EUR'000	2014 EUR'000
Minimum lease payments due in less than one year	34	188
Minimum lease payments due in more than one year and less than five years	43	58
Minimum lease payments due in more than five years	0	0
Total minimum lease payments under operating leases	**77**	**246**

(2.4) Other financial assets

	2015 EUR'000	2014 EUR'000
Shares in affiliated companies	329	329
Receivables under finance leases	231	141
Other long-term loans	36	51
Shares in cooperatives	32	32
Participating interests	11	11
	639	**564**

Shares in affiliated companies

Shares in affiliated companies include non-consolidated general partnerships and non-operating shell companies.

Receivables under finance leases

There are lease agreements in the Fresh Juice Systems segment that are to be classified as finance leases on account of their contractual terms. These agreements essentially relate to the leasing business involving juicers. The non-current portion of the receivables under finance leases amounts to EUR 231 thousand (previous year: EUR 141 thousand) and is carried under Other financial assets. The current portion of the receivables amounts to EUR 178 thousand (previous year: EUR 116 thousand) and is capitalised under Other current financial assets (Note (2.9)).

The following table shows the minimum lease payments to be received in the future, broken down by due date:

	2015 EUR'000	**2014 EUR'000**
Minimum lease payments due in less than one year	178	116
Minimum lease payments due in more than one year and less than five years	231	141
Minimum lease payments due in more than five years	0	0
Present value of future minimum lease payments	**409**	**257**

The following table shows the analysis of the future minimum lease payments for the gross and net investment in leases and at the present value of the future lease payments:

	2015 EUR'000	**2014 EUR'000**
Future minimum lease payments	367	215
Unguaranteed residual value	70	51
Gross investment	**437**	**266**
Unrealised finance income	-28	-9
Net investment	**409**	**257**
Present value of future minimum lease payments	**409**	**257**

Other long-term loans

The other long-term loans contain a number of instalment loans extended by the Non-alcoholic Beverages segment for catering facilities subjected to the proviso of an obligation to purchase of up to five years. The instalment loans – some of which attract low interest and the rest of which attract interest at market rates – are measured taking into account individual valuation adjustments and collective valuation adjustments. The loans are repaid in monthly, quarterly, half-yearly or yearly instalments, depending on the terms and conditions defined in the individual loan agreements. No repayments were past due at the reporting date.

The following table shows an analysis of write-downs on long-term loans at December 31, 2015:

	2015 EUR'000	**2014 EUR'000**
Total at 1/1	**2**	**16**
Reversal	0	14
Total at 12/31	**2**	**2**

Income due to reversals of write-downs is carried under Other operating income.

(2.5) Deferred taxes and income tax expense

	12/31/2015 EUR'000	12/31/2014 EUR'000
Deferred tax assets	57	0
Deferred tax liabilities	2,314	2,873

The following table shows the breakdown of deferred tax assets and liabilities by item in the Statement of Financial Position and content:

	12/31/2015		12/31/2014	
	Deferred tax assets EUR'000	Deferred tax liabilities EUR'000	Deferred tax assets EUR'000	Deferred tax liabilities EUR'000
ASSETS				
Non-current assets				
Intangible assets	1	1,837	1	2,435
Property, plant and equipment	0	1,869	5	1,834
Other financial assets	1	0	4	0
Current assets				
Inventories	66	0	7	32
Trade receivables	166	135	158	108
Other current assets	268	79	320	1
SHAREHOLDERS' EQUITY AND LIABILITIES				
Non-current liabilities				
Non-current provisions	1,278	0	1,384	0
Current liabilities	149	322	78	326
Subtotal for temporary differences	1,929	4,242	1,957	4,736
of which non-current	1,294	3,507	1,417	4,178
Write-down	-326		-318	
Capitalisation of tax loss carryforwards	382		224	
Netting	-1,928	-1,928	-1,863	-1,863
Deferred taxes shown in the Statement of Financial Position	**57**	**2,314**	**0**	**2,873**

The amount of deductible temporary differences for which no deferred tax assets were recognised amounted to EUR 1,306 thousand (previous year: EUR 1,272 thousand); impairments of deferred tax assets were recognised in the amount of EUR 326 thousand (previous year: EUR 318 thousand). In addition, deferred tax liabilities of EUR 422 thousand (previous year: EUR 354 thousand) were not recognised in respect of temporary differences of subsidiaries of Berentzen-Gruppe Aktiengesellschaft due to the existence of control according to IAS 12.39.

The stock of unused tax loss carryforwards at year-end is as follows:

	2015 EUR'000	2014 EUR'000
for corporation tax	6,083	5,241
for trade tax	1,557	496

Deferred tax assets of EUR 382 thousand (previous year: EUR 224 thousand) were recognised in respect of corporation tax loss carry-forwards of EUR 958 thousand (previous year: EUR 874 thousand) and in respect of trade tax loss carry-forwards amounting to EUR 1,395 thousand (previous year: EUR 359 thousand). No deferred tax assets were recognised in respect of tax loss carry-forwards beyond the amount required to offset deferred tax liabilities.

No deferred tax assets were recognised in respect of corporation tax loss carry-forwards of EUR 5,125 thousand (previous year: EUR 4,367 thousand) and trade tax carry-forwards of EUR 162 thousand (previous year: EUR 137 thousand) despite the positive profit forecasts in specific cases, due to the loss history. The trade tax loss carry-forwards can all be used without limitation in time. The time periods over which corporation tax loss carry-forwards for which no deferred tax assets were recognised are presented in the table below.

	2015 EUR'000	2014 EUR'000
Corporation tax loss carryforwards	5,125	4,367
Expiry date in less than		
1 year	782	184
2 years	742	775
3 years	1,401	305
4 years	15	1,116
5 years	6	17
more than 5 years	0	0
unlimited	2,179	1,970

Income tax expense

The taxes on income paid or owed in the individual countries are carried as income tax expense together with deferred tax accruals.

The following table shows the breakdown of the profit before income taxes and the income tax expense by geographic origin:

	2015 EUR'000	2014 EUR'000
Profit before income taxes		
Germany	1,012	6,014
Austria	3,232	730
Other countries	-679	-286
	3,565	**6,458**
Taxes paid or owed		
Germany (of which attributable to other periods EUR 1 thousand; previous year: EUR 4 thousand)	1,111	1,262
Austria (of which attributable to other periods EUR 0 thousand; previous year: EUR 0 thousand)	777	175
Other countries (of which attributable to other periods: EUR 1 thousand; previous year: EUR 0 thousand)	6	21
	1,894	**1,458**
Deferred taxes	-568	796
	-568	**796**
Income tax expense	**1,326**	**2,254**

Due to the increase in deferred tax assets recognised in respect of actual gains and losses in connection with the accounting treatment of pension provisions, deferred tax income of EUR 47 thousand (previous year: EUR 801 thousand) was additionally recognised in other comprehensive income.

In the course of financial year 2015, tax loss carry-forwards were utilised to reduce corporation tax expenses by EUR 13 thousand (previous year: EUR 1,837 thousand) and to reduce trade tax expenses by EUR 0 thousand (previous year: EUR 4,884 thousand). Therefore, the utilisation of tax loss carry-forwards from previous years reduced income taxes paid or owed by EUR 3 thousand in 2015 (previous year: EUR 852 thousand).

The income tax expense for 2015 in the amount of EUR 1,326 thousand (previous year: EUR 2,254 thousand) differed from the anticipated tax expense of EUR 1,052 thousand (previous year: EUR 1,906 thousand), which would have resulted from the application of an anticipated average tax rate to the Group's profit before income taxes, by an amount of EUR 274 thousand (previous year: EUR 348 thousand).

The following reconciliation shows an analysis of the difference between anticipated and actual tax expense in the corporate group:

	2015 EUR'000	2014 EUR'000
Profit after income taxes	2,239	4,204
Current income tax expense	1,894	1,458
Deferred income tax expense	-568	796
Income tax expense	1,326	2,254
Profit before income taxes	**3,565**	**6,458**
Applicable tax rate [1]	29.5%	29.5%
Anticipated income tax expense	**1,052**	**1,906**
Tax effect of trade tax additions	136	174
Tax effect of trade tax reductions	-16	-17
Tax increases/reductions due to non-deductible expenses	136	139
Tax reductions due to tax-exempt income	-38	-44
Permanent differences from items in the Statement of Financial Position	-29	0
Tax effects of loss carryforwards and temporary differences	181	-56
Current taxes attributable to other periods	2	4
Deferred taxes attributable to other periods	-66	-12
Foreign taxes	28	46
Different domestic/foreign tax rates	-56	-47
Change in deferred taxes due to different tax rate	0	1
Other	-4	160
Income tax expense	**1,326**	**2,254**
Effective tax rate (%)	**37.2**	**34.9**

[1] Used to calculate the applicable tax rate.

	2015 et seq. %	2014 %
Taxable base	100.00	100.00
Average trade tax rate	-13.65	-13.65
	86.35	86.35
Corporation tax 15%	-15.00	-15.00
Solidarity surcharge 5.5%	-0.85	-0.85
	70.50	70.50
Total tax charges (tax rate)	**29.5**	**29.5**

(2.6) Inventories

	12/31/2015 EUR'000	12/31/2014 EUR'000
Raw materials	3,960	4,335
Packaging and equipment	2,761	2,531
Raw materials and supplies	6,721	6,866
Work in progress	13,765	12,570
Finished products	8,134	8,843
Merchandise for resale	3,661	3,757
Finished products and merchandise for resale	11,795	12,600
Inventories	**32,281**	**32,036**

When measuring inventories at the lower of cost or net realisable value, write-downs totalling EUR 166 thousand (previous year: EUR 170 thousand) were recognised on the stock of inventories. The carrying amount of the inventories measured at the net realisable value totals EUR 181 thousand (previous year: EUR 259 thousand).

The write-downs are carried in Other operating expenses and Change in inventories in the Statement of Comprehensive Income.

(2.7) Trade receivables

	12/31/2015 EUR'000	12/31/2014 EUR'000
Trade receivables- gross	12,967	13,700
less individual valuation adjustments	518	401
Trade receivables- net	12,449	13,299
Current trade receivables	**12,449**	**13,299**

Valuation adjustments are recognised when there is objective evidence that the receivable concerned cannot be collected at all or in full, or not within a specific period of time. This is regularly the case for trade receivables and other receivables when the internal collection office is unable to collect the receivables and it becomes necessary to call in external collection firms or lawyers. The amount of the individual valuation adjustment is determined using the documented status and the other information available; it totals between 25% and 100% of the individual receivable outstanding.

Valuation adjustments of EUR 300 thousand (previous year: EUR 267 thousand) were taken on the stock of trade receivables during the reporting period, as there was objective evidence that the amounts receivable due for payment were not fully collectible.

The following table contains an analysis of the valuation adjustment account:

	2015 EUR'000	2014 EUR'000
Total at 1/1	**401**	**153**
Additions	300	267
Use	10	13
Reversals	173	6
Total at 12/31	**518**	**401**

The total additions of EUR 300 thousand (previous year: EUR 267 thousand) include the additions due to individual valuation adjustments. Adjustments to individual valuation adjustments of EUR 173 thousand (previous year: EUR 6 thousand) have been included in reversals.

The following table shows the age structure of the trade receivables with valuation adjustments at December 31:

		with valuation adjustments and past due at the reporting date in the following time buckets				
	Carrying amount 12/31/2015 EUR'000	up to 30 days EUR'000	between 31 and 60 days EUR'000	between 61 and 90 days EUR'000	between 91 and 120 days EUR'000	more than 120 days EUR'000
Trade receivables	518	0	0	3	1	514
	100%	0%	0%	1%	0%	99%
		with valuation adjustments and past due at the reporting date in the following time buckets				
	Carrying amount 12/31/2014 EUR'000	up to 30 days EUR'000	between 31 and 60 days EUR'000	between 61 and 90 days EUR'000	between 91 and 120 days EUR'000	more than 120 days EUR'000
Trade receivables	401	206	0	0	0	195
	100%	51%	0%	0%	0%	49%

The following analysis shows the trade receivables past due without valuation adjustments at December 31:

	Carrying amount 12/31/2015 EUR'000	thereof: without valuation adjustments and not past due at the reporting date EUR'000	thereof: without valuation adjustments and past due in the following time buckets at the reporting date up to 30 days EUR'000	between 31 and 60 days EUR'000	between 61 and 90 days EUR'000	between 91 and 120 days EUR'000	more than 120 days EUR'000
Trade receivables	12,449	7,229	2,557	963	1,219	389	92
	100%	58%	20%	8%	10%	3%	1%

	Carrying amount 12/31/2014 EUR'000	thereof: without valuation adjustments and not past due at the reporting date EUR'000	thereof: without valuation adjustments and past due in the following time buckets at the reporting date up to 30 days EUR'000	between 31 and 60 days EUR'000	between 61 and 90 days EUR'000	between 91 and 120 days EUR'000	more than 120 days EUR'000
Trade receivables	13,299	6,826	2,701	1,730	1,442	411	189
	100%	51%	20%	13%	11%	3%	1%

Transfers of financial assets

As part of its external financing activities, the Berentzen Group also utilises factoring lines. The total available financing amount on the basis of two factoring agreements is EUR 45,000 thousand (previous year: EUR 45,000 thousand). The Group can also access a formally unlimited factoring line based on three additional centralised settlement and factoring agreements which stipulate no maximum commitment; instead, the possible drawdown is limited only by the available amount of saleable receivables. The factor concerned normally purchases the receivables at face value. The purchase prices are disbursed less retentions and provisions for bonuses and discounts; in this context, the retentions amount to between 10% and 20% of the face value of the receivables and the companies of the Berentzen Group are required to report the provisions for bonuses and discounts on a monthly basis. Furthermore, any charges and interest accruing are retained. At December 31, 2015, trade receivables of EUR 58, 174 thousand (previous year: EUR 60,917 thousand) had been sold and assigned to the respective factoring companies.

In some instances, interest payments are payable to the factor for the financial assets transferred to the factor up to the date payment is received by the factor, but no more than 120 days after the due date of the receivables. The interest rate to be applied is derived from the 1-week or 3-month Euribor plus a fixed component. This gives rise to the risk of the Berentzen Group having to make additional interest payments due to payments received late or not at all by the factor (late payment risk). The maximum loss from late payment risk for the amounts already transferred amounts to EUR 17 thousand at the reporting date (previous year: EUR 66 thousand). The fair value of the obligation arising from late payment risk totals EUR 7 thousand (previous year: EUR 25 thousand). Some of the servicing activities for the receivables sold under factoring agreements, notably including the reminder procedures, have remained with the Berentzen Group. The resulting liability has not been recognised due to immateriality.

Because almost all of the risks and rewards incident to ownership of the financial assets were transferred to the factor, the trade receivables sold were completely derecognised in accordance with IAS 39.20a. The late payment risk remaining with the Berentzen Group at the time of derecognition was recognised as an asset representing a continuing involvement of EUR 262 thousand in the 2015 financial year (previous year: EUR 305 thousand). A liability of the same amount was recognised at the same time.

The following table shows the impact of factoring on various items in the Statement of Financial Position:

	Item in the Statement of Financial Position	12/31/2015 EUR'000	12/31/2014 EUR'000
Trade receivables sold and assigned	Trade receivables	58,174	60,917
Continuing involvement	Other current financial assets	262	305
Retentions and provisions for bonuses and discounts	Other current financial assets	9,027	9,124
Cash available	Cash and cash equivalents	39,283	34,037
Cash transferred	Cash and cash equivalents	11,170	9,495
Continuing involvement	Current financial liabilities	262	305
Interest liability from continuing involvement	Current financial liabilities	19	24
Retained interest/charges/insurance	Retained earnings / Consolidated comprehensive income	690	685

The factor retained collateral amounting to EUR 9,027 thousand (previous year: EUR 9,124 thousand) to secure any deductions from the face value of receivables. This item is carried under Other current assets.

The available cash of EUR 39,283 thousand (previous year: EUR 34,037 thousand) shown in the table above reflects the balance of the cash arising from the sale of trade receivables that has not yet been drawn down by the Berentzen Group from the factor's customer settlement account. Although these amounts in the customer settlement accounts may be drawn down by the Berentzen Group at any time, they had not been utilised or drawn down at the reporting date. The available cash is covered in more detail in Note (2.10) regarding Cash and cash equivalents. At the same time, the transferred cash of EUR 11,107 thousand (previous year: EUR 9.495 thousand) had already been credited to the current accounts maintained by the Berentzen Group with other banks.

At the time of derecognition of the financial assets, losses totalling EUR 690 thousand (previous year: EUR 685 thousand) accrued during the reporting period. The gains are carried in Financial income in the amount of EUR 554 thousand (previous year: EUR 555 thousand) and the losses in Other operating expenses in the amount of EUR 135 thousand (previous year: EUR 130 thousand).

The factoring financing lines (receivables sold) utilised at the reporting date are expected to yield interest payments of EUR 7 thousand (previous year: EUR 25 thousand) in the first quarter of 2016. The interest payments depend among other things on the due dates of the receivables and the different interest rates applicable.

(2.8) Current income tax receivables

	12/31/2015 EUR'000	12/31/2014 EUR'000
Claims to income tax reimbursements (corporation tax, trade tax, capital gains tax)	710	340
	710	**340**

The receivables from current taxes are due in less than one year.

(2.9) Other current financial assets

	12/31/2015 EUR'000	12/31/2014 EUR'000
Continuing involvement	262	305
Receivables under finance leases	178	116
Receivables from derivatives	4	38
	444	**459**

(2.10) Cash and cash equivalents

	12/31/2015 EUR'000	12/31/2014 EUR'000
Cash in banks and cash on hand	63,140	41,066
	63,140	**41,066**

The cash and cash equivalents shown in the Cash Flow Statement consist of the cash and cash equivalents and part of the current financial liabilities carried in the Statement of Financial Position.

Cash and cash equivalents include the current accounts maintained with banks that are used to settle two factoring agreements, containing the cash available at all times from these factoring agreements ("customer settlement accounts"); the receivables from the customer settlement accounts have different characteristics from usual current account balances with banks, notably with regard to interest. Only the shares of outside capital immediately available under working capital lines are carried as current financial liabilities.

Pursuant to IAS 7.45, the cash and cash equivalents shown in the Cash Flow Statement break down as follows:

	12/31/2015 EUR'000	12/31/2014 EUR'000
Cash and cash equivalents		
Cash on hand	13	14
Current account balances with banks	23,844	7,015
Credit balances on customer settlement accounts maintained with banks	39,283	34,037
Cash in banks	63,127	41,052
	63,140	**41,066**
Current financial liabilities		
Overdraft facilities with banks	0	90
	0	**90**
	63,140	**40,976**

The cash in banks totalling EUR 63,127 thousand (previous year: EUR 41,052 thousand) include EUR 39,283 thousand (previous year: EUR 34,037 thousand) in receivables from customer settlement accounts maintained with banks. At the reporting date, EUR 90 thousand (previous year: EUR 90 thousand) of the current account balances with banks of EUR 23,844 thousand (previous year: EUR 7,015 thousand) are lodged with a credit insurer under the terms of a guarantee for spirits tax liabilities; in the previous year, there was a restriction on the disposal of a further EUR 28 thousand relating to a guarantee covering a liability of a foreign subsidiary.

(2.11) Other current assets

	12/31/2015 EUR'000	12/31/2014 EUR'000
Receivables from factoring haircut	9,027	9,124
Refund claims	790	3,626
Creditors with debit balances	189	239
Claims under reinsurance policies	79	76
Damage claims	0	21
Miscallenous items	795	403
	10,880	**13,489**

(2.12) Shareholders' equity

Subscribed capital

The capital stock of Berentzen-Gruppe Aktiengesellschaft in the amount of EUR 24,960 thousand (previous year: EUR 24,960 thousand) is divided into 9,600,000 shares of common stock (previous year: 4,800,000 shares of common stock and 4,800,000 shares of preferred stock without voting rights within the meaning of Section 139 (1) AktG), which are no-par bearer shares and are fully paid-in. The imputed nominal value per share is EUR 2.60.

The extraordinary general meeting of Berentzen-Gruppe Aktiengesellschaft of July 20, 2015, and the separate meeting of preferred shareholders of July 20, 2015, resolved to convert the 4,800,000 bearer shares of preferred stock without voting rights into bearer shares of common stock with voting rights and to eliminate the profit preference. At this time, the capital stock of Berentzen-Gruppe Aktiengesellschaft was divided into 4,800,000 bearer no-par shares of common stock with voting rights and 4,800,000 no-par shares of preferred stock without voting rights.

The conversion of the formerly exchange-listed 4,800,000 non-voting shares of preferred stock into voting shares of common stock took effect when the corresponding amendments to the Articles of Association were recorded in the Commercial Register on September 28, 2015. The listing of shares of preferred stock on the Frankfurt Stock Exchange was discontinued at the close of trading on the same day.

After the execution of the conversion, the capital stock of Berentzen-Gruppe Aktiengesellschaft consists of a single share class and is divided into 9,600,000 non-par shares of common stock. They were admitted for trading in the regulated market (General Standard section) of the Frankfurt Stock Exchange on September 29, 2015 and have been eligible for trading there since September 30, 2015.

At December 31, 2015, the number of shares outstanding was 9,444,257 shares of common stock (previous year: 9,600,000 shares, including 4,800,000 shares of common stock and 4,800,000 shares of preferred stock), Berentzen-Gruppe Aktiengesellschaft having purchased a total of 155,743 treasury (own) shares representing an imputed share of capital equal to EUR 405 in the 2015 financial year.

The development of subscribed capital and the number of shares outstanding are presented in the table below:

		12/31/2015		12/31/2014	
		EUR'000	No. of shares	EUR'000	No. of shares
Common shares	bearer shares	24,960	9,600,000	12,480	4,800,000
Preferred shares [1)]	bearer shares	0	0	12,480	4,800,000
Capital stock		24,960	9,600,000	24,960	9,600,000
Treasury shares		-405	-155,743	0	0
Subscribed (outstanding) capital / shares outstanding		24,555	9,444,257	24,960	9,600,000

[1)] Preferred shares were converted into common shares on September 28, 2015.

Authorised Capital (not issued)

The Executive Board of Berentzen-Gruppe Aktiengesellschaft is authorised with the consent of the Supervisory Board to increase the capital stock by issuing new bearer shares of common stock in exchange for cash or in-kind contributions on one or more occasions, but for a maximum total of up to EUR 12,480 thousand in the time until May 21, 2019. The Executive Board is authorised with the consent of the Supervisory Board to exclude the shareholders' statutory subscription right in certain cases. The conditions under which the Executive Board can exclude, with the consent of the Supervisory Board, the shareholders' subscription right in a capital increase are set out in Article 4 para. 5 of the Articles of Association of Berentzen-Gruppe Aktiengesellschaft, which entered into force upon being recorded in the Commercial Register on September 28, 2015. The Executive Board is authorised with the consent of the Supervisory Board to establish the further details of the execution of capital increases under Authorised Capital.

Conditional Capital (not issued)

The capital stock is conditionally increased by up to EUR 12,480 thousand through the issuance of up to 4,800,000 new bearer shares of common stock qualifying for dividends from the beginning of the financial year in which they are issued (Conditional Capital 2014). The Conditional Capital is related to the authorisation granted to the Executive Board by resolution of the annual general meeting of May 22, 2014 to issue, with the consent of the Supervisory Board, bearer or registered convertible bonds and/or warrant bonds in the total nominal amount of up to EUR 200,000 thousand on one or more occasions in the time until May 21, 2019 and to grant the holders or creditors of the bonds conversion or warrant rights for new bearer shares of common stock or bearer non-voting shares of preferred stock representing a total share of capital of up to EUR 12,480 thousand, in accordance with the detailed conditions of the convertible or warrant bonds.

Treasury shares (own shares)

While concurrently cancelling the authorisation to purchase treasury shares (own shares) that had been resolved by the annual general meeting on May 22, 2014, the extraordinary general meeting of July 20, 2015 adopted a resolution authorising the Executive Board to purchase shares of common and preferred stock representing a total share of capital of up to EUR 2,496 thousand in the time until July 21, 2020, subject to the condition that the sum of shares to be purchased under this authorisation and the other treasury shares already purchased and still held by the Company or the shares attributable to the Company in accordance with Sections 71d and 71e AktG do not exceed 10 percent of the Company's capital stock. Trading in treasury shares is excluded. The authorisation may be exercised in its entirety or in parts. Treasury shares may be purchased within the authorisation period on one or more purchase dates until the maximum purchase limit is reached. The Executive Board is authorised to use the shares purchased under the foregoing authorisation for all legally permissible purposes, including sale or retirement.

The Executive Board of Berentzen-Gruppe Aktiengesellschaft resolved on July 21, 2015 to exercise the authorisation granted by the extraordinary general meeting of July 20, 2015 to purchase treasury shares in accordance with Section 71 (1) No. 8 AktG and to purchase shares of preferred stock, and after execution of the conversion of shares of preferred stock into shares of common stock resolved by the extraordinary general meeting on July 20, 2015 and by the special meeting of preferred shareholders on the same date, also to purchase shares of common stock on the stock exchange up to a maximum amount (excluding transaction costs) of EUR 1,500 thousand from July 27, 2015 until further notice.

The authorisation and purchase particularly serve the purpose (among others) of enabling the Company to raise funds in a simplified manner by selling treasury shares on the stock exchange or in connection with a public sale offer and therefore secure an appropriate capital base, and to offer the treasury shares as consideration in connection with business combinations or the acquisition of companies, parts of companies, or investments in companies, in order to quickly and flexibly take advantage of such opportunities as they arise. In addition, these measures are meant to enable the Company to service exchange or subscription rights or conversion obligations under convertible bonds issued, where applicable, without being limited to conducting a capital increase under Conditional Capital or Authorised Capital.

The table below presents information on treasury shares held and purchases of treasury shares in the reporting period:

	No. of common shares	No. of preferred shares	Amount of capital stock attributable to treasury shares EUR'000	Percentage of capital stock attributable to treasury shares %	Purchase price [1] EUR'000
Balance at 1/1/2015	**0**	**0**	**0**	**0,00**	**0**
7/27/2015: Beginning of share buyback programme					
07 / 2015	0	11,127	29	0.12	83
08 / 2015	0	66,510	173	0.69	499
09 / 2015	0	45,847	119	0.48	361
9/28/2015: Conversion of preferred shares into common shares.	123,484	-123,484	321	1.29	943
10 / 2015	11,750	0	31	0.12	87
11 / 2015	13,967	0	36	0.14	96
12 / 2015	6,542	0	17	0.07	48
Balance at 12/31/2015	**155,743**	**0**	**405**	**1.62**	**1,174**

[1] Excl. transaction costs of EUR 6 thousand.

The difference of EUR 775 thousand between the imputed nominal amount of EUR 405 thousand and the acquisition costs of purchased treasury shares in the amount of EUR 1,180 thousand was set off against retained earnings in the 2015 financial year.

Additional paid-in capital

Additional paid-in capital consists of the share premium on the capital increases of Berentzen-Gruppe Aktiengesellschaft in the years 1994 and 1996. EUR 15,855 thousand and EUR 23,010 thousand were withdrawn from additional paid-in capital and appropriated to retained earnings in 2004 and 2008, respectively, to cover the respective net losses of the Company.

Retained earnings

Retained earnings exhibited the following development:

	12/31/2015 EUR'000	12/31/2014 EUR'000
Retained earnings at 1/1	**13,134**	**11,745**
Consolidated net profit/loss	2,239	4,204
Other comprehensive income	-644	-1,855
Consolidated comprehensive income	1,595	2,349
Dividends paid	-1,536	-960
Treasury shares / own shares (difference between imputed nominal value and cost of purchased treasury shares)	-775	0
Retained earnings at 12/31	**12,418**	**13,134**

Profit utilisation / dividend

In accordance with the German Stock Corporation Act, the profit utilisation including the dividend distribution to shareholders is determined exclusively on the basis of the distributable profit presented in the separate financial statements of Berentzen-Gruppe Aktiengesellschaft prepared in accordance with commercial-law regulations.

It was resolved at the annual general meeting of May 13, 2015 to utilise the distributable profit for financial year 2014 presented in the separate financial statements of Berentzen-Gruppe Aktiengesellschaft in the amount of EUR 4,325 thousand to pay a dividend of EUR 0.19 per share of preferred stock, relating to the 4,800,000 shares of preferred stock eligible for dividends, for a total amount of EUR 912 thousand, and to pay a dividend of EUR 0.13 per share of common stock, relating to the 4,800,000 shares of common stock eligible for dividends, for a total amount of EUR 624 thousand, i.e. to pay a total dividend of EUR 1,536 thousand, and to carry forward the remaining amount of EUR 2,789 thousand to new account.

The Executive Board of Berentzen-Gruppe Aktiengesellschaft proposes to the annual general meeting that the distributable profit for financial year 2015 in the amount of EUR 4,572 thousand presented in the annual financial statements of Berentzen-Gruppe Aktiengesellschaft prepared in accordance with German Commercial Code regulations be utilised to pay a dividend of EUR 0.20 per common share qualifying for dividends and to carry forward the remaining amount to new account. In consideration of the treasury shares not qualifying for dividends in accordance with Section 71b AktG that were held by the Company on the date of the annual general meeting, this corresponds to an expected total dividend payment of approximately EUR 1,884 thousand and an amount of EUR 2,688 thousand to be carried forward to new account. Payment of this dividend is dependent on the approval of the annual general meeting of May 12, 2016. The number of shares qualifying for dividends can change in the time until the annual general meeting. In this case, an appropriately adjusted draft resolution on the utilisation of profit will be submitted to the annual general meeting, without changing the dividend of EUR 0.20 per common share qualifying for dividends.

(2.13) Non-current provisions

The following table shows the breakdown of non-current provisions:

	12/31/2015 EUR'000	12/31/2014 EUR'000
Pension provisions	11,515	12,083
Other non-current provisions	435	167
	11,950	**12,250**

Pension provisions

	12/31/2015 EUR'000	12/31/2014 EUR'000
Pension provisions	11,515	12,083

Defined benefit plans

The pension provisions based on defined benefit plans pertain to the post-employment benefit obligations (old age, disability, and survivor's pensions) of the companies included in the consolidated financial statements, which are governed by different pension codes. The amount of individual benefits depends on the length of service with the company and the age and/or salary level of the employee. For the most part, this relates to non-covered pension plans for which the Company itself settles the obligations as soon as they fall due for payment. Some of the obligations are secured by reinsurance policies worth EUR 79 thousand (previous year: EUR 76 thousand), although these are not classified as plan assets within the meaning of IAS 19; these are disclosed as Other assets.

The payment obligations cover a total of 260 (previous year: 268) beneficiaries, of whom one (previous year: 1) is a current employees, 21 (previous year: 24) are former employees and 238 (previous year: 243) pensioners and surviving dependents. No defined benefit commitments are being made to newly hired employees at this time. Even if no further benefits become vested at all from commitments made in the past, the Company is nonetheless obliged to continue bearing the resulting actuarial risk, like interest rate risk and longevity risk.

Pursuant to IAS 19, the provisions for pension and similar obligations are calculated in accordance with the projected unit credit method for defined benefit plans. The figures are determined on the basis of actuarial reports.

The following table shows the development of the defined benefit obligation (DBO) at December 31, 2015:

	12/31/2015 EUR'000	12/31/2014 EUR'000
DBO at the start of the financial year	12,083	9,908
Current service costs	0	3
Interest expenses on the DBO	163	322
Revaluations		
Actuarial gains / loss due to change in demographic assumptions	0	0
Actuarial gains / losses due to change in financial assumptions	-110	2,419
Actuarial gains / losses due to experience adjustments	270	297
Pension benefits paid	-891	-866
DBO at the end of the financial year	**11,515**	**12,083**

Of the DBO at the end of the 2015 financial year, EUR 77 thousand (previous year: EUR 81 thousand) relates to current employees, EUR 1,096 thousand (previous year: EUR 1,220 thousand) to former employees and EUR 10,342 thousand (previous year: EUR 10,782 thousand) to pensioners and surviving dependents.

The following table shows the breakdown of pension expenses for the respective reporting period before income tax effects:

	2015 EUR'000	2014 EUR'000
Current service cost	0	3
Interest expenses on the DBO	163	322
Expenses recognised in the Consolidated Statement of Comprehensive Income	**163**	**325**
Actuarial gains (-) / losses (+)	160	2,716
Expenses / income recognised in other comprehensive income	**160**	**2,716**
Total pension expenses	**323**	**3,041**

The present service cost is carried in personnel expenses under social security, pension and welfare costs (cf. Note 3.5). The interest expense is shown carried in Net financial income/expenses (cf. Note 3.9).

Actuarial assumptions

The pension obligations are measured on the basis of actuarial reports. The following parameters have been applied: an actuarial interest rate of 1.5% p.a. (previous year: 1.4% p.a.), a rate of increase in future compensation of 0% p.a. (previous year: 0% p.a.), and an imputed rate of increase on the pension obligation of 1.5% p.a. (previous year: 1.5% p.a.). The actuarial calculations for the 2015 and 2014 financial years are based on the 2005 G standard tables prepared by Professor Klaus Heubeck.

Sensitivity analysis

The following table shows the impact on the DBO of changes in the relevant actuarial assumptions. The impact on the DBO in the event of changes to an assumption is shown in each case, whereas the other assumptions remain unchanged compared with the original calculation. Correlation effects between the assumptions are not included accordingly. The change in the DBO shown is only valid for the actual extent of the change in the individual assumption. If the assumptions change to a different extent, a straight-line impact on the DBO cannot be assumed.

	Change	DBO 12/31/2015 EUR'000	DBO 12/31/2014 EUR'000
Actuarial interest rate	+ 1.0 PP	10,505	10,990
	- 1.0 PP	12,708	13,380
Rate of increase in pension obligation	+ 0.5 PP	12,071	12,665
	- 0.5 PP	10,997	11,542
Rate of increase in future compensation	+ 0.5 PP	11,515	12,083
	- 0.5 PP	11,515	12,083
Life expectancy	+ 1 year	12,028	12,615
	- 1 year	11,010	11,559

The same calculation method (projected unit credit method) was applied when determining the impact on the DBO as was used when calculating the pension provisions at year-end.

Anticipated pension payments

The following table shows the anticipated pension payments for the following ten years:

	Anticipated pension payments EUR'000
2016	915
2017	861
2018	829
2019	812
2020	758
2021- 2025	3,240

The average weighted maturity of the benefit obligations at December 31, 2015 amounts to around 10 years (previous year: 10 years).

Defined contribution plans

As a general rule, the Berentzen Group currently grants its employees post-employment benefits in the form of defined contribution plans. Within the framework of deferred compensation and employer allowances, contributions to post-retirement benefits are essentially paid into a pension fund or pension plans for the employees.

Employer contributions of EUR 78 thousand (previous year: EUR 74 thousand) to these defined contribution plans were recognised in personnel expenses during the 2015 financial year.

Employer contributions of EUR 1,339 thousand (previous year: EUR 1,298 thousand) were transferred to the statutory pension insurance scheme in Germany in the 2015 financial year and employer contributions of EUR 21 thousand (previous year: EUR 49 thousand) to statutory pension insurance schemes in other countries.

Other non-current provisions

The following provisions are carried separately in the Statement of Financial Position as other non-current provisions:

	12/31/2015 EUR'000	12/31/2014 EUR'000
Performance-dependent components	251	0
Service anniversary awards	184	167
	435	**167**

Please refer to Note (4.9) Related Party Disclosures for a detailed explanation of the performance-dependent components of Executive Board compensation.

Provisions for service anniversary awards are accrued taking into account a general employer contribution to social security of 20% in line with the employee's present length of service and discounted using a rate of 4.07 % (previous year: 4.66 %). The provisions were established based on current employee numbers and future claims for the payments shown up to an age of 65 years. The figures calculated are similarly based on reports using a fluctuation rate of 5% and the 2005 G standard tables prepared by Professor Klaus Heubeck as the biometric basis of calculation based on the projected unit credit method in accordance with the generally accepted principles of actuarial mathematics.

(2.14) Non-current financial liabilities

	12/31/2015 EUR'000	12/31/2014 EUR'000
Liabilities from bond issue > 1 to 5 years	49,579	49,365
	49,579	**49,365**

A bond issue of Berentzen-Gruppe Aktiengesellschaft (ISIN: DE000A1RE1V3, WKN: A1RE1V) has been listed on the Open Market of Deutsche Börse AG (unofficial market of the Frankfurt Stock Exchange) in the Entry Standard segment for bonds since October 9, 2012. The corporate bond with an issue volume of EUR 50,000 thousand and a term of five years bears interest at the nominal rate of 6.50% p.a. and interest payments are due on October 18 of every year during the term. After deduction of issue-related expenses in the amount of EUR 1,059 thousand, the net issue proceeds amounted to EUR 48,941 thousand, for an effective interest rate of 7.03%. The proportionate financing costs included in other operating expenses for the 2015 financial year amount to EUR 219 thousand (previous year: EUR 205 thousand).

(2.15) Spirits tax liabilities

	12/31/2015 EUR'000	12/31/2014 EUR'000
Spirits tax and import duties	44,258	23,425
	44,258	**23,425**

The stated amount pertains to the reported spirits tax for the months of November and December, which is payable on January 5 and February 5 of the following year respectively pursuant to the German Spirits Monopoly Act. An early payment of EUR 19,965 thousand was made in the 2014 financial year on account of the spirits tax reported in November and payable on January 5, which reduced the total liability of EUR 43,390 thousand.

(2.16) Current provisions

The following table shows the breakdown of current provisions:

	12/31/2015 EUR'000	12/31/2014 EUR'000
Cost of annual financial statements	80	80
	80	**80**

Analysis of provisions

	Pension provisions EUR'000	Other long-term provisions EUR'000	Current provisions EUR'000	Total EUR'000
Total at 1/1/2015	**12,083**	**167**	**80**	**12,330**
Use	891	1	80	972
Addition	160	275	80	515
Compounding	163	0	0	163
Reversal	0	6	0	6
Total at 12/31/2015	**11,515**	**435**	**80**	**12,030**

(2.17) Current income tax liabilities

	12/31/2015 EUR'000	12/31/2014 EUR'000
Current income tax liabilities (corporation tax, trade tax)	608	468
	608	**468**

The current tax liabilities are due in less than one year.

(2.18) Current financial liabilities

	12/31/2015 EUR'000	12/31/2014 EUR'000
Liabilities due to non-consolidated affiliated companies	501	490
Continuing involvement	262	305
Interest liability from continuing involvement	19	24
Liabilities from derivatives	4	0
Liabilities from company acquisition	0	1,950
Liabilities due to banks	0	90
Lease liabilities	0	1
	786	**2,860**

The following table shows the breakdown of net debt at year-end:

	12/31/2015 EUR'000	12/31/2014 EUR'000
Financial liabilities	50,365	52,225
Cash and cash equivalents	63,140	41,066
Net financial debt (-) / net liquidity (+)	12,775	-11,159
Consolidated shareholders' equity	43,794	44,915
Net debt	**-29%**	**25%**

A positive figure indicates an excess of financial liabilities over financial assets while a negative figure indicates an excess of financial assets over financial liabilities.

The information regarding risk management can be found in Note (4.7).

(2.19) Trade payables and other liabilities

Other accruals are allocated to this item alongside the trade payables:

	12/31/2015 EUR'000	12/31/2014 EUR'000
Marketing and sales obligations, and bonuses	7,794	7,563
Trade payables	6,920	7,574
Liabilities from payroll, sales and other taxes	6,556	6,591
Government grants	1,390	1,228
Money deposited as security	1,215	1,269
Liabilities from salary components relating to other periods	698	814
Supplier invoices outstanding	683	611
Debtors with credit balances	451	275
Legal, consulting and auditing costs	210	294
Liabilities to employees	126	125
Social welfare liabilities	43	50
Miscellaneous	1,478	1,531
	27,564	**27,925**

The amounts disclosed for trade payables are their market values. They are due within one year.

(2.20) Analysis of contractual residual maturities of financial liabilities

The following table shows the contractually agreed, non-discounted interest payable and capital repayments for the financial liabilities:

		up to 1 year		1 to 5 years		more than 5 years	
	Carrying amount 12/31/2015 EUR'000	Repayment EUR'000	Future interest payments EUR'000	Repayment EUR'000	Future interest payments EUR'000	Repayment EUR'000	Future interest payments EUR'000
Liabilities from bond issue	49,579	0	3,250	49,579	2,591	0	0
Current financial liabilities	786	786	7	0	0	0	0
Trade payables	6,920	6,920	0	0	0	0	0
Other liabilities	20,644	20,644	0	0	0	0	0
- of which financial liabilities not subject to IAS 39	9,502	9,502	0	0	0	0	0
Total	**77,929**	**28,350**	**3,257**	**49,579**	**2,591**	**0**	**0**

		up to 1 year		1 to 5 years		more than 5 years	
	Carrying amount 12/31/2014 EUR'000	Repayment EUR'000	Future interest payments EUR'000	Repayment EUR'000	Future interest payments EUR'000	Repayment EUR'000	Future interest payments EUR'000
Liabilities from bond issue	49,365	0	3,250	49,365	5,841	0	0
Liabilities due to banks	90	90	0	0	0	0	0
Current financial liabilities	2,769	2,769	19	0	0	0	0
Trade payables	7,574	7,574	0	0	0	0	0
Other liabilities	20,351	20,351	0	0	0	0	0
- of which financial liabilities not subject to IAS 39	9,563	9,563	0	0	0	0	0
Total	**80,149**	**30,784**	**3,269**	**49,365**	**5,841**	**0**	**0**

All financial instruments held at December 31, 2015 and for which payments had already been contractually agreed are included. Budgeted amounts for future new liabilities are not included. The variable interest payments were determined on the basis of the interest rates last fixed before December 31, 2015. The future interest payments include fixed interest payments on long-term loans together with interest on short-term drawings, where relevant. Financial liabilities payable at any time are always allocated to the shortest bucket.

(2.21) Financial instruments

The cash and cash equivalents, trade receivables, and other financial assets are mostly due within a short time. Therefore, the carrying amounts at the reporting date are approximately equal to the fair values.

The fair values of loans are equal to the present values of the payments related to the assets, in consideration of up-to-date interest parameters.

No stock exchange or market prices are available for financial instruments assigned to the category of "available-for-sale financial assets", including shares in affiliated companies, equity investments, and cooperative shares. The fair values of these assets cannot be measured reliably. It is not currently planned to sell these financial assets.

The fair value of exchange-listed bonds is equal to the listed price of the total nominal value, based on the listed price at the reporting date. The fair value is attributable to Level 1 of the fair value hierarchy of IFRS 13.

Trade payables and other liabilities are usually due within a short time. The amounts presented are approximately equal to the fair values.

The fair values of current financial liabilities such as liabilities due to non-consolidated affiliated companies are equal to the respective carrying amounts because they are due within a short time and the effects of discounting to present value would be immaterial.

The market values of derivative financial instruments (foreign exchange futures) are determined by application of the present-value method. End-of-day interest rates are applied for this purpose, and ECB reference rates are applied for the last day of the month. The fair value is attributable to Level 2 of the fair value hierarchy of IFRS 13. The fair value measurement of these items gave rise to a net negative profit effect of EUR 30 thousand (previous year: positive profit effect of EUR 20 thousand).

The different levels of the fair value hierarchy of IFRS 13 are presented below:

- Level 1: The input factors are quoted (not adjusted) prices in active markets for identical assets or liabilities, which the company can access at the measurement date.
- Level 2: The input factors are inputs other than the quoted market prices applied in Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3: The input factors are unobservable inputs for the asset or liability.

Carrying amounts and fair values by category of financial instrument

The carrying amounts and fair values of the financial instruments presented in the consolidated financial statements are presented in the table below:

		12/31/2015		12/31/2014	
	Category per IAS 39	Carrying amount EUR'000	Fair value EUR'000	Carrying amount EUR'000	Fair value EUR'000
Assets					
Cash and cash equivalents	LaR	63,140	63,140	41,066	41,066
Trade receivables	LaR	12,449	12,449	13,299	13,299
Other financial assets					
Available-for-sale financial assets	AfS	372	372	372	372
Derivative financial assets not included in hedging relationships	FAHfT	4	4	38	38
Other financial assets	LaR	10,715	10,715	13,543	13,543
Liabilities					
Liabilities from bond issue	FLAC	49,579	53,025	49,365	54,475
Trade payables	FLAC	6,920	6,920	7,574	7,574
Other financial liabilities					
Derivative financial liabilities not included in hedging relationships	FLHfT	4	4	0	0
Other financial liabilities	FLAC	11,924	11,924	13,647	13,647

Aggregated carrying amounts and fair values by category of financial instrument

The aggregate carrying amounts and fair values of the financial instruments are presented for each category defined in IAS 39 in the table below:

	Category per IAS 39	Measurement	Fair value hierarchy level	12/31/2015 Carrying amount EUR'000	12/31/2015 Fair value EUR'000	12/31/2014 Carrying amount EUR'000	12/31/2014 Fair value EUR'000
Loans and receivables	LaR	Amortised cost	n.a.	86,304	86,304	67,908	67,908
Available-for-sale financial assets	AfS	Amortised cost	n.a.	372	372	372	372
Financial assets held for trading	FAHfT	Fair value	Level 2	4	4	38	38
Financial liabilities measured at amortised cost	FLAC	Amortised cost	n.a.	18,844	18,844	21,221	21,221
			Level 1	49,579	53,025	49,365	54,475
Financial liabilities held for trading	FLHfT	Fair value	Level 2	4	4	0	0

(3) Explanatory notes to the Consolidated Statement of Comprehensive Income

(3.1) Revenues

Most of the revenues are attributable to the Spirits segment. The following table shows the relevant breakdown:

	2015 EUR'000	2014 EUR'000
Spirits segment	87,775	87,330
Non-alcoholic Beverages segment	42,931	50,037
Fresh Juice Systems segment [1]	17,247	3,435
Other segment [2]	10,596	12.654
Revenues	**158,549**	**153.456**

[1] 2014: October- December.

[2] notably including international activities with branded spirits.

(3.2) Change in inventories

	2015 EUR'000	2014 EUR'000	Change EUR'000
Work in progress	13,765	12,570	1,195
Finished products	8,134	8,843	-709
Change in inventories			**486**

(3.3) Other operating income

The following table shows the breakdown of other operating income:

	2015 EUR'000	2014 EUR'000
Income from the disposal of non-current assets	1,465	1,021
Costs charged on / reimbursed	1,189	1,389
Income from the reversal of accruals	753	957
Rental income	265	271
Waste recovery	215	280
Income from exchange rate differences	210	472
Income from environmental taxes	117	41
Other income relating to other reporting periods	71	136
Income from compensation for damages	47	58
PepsiCo Group compensation payment	0	5,500
Income from the reversal of write-downs	0	371
Miscellaneous other operating income	756	206
	5,088	**10,702**

After the PepsiCo Group had announced at the end of June 2013 that the existing franchise agreements with the Group company Vivaris Getränke GmbH & Co. KG regarding the production and distribution of PepsiCo Group products would not be extended beyond December 31, 2015, the parties reached agreement in January 2014 that the franchise business would be terminated one year earlier than planned and hence at December 31, 2014.

The franchisee received a one-off compensation payment of EUR 5,500 thousand in the 2014 financial year for the early termination and the associated loss of revenues. This amount was carried under other operating income.

Miscellaneous other income contains a number of income items with a value that is insignificant in individual instances.

(3.4) Purchased goods and services

The following table shows the breakdown of purchased goods and services:

	2015 EUR'000	2014 EUR'000
Cost of raw materials and supplies, and merchandise for resale	81,479	83,026
Cost of purchased services	1,999	1,784
	83,478	**84,810**

(3.5) Personnel expenses

The following table shows the breakdown of personnel expenses:

	2015 EUR'000	2014 EUR'000
Wages and salaries	19,054	17,586
Social security, pension and welfare costs	3,355	3,069
	22,409	**20,655**

Employer contributions of EUR 1,339 thousand (previous year: EUR 1,298 thousand) were paid to the statutory state insurance scheme in Germany and employer contributions of EUR 21 thousand (previous year: EUR 49 thousand) to statutory pension insurance schemes in other countries in the 2015 financial year.

The following table shows the number of employees in the corporate group:

	Annual average		Year-end	
	2015	2014	2015	2014
Salaried staff	246	231	250	249
Waged staff	213	225	206	224
Apprentices	32	27	35	30
	491	**483**	**491**	**503**

Based on full-time equivalents, the workforce increased from an annual average of 375 to 395 (previous year: reduction from 390 to 375).

(3.6) Amortisation and depreciation of assets

The following table shows the breakdown of amortisation and depreciation of assets:

	2015 EUR'000	2014 EUR'000
Amortisation of intangible assets	2,617	2,063
Depreciation of property, plant and equipment	5,465	5,364
	8,082	**7,427**

(3.7) Asset impairments / reversals of impairments

	2015 EUR'000	2014 EUR'000
Impairments / reversals of impairments on intangible assets and property, plant and equipment	-470	0
	-470	**0**

After an ad-hoc impairment test of the corresponding cash-generating unit (CGU), the Non-Alcoholic Beverages segment, was conducted at June 30, 2013 in the wake of PepsiCo's notice of termination of the franchise agreements in effect at the time, leading to the recognition of an impairment loss in the amount of EUR 3,225 thousand, the impairment test conducted at June 30, 2015 in accordance with IAS 36 led to reversals of the previously recognised impairments (write-ups) in the amount of EUR 641 thousand and additional impairments in the amount of EUR 171 thousand.

When conducting the impairment test, the sum of the CGU's carrying amounts is compared with the recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use.

Under the impairment test, the recoverable amount is determined using the fair value less costs to sell.

The fair value less costs to sell was calculated by determining the present value of the anticipated cash flows from the Non-alcoholic Beverages operating segment (discounted cash flow method).

Cash flows were planned for a period of three and a half years. The cash flows were planned using a qualified planning process based on internal experience values and extensive market knowledge; these cash flows also reflected the judgment and estimates of the management regarding the future development of the regional market for non-alcoholic beverages.

The principal assumptions applied in the calculation of the fair value less costs to sell pertained to the weighted average cost of capital, the forecast development of revenues, the EBITDA growth rate and the sustainable growth rate of the terminal value.

The weighted average cost of capital (WACC) of an appropriate peer group was applied as the discount rate. This discount rate determined for the CGU was 5.97%. The parameters for the weighted average cost of capital were determined on the basis of values derived from external market conditions.

The fair value less costs to sell is mainly based on non-observable input data (fair value hierarchy Level 3).

In allocating the impairments and reversals of impairments (write-ups), due consideration was given to IAS 36.105 and IAS 36.122; furthermore, external appraisals were used for the purpose of deriving the fair value less costs to sell for the main items of property, plant and equipment. Finally, the assumption of a going concern was applied. The fair value less costs to sell is mainly based on observable input data (fair value hierarchy Level 2). The main valuation assumptions pertain to the fair market rental rate, the applicable standard land value, and market prices for comparable technical equipment.

If the discount rate applied in the impairment test had been 0.5 percentage points higher, this would not have resulted in a higher impairment or reversal of impairment, due to the provisions of IAS 36.105 and IAS 36.122. Conversely, if the applied discount rate had been 0.5 percentage points lower, or if the sustainable growth rate applied in the impairment test had been 0.5 percentage points higher, this would also not have resulted in a lower impairment or reversal of impairment.

Of the total reversals of earlier impairments, an amount of EUR 637 thousand pertains to technical equipment, plant and machinery, EUR 3 thousand to other operational and office equipment, and EUR 1 thousand to intangible assets. The additionally determined impairment loss pertains to technical equipment, plant and machinery in the amount of EUR 79 thousand, other operational and office equipment in the amount of EUR 2 thousand, and land in the amount of EUR 90 thousand. On balance, the impairments and reversals of impairments yielded a positive earnings effect of EUR 470 thousand, which is attributable exclusively to the Non-alcoholic Beverages reporting segment.

(3.8) Other operating expenses

Other operating expenses essentially contain costs of the selling function, notably for marketing and trade advertising. The total breaks down as follows:

	2015 EUR'000	2014 EUR'000
Marketing, including advertising	15,105	17,139
Other costs to sell	14,543	13,738
Maintenance	2,745	3,106
Legal, consulting and auditing fees	1,831	1,690
Rents, office costs, transaction costs	1,661	1,462
Charges, contributions, insurance premiums	1,500	1,341
Packaging recycling	1,148	1,073
Other services	982	720
Other personnel expenses	528	496
Contract staff	464	621
Expenses relating to other reporting periods	228	124
Other taxes	143	119
Write-downs on receivables	0	275
Miscellaneous other operating expenses	2,210	1,406
	43,088	**43,310**

Miscellaneous other expenses contain a number of expense items with a value that is insignificant in individual instances.

(3.9) Financial income / financial expenses

The following table shows the breakdown of net financial income/expenses:

	2015 EUR'000	2014 EUR'000
Other interest and similar income	77	129
Income from equity investments	0	1
Financial income	77	130
Interest and similar expenses	-4,045	-4,307
Loss absorption expenses	-3	-3
Financial expenses	-4,048	-4,310
Financial result	**-3,971**	**-4,180**

(3.10) Net results broken down by category of financial instrument

			from subsequent measurement				Net income	
		from interest EUR'000	at fair value EUR'000	currency translation EUR'000	write-down EUR'000	from disposal EUR'000	2015 EUR'000	2014 EUR'000
Loans and receivables	LaR	66	0	0	0	0	66	114
Available-for-sale financial assets	AfS	-3	0	0	0	0	-3	-2
Financial assets held for trading	FAHfT	0	-34	0	0	0	-34	38
Financial liabilities measured at amortised cost	FLAC	-3,302	0	0	0	0	-3,302	-3,386
Financial liabilities held for trading	FLHfT	0	4	0	0	0	4	-18
Total		**-3,239**	**-30**	**0**	**0**	**0**	**-3,269**	**-3,254**

The interest from financial instruments is carried under net interest income. See Note (3.9).

The value adjustments charged against trade receivables that are attributable to loans and receivables are presented within other operating expenses.

Changes in the market value of financial instruments measured at fair value are presented within other operating income or other operating expenses.

(3.11) Earnings per share

In accordance with IAS 33, earnings per share are calculated by dividing the consolidated net profit or loss attributable to the shareholders of the parent company by the weighted average number of shares outstanding during the financial year.

The capital stock of Berentzen-Gruppe Aktiengesellschaft is divided into 9,600,000 shares of common stock (previous year: 4,800,000 shares of common stock and 4,800,000 shares of preferred stock without voting rights within the meaning of Section 139 (1) AktG). In accordance with Article 4 para. 4 of the Articles of Association of Berentzen-Gruppe Aktiengesellschaft in the version of May 22, 2014, the dividend paid per share of preferred stock from the annual distributable profit was EUR 0,06 higher than the dividend paid per share of common stock.

The extraordinary general meeting of Berentzen-Gruppe Aktiengesellschaft of July 20, 2015, and the separate meeting of preferred shareholders of July 20, 2015, resolved to convert the 4,800,000 bearer shares of preferred stock without voting rights into bearer shares of common stock with voting rights and to eliminate the profit preference. At this time, the capital stock of Berentzen-Gruppe Aktiengesellschaft was divided into 4,800,000 bearer no-par shares of common stock with voting rights and 4,800,000 no-par shares of preferred stock without voting rights. The conversion of the formerly exchange-listed 4,800,000 non-voting shares of preferred stock into voting shares of common stock took effect when the corresponding amendments to the Articles of Association were recorded in the Commercial Register on September 28, 2015.

The Executive Board of Berentzen-Gruppe Aktiengesellschaft resolved on July 21, 2015 to exercise the authorisation granted by the extraordinary general meeting of July 20, 2015 to purchase treasury shares in accordance with Section 71 (1) No. 8 AktG and to purchase shares of preferred stock, and after execution of the conversion of shares of preferred stock into shares of common stock resolved by the extraordinary general meeting on July 20, 2015 and by the special meeting of preferred shareholders on the same date, also to purchase shares of common stock on the stock exchange up to a maximum amount (excluding transaction costs) of EUR 1,500 thousand from July 27, 2015 until further notice.

As a result of the foregoing, there were 9,551,385 weighted average shares outstanding of Berentzen-Gruppe Aktiengesellschaft in the 2015 financial year (previous year: 9,600,000).

Berentzen-Gruppe Aktiengesellschaft has not issued any stock options or convertible bonds; there were no potential diluting instruments that could be exchanged for shares at December 31, 2015. For this reason, only the basic earnings per share of common stock are presented at December 31, 2015 and only the basic earnings per share of common stock and preferred stock are presented at December 31, 2014.

The basic earnings per share of common stock and preferred stock are calculated as follows:

		2015	2014
Consolidated profit	EUR'000	2,239	4,204
Advance deduction of preferred shareholders' extra dividend [2]	EUR'000	/	288
Consolidated profit after advance deduction	EUR'000	2,239	3,916
Number of shares of common stock [1]	No. (thousand)	9,551	4,800
Consolidated profit attributable to shares of common stock, after advance deduction	EUR'000	2,239	1,958
Number of shares of preferred stock [1] [2]	No. (thousand)	/	4,800
Consolidated profit attributable to shares of preferred stock, after advance deduction [2]	EUR'000	/	1,958
Basic earnings per share of common stock	**EUR**	**0.234**	**0.408**
Basic earnings per share of preferred stock [2]	**EUR**	**/**	**0.468**

[1] Weighted average number of shares in circulattion during the reporting year.

[2] The existing shares of preferred stock were converted into shares of common stock as per 28 September 2015.

(4) Other Explanatory Notes

(4.1) Cash Flow Statement

Cash flow from operating activities

The cash flow from operating activities comprises both the cash flows generated from operations as presented in the Group management report (consolidated earnings before interest, taxes, depreciation and amortisation, corrected for non-cash elements) as the central managerial indicator of liquidity, and cash movements in working capital. The net cash inflow rose to EUR 31,374 thousand in the 2015 financial year (previous year: EUR 8,912 thousand).

The change in other assets – mainly inventories and trade receivables – gave rise to a cash inflow of EUR 3,140 thousand, whereas this change gave rise to a cash outflow of EUR 4,816 thousand in the prior year. As compared to the prior year, when trade receivables had risen by EUR 4,226 thousand, trade receivables were less than the corresponding figure at year-end 2014 by EUR 850 thousand. In the 2015 financial year, the net cash outflow from all factoring transactions totalled EUR 2,647 thousand (previous year: EUR 3,904 thousand). In addition, inventories rose by EUR 245 thousand (previous year: EUR 2,749 thousand).

The decrease of EUR 300 thousand in debt financing from provisions (previous year: EUR 2,181 thousand) resulted primarily from a corresponding change in pension obligations; this decrease was offset by a corresponding increase in other non-cash effects. The spirits tax liability at the reporting date was considerably higher than the corresponding prior-year figure. Whereas an early partial payment of EUR 19,965 thousand was made at the end of financial year 2014 on the spirits tax owed on the revenues generated in the two segments of Spirits and Other Segments in Germany, no such early partial payment (which would have amounted to EUR 19,502 thousand) was made in the 2015 financial year. Consequently, the higher level of spirits tax liabilities at December 31, 2015 resulted in a cash inflow of EUR 20,832 thousand (previous year: EUR 1,549 thousand). The cash flows from the change in other liabilities comprise all those changes in liability items that can be attributed neither to cash and cash equivalents nor to other separate items of cash flows from operating activities, investing activities, or financing activities; this gave rise to a total cash outflow of EUR 413 thousand (previous year: EUR 1,714 thousand). In the 2015 financial year, changes in trade payables gave rise to cash outflows of EUR 654 thousand, as compared to a cash inflow of EUR 1,303 thousand in the prior year; on the other hand, the change in other liabilities gave rise to cash inflows of EUR 292 thousand (previous year: EUR 545 thousand).

Cash flow from investing activities

The Group's investing activities lead to a net cash outflow of EUR 6,489 thousand (previous year: EUR 18,168 thousand). The payments for additions to the consolidated group in the amount of EUR 1,950 thousand (previous year: EUR 15,500 thousand) pertain to the variable (fixed in the 2014 financial year) purchase price component for the acquisition of T M P Technic-Marketing-Products GmbH. The Group had received cash and cash equivalents of EUR 2,228 thousand in connection with this acquisition in the prior year. Investments in property, plant and equipment and intangible assets totalled EUR 7,358 thousand (previous year: EUR 5,704 thousand); the financing required for this purpose was covered by the net cash inflow from operating activities.

Cash flow from financing activities

Financing activities gave rise to a net cash outflow of EUR 2,721 thousand (previous year: EUR 966 thousand), which resulted from the dividend payment of EUR 1,536 thousand (previous year: EUR 960 thousand) and from the payments related to the share buy-back program initiated in July 2015 in the amount of EUR 1,180 thousand, based on the corresponding resolutions of the annual general meeting of Berentzen-Gruppe Aktiengesellschaft in May 2015.

Cash and cash equivalents

At year-end, the cash and cash equivalents as defined in Note (2.10) totalled EUR 63,140 thousand (previous year: EUR 40,976 thousand), of which EUR 39,283 thousand (previous year: EUR 34,037 thousand) relates to receivables from the customer settlement accounts maintained with banks that are used for settlement under two factoring agreements. In addition, short-term credit lines or financing instruments classified as such were utilised in the amount of EUR 90 thousand at the reporting date for financial year 2014. Also in the previous year, there was a restriction on the disposal of cash and cash equivalents totalling EUR 28 thousand relating to a guarantee covering a liability of a foreign Group company. No such items were recognised in the 2015 financial year or at December 31, 2015.

(4.2) Segment report

Business segments

The segment report is prepared in accordance with IFRS 8 Operating Segments. This requires the business segments to be identified on the basis of the internal management reports of the Company's divisions, the operating results of which are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

The segment reports accords with the internal reports presented to the chief operating decision maker, the Executive Board of Berentzen-Gruppe Aktiengesellschaft. The Executive Board uses the "contribution margin after marketing budgets" as the key performance indicator. The corporate group is mainly organised and managed on the basis of product groups and sales units.

Three segments which differ from each other with respect to production processes and products, and are managed independently, have been identified for reporting purposes: Spirits, Non-alcoholic Beverages, and Fresh Juice Systems. "Other segments" mainly pertains to international activities with branded spirits.

The internal reporting of Berentzen-Gruppe Aktiengesellschaft is generally based on the same recognition and measurement principles as the consolidated financial statements. The segment report is organised in the same way as the internal reports.

The item "Intersegment revenues" comprises the consolidation of business dealings between the segments.

In the segment report, the main operating units of "Branded Dealer" and "Private-Label Products" are grouped together to form one reporting segment due to their similar customer groups, products and long-term margins.

The corporate group operated in the following segments in the 2014 and 2015 financial years:

- Spirits (domestic branded spirits and private-label products): The marketing, distribution and sale of spirits in the above-mentioned sales divisions are combined in this segment.

- Non-alcoholic Beverages: The marketing, distribution and sale of non-alcoholic beverages are combined in this segment.

- Fresh Juice Systems (from the fourth quarter of 2014): Depending on the system component, the development, manufacture, marketing, distribution and sale of juicers, oranges and filling containers are combined in this segment.

- Other segments (notably included international branded spirit sales): This segment comprises the spirits business (marketing and distribution).

Segment data

The revenues of the individual segments consist of the intersegment revenues between the segments together with revenues generated with customers outside of the corporate group. The sum total of the external revenues of the individual segments yields the consolidated revenues of the corporate group. The prices and terms for the products and services exchanged between the Group companies and segments are the same as those applied with third parties.

Expenses accruing directly in the units grouped together to form the respective segment are included in the segment result "contribution margin after marketing budgets". It is possible to allocate the product-related purchased goods and services, other direct costs (shipping, packaging recycling and commissions) and marketing, including advertising, to the correct business segment. This means that the contribution margin after marketing budgets can be shown in full for the segments and is used as a key performance indicator in the corporate group.

In the internal reports presented to the chief operating decision maker, assets and liabilities are only presented at the Group level and are not allocated to the segments. This means that the Executive Board of Berentzen-Gruppe Aktiengesellschaft in its function as chief operating decision maker does not receive any information about segment assets.

Segment report for the period from January 1 to December 31, 2015

	2015					
	Spirits EUR'000	Non-alcoholic Beverages EUR'000	Fresh Juice Systems EUR'000	Other segments [1] EUR'000	Elimination of intersegment income/ expenses EUR'000	Total EUR'000
Revenues with third parties	**87,775**	**42,931**	**17,247**	**10,596**		**158,549**
Intersegment revenues	706	34		25	-765	
Total revenues	**88,481**	**42,965**	**17,247**	**10,621**	**-765**	**158,549**
Purchased goods and materials (product-related only)	-47,943	-19,195	-9,335	-4,023	765	**-79,731**
Other direct costs	-4,669	-2,779	-887	-234		**-8,569**
Marketing, including advertising	-9,680	-3,318	-343	-1,684		**-15,025**
Contribution margin after marketing budgets	**26,189**	**17,673**	**6,682**	**4,680**		**55,224**
Other operating income						**5,088**
Purchased goods and materials / change in inventories (if not included in contribution margin)						**-3,261**
Personnel expenses						**-22,409**
Depreciation and amortisation of assets						**-8,082**
Miscellaneous other operating expenses						**-18,985**
Consolidated operating profit, EBIT						**7,575**
Exceptional effects		470 [2]		-509 [3]		**-39**
Financial income						**77**
Financial expenses						**-4,048**
Consolidated profit before income taxes						**3,565**
Income tax expenses						**-1,326**
Consolidated profit						**2,239**

[1] Notably including international activities with branded spirits.
[2] Impairments/reversals of impairments on assets.
[3] Non-recurring expenses incurred in connection with the conversion of preferred shares into common shares .

Segment report for the period from January 1 to December 31, 2014

	2014					
	Spirits EUR'000	Non-alcoholic Beverages EUR'000	Fresh Juice Systems [1] EUR'000	Other segments [2] EUR'000	Elimination of intersegment income/ expenses EUR'000	Total EUR'000
Revenues with third parties	**87,330**	**50,037**	**3,435**	**12,654**		**153,456**
Intersegment revenues	660	32		31	-723	
Total revenues	**87,990**	**50,069**	**3,435**	**12,685**	**-723**	**153,456**
Purchased goods and materials (product-related only)	-49,241	-22,920	-1,905	-5,083	723	**-78,426**
Other direct costs	-4,746	-2,381	-215	-345		**-7,687**
Marketing, including advertising	-10,892	-4,081	-30	-2,037		**-17,040**
Contribution margin after marketing budgets	**23,111**	**20,687**	**1,285**	**5,220**		**50,303**
Other operating income						**5,202**
Purchased goods and materials / change in inventories (if not included in contribution margin)						**-3,702**
Personnel expenses						**-20,655**
Depreciation and amortisation of assets						**-7,427**
Miscellaneous other operating expenses						**-18,583**
Consolidated operating profit, EBIT						**5,138**
Exceptional effects		5,500 [3]				**5,500**
Financial income						**130**
Financial expenses						**-4,310**
Consolidated profit before income taxes						**6,458**
Income tax expenses						**-2,254**
Consolidated profit						**4,204**

[1] 2014: October- December.
[2] notably including international activities with branded spirits.
[3] PepsiCo Group compensation payment.

Geographical breakdown

Berentzen-Gruppe Aktiengesellschaft has its registered office and principal place of business in the Federal Republic of Germany. The corporate group generates a majority of its revenues with business partners in countries of the European Union.

The regional breakdown of external revenues is based on the location of the customers, as follows:

	2015 EUR'000	2014 EUR'000
Germany	124,216	127,970
Rest of European Union	27,983	19,480
Rest of Europe	3,470	3,866
Rest of world	2,880	2,140
	158,549	**153,456**

Breakdown of revenues by product group

The following table shows the breakdown of revenues by product group:

	2015 EUR'000	2014 EUR'000
Private-label and dealer brands	52,201	52,227
Branded spirits	45,197	46,885
Non-alcoholic beverages	42,965	50,037
Fresh juice systems [1)]	17,247	3,435
Other product groups	939	872
	158,549	**153,456**

[1)] 2014: October- December.

The revenues were derived using the accounting and valuation methods applied for the consolidated financial statements.

Dependence upon key customers

In both the 2015 financial year and the previous year, more than 10% of consolidated revenues were generated with three (previous year: four) customers in the Spirits, Non-alcoholic Beverages, and Fresh Juice Systems segments, broken down as follows:

	2015		2014	
Customer	**Revenues EUR'000**	**Proportion of total revenues**	**Revenues EUR'000**	**Proportion of total revenues**
Customer A	25,975	16%	22,137	14%
Customer B	21,730	14%	18,797	12%
Customer C	19,418	12%	18,381	12%
Customer D	/	/	16,164	11%

(4.3) Business combination

Effective October 7, 2014, Berentzen-Gruppe Aktiengesellschaft acquired all the shares in T M P Technic-Marketing-Products GmbH, a system vendor for freshly squeezed fruit juices based in Linz, Austria, on the basis of a contract of purchase and assignment signed on September 1, 2014. T M P Technic-Marketing-Products GmbH sells freshly squeezed orange juice around the globe and has been a vendor of fresh juice systems – notably orange squeezers – for more than two decades. Alongside orange squeezers, the portfolio marketed under the “Citrocasa” brand also encompasses particularly juicy oranges branded “frutas naturalis” and bottles for freshly squeezed orange juice that are specially geared to the bottling systems. Its core competencies are in the ongoing development and optimisation of the machinery for juicers, the performance of technical services and the provision of the logistics required to deliver fresh fruit. The acquisition served to add the new Fresh Juice Systems segment to the commercial activities of the corporate group as of the fourth quarter of 2014.

The acquisition was a share deal, with the purchase price consisting of a fixed component and a variable, profit-related component. The provisional consideration transferred amounted to EUR 15,500 thousand; this sum was paid in full in cash at the start of the fourth quarter of 2014. Appropriate current financial liabilities were recognised in the consolidated financial statements at December 31, 2014 for variable, profit-related components of the purchase price, which totalled no more than EUR 1,950 thousand under the terms of the contract, against the backdrop of the Group’s assessment that these would probably accrue in full. These purchase price conditions were essentially linked to a profit-oriented ratio specified in the contract of purchase and assignment reaching a certain level within the framework of the operating activities of the company or – from the point of view of the corporate group – the Fresh Juice Systems segment in the full 2014 financial year; it also depended upon the completion of a certain type of juicer within a set period of time similarly specified in the contract of purchase and assignment. After the purchase price conditions materialized, a further purchase price payment of EUR 1,250 thousand was completed at the end of the second quarter of 2015 and the remaining purchase price payment of EUR 700 thousand in cash at the end of the four quarter of 2015.

The net assets of the company amounted to EUR 5,081 thousand at the acquisition date, giving rise to a positive difference between the agreed total purchase price and the net assets of the company. As part of the purchase price allocation process, intangible assets were identified in the form of trademarks, customer lists and technical knowledge and goodwill of EUR 6,056 thousand capitalised. The main factors leading to the recognition of goodwill were: the anticipated synergies and previously unexploited potential accruing to the corporate group, especially through shared distribution in the retail segment and the catering trade in Germany; and the anticipated growth potential for the commercial operations of the company and the Fresh Juice Systems segment. It was not expected that part of the goodwill would be deductible for tax purposes.

Costs directly associated with the business combination totalling EUR 424 thousand had accrued by December 31, 2014; these were recognised as Other operating expenses in the financial year.

Receivables of EUR 2,065 thousand were added with the acquisition, all of which are expected to be collectible. The fair value of the receivables totalled EUR 2,065 thousand.

The following table shows a breakdown of the assets acquired and liabilities assumed at the date of initial consolidation:

	EUR'000
Intangible assets	15
Property, plant and equipment	513
Receivables	2,065
Other assets	4,197
Total assets	**6,790**
Liabilities	1,671
Deferred tax liabilities	38
Total liabilities	**1,709**
Net assets	**5,081**

T M P Technic-Marketing-Products GmbH had contributed EUR 3,435 thousand to revenues and EUR 544 thousand to consolidated profit between the date of initial consolidation and December 31, 2014. If the company had already been initially consolidated at January 1, 2014, the revenues in the 2014 financial year would have been EUR 9,110 thousand higher and the consolidated profit EUR 1,930 thousand higher.

(4.4) Contingent liabilities

The following contingent liabilities existed at year-end:

	12/31/2015 EUR'000	12/31/2014 EUR'000
Liabilities from absolute, unlimited guarantee	2,193	2,193
Other contingent liabilities	371	0
	2,564	**2,193**

Berentzen-Gruppe Aktiengesellschaft has issued an absolute maximum-liability guarantee of EUR 2,185 thousand (previous year: EUR 2,185 thousand) for the branch of a subsidiary in Brandenburg in favour of InvestitionsBank des Landes Brandenburg to secure receivables arising from the subsidy relationship, especially possible future claims to repayment. In both 2007 and 2010, the subsidiary had submitted an ongoing request for the granting of state aid to industry under the regional economic promotion programme over an investment period of three years. The amounts requested by calling down funds were disbursed starting in 2011 and secured by the guarantees. There are no indications to suggest that amounts payable under the subsidy relationship – especially a request for repayment of state aid – could be enforced and consequently that the guarantee could possibly be expected to be utilised.

Furthermore, Berentzen-Gruppe Aktiengesellschaft issued a letter of indemnity for a bank guarantee of EUR 8 thousand for a foreign subsidiary in the 2012 financial year. The letter of indemnity is not expected to be utilised, as it only covers current liabilities.

The other contingent liabilities related to the legal disputes of Berentzen Spirit Sales (Shanghai) Co., Ltd., Shanghai, People's Republic of China. Please refer to Note (4.6) for details on this subject.

In addition, there are letters of indemnity related to maximum-liability customs bonds in the amount of EUR 776 thousand (previous year: EUR 776 thousand). The current spirits tax liabilities secured by such guarantees amounted to EUR 44,258 thousand at year-end (previous year: EUR 23,425 thousand).

(4.5) Significant events after the reporting date

The AURELIUS Group, which had previously held a majority stake in Berentzen-Gruppe Aktiengesellschaft directly and indirectly through AURELIUS SE & Co. KGaA, Grünwald, sold common shares in Berentzen-Gruppe Aktiengesellschaft representing approx. 21.9% of capital stock to institutional investors in early March 2016. Thereafter, companies of the AURELIUS Group still held, directly and indirectly, approx. 29.2 % of the capital stock of the parent company of the Berentzen Group.

No further reportable events occurred after the end of the financial year.

(4.6) Legal disputes

In connection with their ordinary business activities, the companies of the Berentzen Group are involved in legal disputes in different jurisdictions; moreover, existing legal disputes may be broadened or additional legal disputes may be initiated. Such legal disputes may arise particularly in relation to suppliers and service providers, customers, consumers, employees, investors, or government authorities, but also in relation to competitors and other third parties, e.g. in trademark and patent matters. These legal disputes could result in payment obligations for the companies of the Berentzen Group in the form of damages, punitive damages, or obligations to satisfy other claims, as well as penalties, fines, or disgorgements under criminal law or civil law. In isolated cases, moreover, legal disputes could lead to formal or informal exclusions from public tenders or the withdrawal or loss of government permits or approvals. Claims asserted in legal disputes bear interest, as a general rule.

In relation to the measures implemented in connection with the adjustment of the national distribution strategy in China since the end of the third quarter of 2013, particularly the substitution of the Company's own sales organisation with external distribution partners, claims totalling approximately EUR 433 thousand were asserted, titled and enforced to a minor extent against Berentzen Spirit Sales (Shanghai) Co., Ltd., Shanghai, People's Republic of China, by two former local distribution partners in connection with trade dealings and by the other contractual party under the former lease of the Company's business premises. Berentzen Spirit Sales (Shanghai) Co., Ltd. filed for commencement of an insolvency proceeding due to insolvency in November 2015; this filing was rejected by the competent court for inexplicable reasons. Considering the company's economic situation, however, the Berentzen Group believes that a further assertion of the aforementioned claims will not be successful, for which reason no provisions were formed for legal disputes in this matter.

At the present time, the Berentzen Group does not expect any material adverse effects on its financial position, cash flows and financial performance to result from legal disputes not described herein. Appropriate risk provisions have been formed for these proceedings insofar as the corresponding obligation is sufficiently concretised. However, because the risks of legal disputes can be estimated only to a limited extent, the occurrence of adverse effects not covered by the respective risk provisions cannot be ruled out, as a general rule.

The required disclosures concerning legal disputes according to IAS 37 are not made when the Berentzen Group concludes that such disclosures could seriously endanger the outcome of the respective proceeding.

(4.7) Risk management

Organisation

Significant financial instruments employed by the Berentzen Group include the bond issued in the 2012 financial year and the current account overdrafts, factoring agreements and trade payables. The main purpose of these financial instruments is to finance the Group's business activities. The Group holds various financial assets, including (for example) trade receivables, loans granted, and cash and cash equivalents, all of which result direct from the Group's business activities.

The Central Financial Management Department manages the financial risks of the Berentzen Group. It monitors liquidity risks, credit risks, and market risks.

The strategies and processes employed to manage the individual risk types are described in the following.

Liquidity risk

Liquidity risk is defined as the possibility that a company would not be able to raise the financial resources it needs to settle the obligations assumed in connection with financial instruments.

Management of liquidity risk

The Group's liquidity risk is managed by the Executive Board, the Management and the Central Financial Management Department.

Liquidity risk is primarily managed by providing financial resources as part of the overall financing of the Berentzen Group. The Group's financing at the end of financial year 2015 is described in the following.

Since October 2012, the Group's long-term financing has been assured by means of an unsecured bond of Berentzen Group Aktiengesellschaft with an issue volume of EUR 50.0 million and a term of five years. This bond, which bears interest at the nominal rate of 6.50% p.a., is listed in the open market of Deutsche Börse AG (over-the-counter market of the Frankfurt Stock Exchange) in the Entry Standard segment for bonds. To date, net proceeds of the bond in the amount of EUR 48.9 million have been used to finance the business activities of Group companies operating in foreign countries and to build up scare commodities and semi-finished goods. At the start of the fourth quarter of 2014, the bond proceeds were used to finance the acquisition of T M P Technic-Marketing-Products GmbH (registered office in Linz, Austria), a worldwide supplier of systems for fresh-pressed fruit juices, namely orange juice. Depending on the system component, this company's business activities comprise the development, marketing, distribution and retail sales of juicers, oranges, and bottling systems. The acquisition of this company led to the formation of the new operating segment Fresh Juice Systems in the Berentzen Group.

Berentzen-Gruppe Aktiengesellschaft is the issuer and sole debtor of the bearer bonds issued under the bond issue. The bond conditions contain neither covenants nor change-of-control clauses, but they do stipulate termination rights for the bond creditors, particularly in the event that the issuer fails to pay principal or interest on time. In the event of termination, the bond creditors are entitled to declare the bonds due and payable and to demand the immediate repayment at the nominal amount plus accrued interest. The bond principal is due for repayment at the nominal amount in October 2017.

In addition to this long-term financing, factoring lines are another key element of the Group's gross external financing. The total financing volume available to the Berentzen Group on the basis of two factoring agreements with a term until March 31, 2018 amounts to EUR 45.0 (45.0) million. The Group also has a formally unlimited factoring line in connection with three other central settlement and factoring agreements with a term "until cancelled". The average gross financing volume under these agreements amounted to EUR 8.9 (8.6) million in the 2015 financial year.

Including two credit lines totalling EUR 1.8 (0.9) million available to foreign Group companies, the total financing volume under credit agreements with the working capital credit providers of the Berentzen Group amounted to EUR 4.3 (3.4) million. All working capital lines of credit have a term “until cancelled”.

Including the formally unlimited factoring agreements with a central settling agent, the gross financing volume under factoring and working capital lines of credit amounted to EUR 58.2 (57.0) million at December 31, 2015. These short-term external or credit financing providers bear interest on the basis of the reference interest rates EURIBOR and EONIA, plus a fixed interest margin, otherwise at interest rates based on local market conditions or at fixed interest rates.

The factoring agreements, the central settlement and factoring agreements, and the agreements on working capital credits are in effect both with Berentzen-Gruppe Aktiengesellschaft and with the respective other Group companies of the Berentzen Group.

The working capital lines of credit granted to the Berentzen Group were granted without collateral for a financing amount of EUR 2.7 (2.7) million. Collateral was furnished, essentially in the form of cash or other securities received prior to maturity, for a credit line equal to EUR 1.6 (0.7) million granted to a foreign Group company. All working capital credit agreements contain change-of-control clauses which grant the lenders the right to terminate the corresponding financing agreements without notice in the event of a change of control. With respect to a financing volume of EUR 2.5 (2.5) million, additional covenants were agreed at December 31, 2015 to the extent that the Berentzen Group undertook to comply with certain financial ratios; this undertaking was annulled without replacement by virtue of a contractual amendment at the beginning of 2016. All the factoring agreements do not contain such clauses. Violations of the covenants or other clauses of the financing agreements would enable the lenders to assert special termination rights.

The Executive Board and the Central Financial Management Department continuously monitor compliance with the covenants and other clauses under the financing agreements. In addition, the expected need for financing and the expected development of the covenants are planned as part of the planning and budgeting process, so that counter-measures can be initiated if necessary and to ensure the necessary financing. At December 31, 2015, the target value agreed in the covenants under the financing agreements that contained such a clause at the time was not fulfilled. However, it should be noted that the affected financing agreements do not have fixed terms (so-called “until cancelled” agreements) and therefore a breach of this covenant does not represent an imperative condition for the termination of the corresponding agreements. By virtue of a contractual amendment agreed at the start of 2016, moreover, this covenant was annulled without replacement with respect to the only working capital line of credit that still contained the said covenant.

The nominal amount of the corporate bond issued by Berentzen-Gruppe Aktiengesellschaft in 2012 is EUR 50.0 million and is due for repayment in October 2017. Considering its good financial performance and cash flows, ample reserves of available liquidity, and the cash flows from operating activities that are expected in the next two financial years, the Berentzen Group currently has no reason to believe that this obligation cannot be satisfied. However, this assessment is based in part on the possibility of at least partially refinancing the bond issue, thanks to the above-mentioned framework conditions, the harmonisation of share classes in the 2015 financial year, and the listing of all common shares representing the entire capital stock of Berentzen-Gruppe Aktiengesellschaft in the regulated market (General Standard) section of the Frankfurt Stock Exchange.

With regard to financing, the Group continually considers and implements measures aimed at ensuring the availability of appropriate credit lines while also reducing the drawdowns under such credit lines (e.g. through alternative financing forms such as leasing or by freeing up capital within working capital) and to ensure balanced financing across short-term, medium-term, and long-term maturities, particularly for the purpose of reducing dependence on short-term credit lines alone (e.g., through earmarked long-term financing agreements).

Credit risk/ default risk

Credit or default risk is defined as the risk of a financial loss resulting from the failure of a counterparty to fulfil its payment obligations.

Management of credit risk/ default risk

The main goal of credit risk or default risk management in the Berentzen Group is to enter into transactions only with creditworthy third parties. Credit references or historical data from past business relationships are considered for the purpose of avoiding payment defaults. In the event of discernible risks, appropriate value adjustments are charged against receivables.

Approximately 75% (previous year: 66%) of consolidated revenues are billed via trade offices, which also assume the credit risk by way of del credere agreements. In addition, default risk is covered by trade credit insurance. Balances over EUR 5 thousand are covered by trade credit insurance, as a rule. The trade credit insurance compensates all defaults on receivables by insured customers except for the agreed deductible of 20% for customers domiciled in Germany and 10% for customers domiciled in foreign countries. For domestic customers, the sales tax included in the receivable amount is also insured. In the event of default on receivables, the net default risk is only slightly less than 5% of the gross receivable, because in addition to the claim payment by the insurer, the tax authority refunds the sales tax. Group companies domiciled in non-European countries frequently insist on collateral or payment in advance.

A considerable portion of trade receivables is sold in connection with factoring agreements. Because the factor also assumes the non-recourse del credere liability, these receivables are not presented in the consolidated statement of financial position in accordance with the relevant financial reporting rules, with the exception of a relatively minor continuing involvement in relation to the sold volume of receivables, which represents the residual late payment risk that remains with the Group. In terms of the customer structure, therefore, the receivables due from individual counterparties are not so high that they would represent a significant risk concentration.

No trade credit insurance is carried for one of the major trade offices because it has furnished an unconditional absolute guarantee of a major German credit insurer to the company to cover the receivables due from it.

	2015		2014	
	EUR'000	**%**	**EUR'000**	**%**
Trade receivables	**12,967**	**100.0%**	**13,717**	**100.0%**
- thereof trade credit insured	3,926	30.3%	1,990	14.5%
- thereof secured by surety	1,157	8.9%	2,189	16.0%
- thereof secured by guarantees	2,610	20.1%	4,431	32.3%
- thereof unsecured	4,756	36.7%	4,706	34.3%
- thereof written down	518	4.0%	401	2.9%

With regard to the trade receivables for which no value adjustments have been charged and which are not in default, there were no indications at the reporting date to suggest that the debtors will not fulfil their payment obligations. The intrinsic value of receivables is protected by means of assigning limits to all customers on the basis of the assessments of rating agencies or the credit insurer, and by means of regular payment reminders and constant monitoring of all receivables accounts.

Cash and cash equivalents are invested with major banks and state banks.

In the event of counterparty default, the maximum credit risk of the Group's other financial assets such as cash and cash equivalents and available-for-sale financial instruments is equal to the carrying amounts of these instruments.

No loans denominated in foreign currencies are granted and no bill transactions are conducted. As a general rule, no deliveries are made to customers who are not connected to trade offices without a prior creditworthiness assessment with the aid of rating agencies. Receivables are continuously monitored to ensure that the Group's default risk is manageable or not substantial. In addition, payment terms are regularly monitored.

Default risk also comprises country risk or transfer risk. This risk comprises the risk of economic or political instability in connection with investments or cross-border financing transactions of Group companies in so-called high-risk countries, as well as the risk inherent in direct sales to customers in such countries. Country risks related to capital measures or other cross-border financing transactions of Group companies are managed already as part of the decision to enter or increase exposure to a foreign market by a Group company. This decision is made on the basis of a comprehensive assessment of the economic and political parameters with reference to country ratings. No companies are founded in countries deemed to be instable on this basis. Subsequent financing measures for foreign Group companies that have already been founded, which are based solely on the actual capital requirements, are also assessed appropriately on the basis of continuous monitoring and updated knowledge; furthermore, such financing measures are centrally managed and supported. To minimise the risk of direct sales to customers in so-called high-risk countries, security is obtained or cash in advance is agreed in cases in which there is no trade credit insurance or it is not possible to sell the receivables under factoring agreements. In addition, any past-due foreign receivables are reported to the competent Executive Board member by means of a separate reporting system.

Market risk

Market risk is defined as the risk of changes in the fair value of future cash flows from a financial instrument due to market price fluctuations. Market risk comprises currency risks, interest rate risks and other price risks.

Management of market risk

Market risk is also managed by the Executive Board, the Management and the Group's Central Financial Management Department.

For presenting market risks, IFRS 7 requires an entity to conduct sensitivity analyses to determine the effects of hypothetical changes in relevant risk variables on net profit and shareholders' equity. Besides currency risks, the Berentzen Group is exposed to interest rate risk and other price risks.

The periodic effects are determined by applying the hypothetical changes in risk variables to the holdings of financial instruments held at the reporting date. The holdings at the reporting date are representative of the full year.

Foreign currency risks arise from the translation of foreign currency items into the Group's functional currency (euro) due to exchange rate changes. According to the Berentzen Group's definition, they generally result from financial items, pending transactions where applicable, and planned transactions denominated in foreign currencies. Relevant foreign currencies for the Group particularly include the U.S. dollar and the Turkish lira. The corresponding risk potential depends on the development of exchange rates and the volume of transactions conducted or to be conducted in foreign currencies. To date, the Group's activities in both procurement and sales have been concentrated largely in the Eurozone or conducted in euros. No business is conducted with suppliers or customers in hyperinflationary countries. Currency risk is also partially neutralised in that procurement and sales are always conducted in the same foreign currency and therefore the corresponding cash inflows and cash outflows occur in the same currency – although not usually in the same amounts or maturities. Disregarding consolidation effects, the payables and receivables denominated in foreign currencies amounted to approximately EUR 1.7 (1.2) million and EUR 3.9 (5.4) million, respectively, at December 31, 2015. Exchange rate hedging measures are regularly implemented for the most important foreign currency (US dollar). To hedge the foreign currency risk of future merchandise purchases, foreign exchange futures were employed in the total amount of USD 0.8 (1.0) million at December 31, 2015. In total, foreign currency risks are therefore to be regarded as relatively minor or low. However, this assessment could change in the future as the scope of foreign currency-denominated transactions increases and/or due to the effects of financial markets policy decisions or the development of currency markets.

From the Group's perspective, the value of the Berentzen Group's assets or the nominal amounts of its liabilities located outside of Germany are likewise subject to foreign currency fluctuations. Foreign currency effects arising on the translation of net asset positions from the separate financial statements of foreign Group companies are recognised directly in equity; nevertheless, foreign currency risks that affect profit or loss – but not cash flows from the Group's perspective – could result from intragroup transactions denominated in foreign currencies, particularly including the financing of foreign companies with the Group's own funds. For purposes of the Berentzen Group's risk management system, it is assumed that investments in foreign Group companies and intragroup loans have indefinite terms, as a general rule. In the event of disinvestment, however, the effects of the foreign currency risks inherent in the currency translation differences previously recognised in Group equity would need to be recognized in profit or loss.

The sensitivity of consolidated profit/loss before income taxes and shareholders' equity to a fundamentally possible change in exchange rates according to prudent judgment is presented in the table below. All other variables remain constant.

	2015		2014	
	Exchange Rate Change + 5 % EUR'000	**Exchange Rate Change - 5 % EUR'000**	**Exchange Rate Change + 5 % EUR'000**	**Exchange Rate Change - 5 % EUR'000**
Effects on profit/loss before income taxes	66	-73	373	-355
Effects on shareholders' equity	66	-73	373	-355

The Group holds interest-bearing assets. The magnitude of the resulting interest income is not materially important for the consolidated net profit and cash flows. Therefore, changes in market interest rates are also immaterial.

Other interest rate hedging instruments in the form of financial instruments are not employed. The bond issue of the Berentzen-Gruppe Aktiengesellschaft carries a fixed nominal interest rate or coupon throughout its term, so that it will remain unaffected by possible interest rate increases. The magnitude of other noncurrent financial liabilities is of subordinate importance.

By contrast, changes in market interest rates affect the interest result of non-derivative variable-interest rate financial instruments and are included in the computation of result-oriented sensitivities:

	Interest Rate Risk					
	2015			**2014**		
	Amount EUR'000	**+ 100 BP result EUR'000**	**- 100 BP result EUR'000**	**Amount EUR'000**	**+ 100 BP result EUR'000**	**- 100 BP result EUR'000**
Financial assets						
Cash and cash equivalents	63,140	631	-631	41,066	411	-411
Other current assets	1,187	12	-12	1,155	12	-12
Effect before income taxes		643	-643		422	-422
Financial liabilities						
Liabilities due to banks	0	0	0	90	1	-1
Factoring (off-balance sheet)	8,923	89	-89	8,553	86	-86
Effect before income taxes		89	-89		86	-86
Total effect		**554**	**-554**		**336**	**-336**

If the level of market interest rates had been 100 basis points higher (lower) in the reporting period, the net profit would have been EUR 554 thousand (previous year: EUR 336 thousand) lower (higher).

The actual average payment term for the entire Group is currently around 36 (34) days. This payment term does not give rise to heightened liquidity or interest rate risk because sufficient factoring lines or (particularly in foreign countries) similar financing instruments are available to finance the Group's receivables. Consequently, the need for conventional short-term credit lines is reduced to a considerable degree.

Market and price risks are also inherent in the procurement of raw materials and supplies and in the procurement costs of merchandise and system components. In all segments, the purchase prices of the raw materials and supplies, merchandise and system components used by the Berentzen Group are particularly influenced by their market availability and, in the case of purchases conducted in foreign currencies, the development of the corresponding exchange rates against the euro. A large part of the raw materials and suppliers required for the production of spirits and non-alcoholic beverages and the fruits traded in the Fresh Juice Systems segment (oranges) are agrarian products, the availability of which depends particularly on the respective crop yields. Furthermore, certain required raw materials and merchandise are affected by regulatory measures, which may have a considerable influence, in some cases, on their availability and therefore their prices.

In the Spirits Segment and Other Segments, annual supply contracts stipulating fixed quantities and fixed prices are in effect for glass bottles. Fixed-quantity contracts covering the period from harvest to harvest (September/October) are customarily concluded for wheat distillate and sugar. Neutral alcohol prices are adjusted every quarter with reference to publicly available and independent price reports (F.O.Licht, ICIS). Commodity price indices (LME, EUWID) are applied as a reference for the semi-annual adjustment of the prices of aluminium closures and cardboard packaging. The same applies for the Non-alcoholic Beverages segment to the extent that the above-mentioned raw materials and supplies are also used in this segment. In the Fresh Juice Systems segment, purchases of the individual system components are predominantly managed on the basis of single contracts; in particular, the procurement of fruits (oranges) is dependent on harvest seasons in the global cultivation areas.

(4.8) Capital management

The objectives of the corporate group with regard to capital management are to secure the continued existence of the Company as a going concern and to support growth targets. In light of these primary objectives, the capital structure needs to be optimised in order to maintain the cost of capital at an appropriate level. The corporate group uses an adjusted equity ratio to monitor its capital. The shareholders equity is set against the total capital less cash and cash equivalents. The target range for this metric is between 30.0% and 40.0%. To maintain or alter the capital structure within this target range, the corporate group manages dividend payments, capital-raising measures, cash flows, the disposal of assets and the settlement of liabilities, depending on the requirements and influence.

The adjusted equity ratio is calculated as follows:

	12/31/2015 EUR'000	12/31/2014 EUR'000
Shareholders' equity	**43,794**	**44,915**
Total capital	180,933	164,161
Cash and cash equivalents [1]	-63,140	-41,066
Adjusted total capital	**117,793**	**123,095**
Adjusted equity ratio	**37.2%**	**36.5%**

[1] For additional information, see Note (2.10).

(4.9) Related party disclosures

The disclosures prescribed by IAS 24 refer to dealings with related entities and persons, to the extent that they are not included in the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft as reporting entities. Persons or entities related to the reporting entity within the meaning of IAS 24 specifically include companies that belong to the same corporate group as the reporting entity and persons who either control or have a significant influence over the reporting entity, or who are a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

Related entities

Berentzen-Gruppe Aktiengesellschaft belongs to the Aurelius Group, Grünwald, Germany. Therefore, all companies belonging to the Aurelius Group are related entities within the meaning of IAS 24.

Parent company and highest-level controlling parent company

At December 31, 2015, the highest-level controlling parent company of Berentzen-Gruppe Aktiengesellschaft, AURELIUS SE & Co. KGaA (formerly Aurelius AG), Grünwald, directly and indirectly through BGAG Beteiligungs GmbH, Grünwald, the direct parent company of Berentzen-Gruppe Aktiengesellschaft which it controls, held approximately 51.6% (December 31, 2014: 59.1%) of capital stock and thus voting rights (December 31, 2014: 91.2% of voting rights) in Berentzen-Gruppe Aktiengesellschaft, without considering the treasury shares held by the Company at this time. The change in the number of voting rights held directly and indirectly by AURELIUS SE & Co. KGaA (formerly Aurelius AG), Grünwald, resulted particularly from the conversion of non-voting shares of preferred stock into voting shares of common stock that was completed on September 28, 2015. Until this time, the capital stock of Berentzen-Gruppe Aktiengesellschaft was divided into one half non-voting preferred shares and one half voting common shares. More detailed information on this subject can be found in the explanatory notes to shareholders' equity (Note (2.12)).

Trade payables and receivables and other transactions

Type of relationship	Type of transaction	Goods and services supplied, and other transactions 2015 EUR'000	Goods and services supplied, and other transactions 2014 EUR'000	Goods and services received, and other transactions 2015 EUR'000	Goods and services received, and other transactions 2014 EUR'000
Affiliated company	Goods	0	5	2	1
Affiliated company	Consulting services	0	0	222	516
Highest-level, controlling parent company	Dividend	87	49	0	0
Parent company	Dividend	728	426	0	0

Receivables and liabilities from goods and services provided and received

Type of relationship	Type of transaction	Receivables 2015 EUR'000	Receivables 2014 EUR'000	Payables 2015 EUR'000	Payables 2014 EUR'000
Affiliated company	Consulting services	0	0	7	35

Further information about affiliated companies is provided at other points in the present Notes to the Consolidated Financial Statements. The relations between Berentzen-Gruppe Aktiengesellschaft and its subsidiaries in accordance with IAS 24.13 are as shown in the List of Shareholdings for the corporate group (Note 1.6).

Related persons

Related persons are the members of the Executive Board and Supervisory Board of Berentzen-Gruppe Aktiengesellschaft.

Executive Board

The compensation granted to members of the Executive Board within the meaning of IAS 24.17 is presented in the table below:

Type of compensation	2015 EUR'000	2014 [1)] EUR'000
Short-term benefits	1,066	988
Other long-term benefits	194	99
	1,260	**1,087**

[1)] Prior-year presentation adjusted.

At the annual general meeting on May 12, 2011, a resolution was adopted with the requisite majority of the capital stock with voting rights in accordance with Section 314 (2) sentence 2 HGB in conjunction with Section 286 (5) HGB to the effect that the individualised disclosure of the compensation paid to the members of the Executive Board required by Section 314 (1) No. 6a) sentences 5 to 8 HGB and Section 285 No. 9a) sentences 5 to 8 HGB would not be included when the Company's annual and consolidated financial statements were prepared. This resolution is valid for the financial year commencing on January 1, 2011 and the four subsequent financial years, meaning until December 31, 2015.

The following total compensation within the meaning of Section 314 (1) No. 6 letter a) sentences 1 to 4 HGB or compensation commitments were granted to the members of the Executive Board:

Type of compensation	2015 EUR'000	2014 EUR'000
Non-success-dependent component	683	665
Success-dependent component	405	344
Total compensation	**1,088**	**1,009**
Committed success-dependent components with a long-term incentive effect	**172**	**78**

In addition to the total compensation granted in the respective financial year, commitments of performance-based, non-share-based compensation components were granted to the members of the Executive Board for the respective financial year. The amounts to be paid depend on the level of consolidated EBIT in the respectively following financial year and in the two respectively following financial years. The total amounts so committed amounted to EUR 172 thousand (previous year: EUR 78 thousand).

Neither Berentzen-Gruppe Aktiengesellschaft nor a subsidiary granted subscription rights or other share-based compensation to members of the Executive Board in the 2015 financial year, nor do the members of the Executive Board hold any such compensation instruments. Moreover, no compensation was granted to Executive Board members for exercising mandates on the boards of subsidiaries in the 2015 financial year. Furthermore, the total compensation of the Executive Board in the 2015 financial year contained no benefits to former members of the Executive Board in connection with the termination of their activity.

Furthermore, neither Berentzen-Gruppe Aktiengesellschaft nor a subsidiary granted loans or advances to members of the Executive Board, nor did they assume contingent liabilities in favour of them in the 2015 financial year.

No compensation was granted to former members of the Executive Board and their survivors in the 2015 financial year.

Post-employment benefits or total compensation within the meaning of Section 314 (1) No. 6 letter b) HGB and their survivors were granted to former managing directors of Group companies to which Berentzen-Gruppe Aktiengesellschaft is the legal successor in the amount of EUR 105 thousand in the 2015 financial year (previous year: EUR 105 thousand).

As calculated in accordance with IAS 19, the present value of accrued pension obligations for this group of persons amounted to EUR 950 thousand at December 31, 2015 (previous year: EUR 1,015 thousand).

Supervisory Board

Short-term benefits within the meaning of IAS 24.17 or total compensation within the meaning of Section 314 (1) No. 6 letter a) sentence 1-4 HGB in the amount of EUR 120 thousand (previous year: EUR 121 thousand) were granted to the members of the Supervisory Board in their function as members of the Supervisory Board.

The employee representatives on the Supervisory Board received short-term benefits or total compensation in the total amount of EUR 139 thousand (previous year: EUR 146 thousand) for their activity outside their functions as Supervisory Board members.

Neither Berentzen-Gruppe Aktiengesellschaft nor a subsidiary granted subscription rights or other share-based compensation to members of the Supervisory Board in the 2015 financial year, nor do the members of the Supervisory Board hold any such compensation instruments. Moreover, no compensation was granted to Supervisory Board members for exercising mandates on the boards of subsidiaries in the 2015 financial year. Furthermore, the total compensation of the Supervisory Board in the 2015 financial year contained no benefits to former members of the Supervisory Board in connection with the termination of their activity.

Furthermore, neither Berentzen-Gruppe Aktiengesellschaft nor a subsidiary granted loans or advances to members of the Supervisory Board, nor did they assume contingent liabilities in favour of them in the 2015 financial year.

No compensation was granted to former members of the Supervisory Board and their survivors in the 2015 financial year.

Additional related party disclosures

The outstanding balances due from or to related entities and persons at the end of the financial year at December 31, 2015 are not secured and do not bear interest. No guarantees have been provided for amounts due to or from related parties.

There were no doubtful receivables related to outstanding balances due from related parties at December 31, 2015, and therefore no provisions have been recognised for this purpose. No expenses for uncollectible or doubtful receivables due from related parties were recognised in either the 2015 or the 2014 financial year.

(4.10) Announcements and notifications of changes in voting rights in Berentzen-Gruppe Aktiengesellschaft pursuant to the German Securities Trading Act

On July 20, 2015, the extraordinary general meeting and the special meeting of the preferred shareholders of Berentzen-Gruppe Aktiengesellschaft adopted a resolution to convert the 4,800,000 bearer shares of preferred stock in the Company without voting rights into bearer shares of common stock with voting rights, with preferential rights to profits abrogated. At that date, the capital stock of Berentzen-Gruppe Aktiengesellschaft was divided into 4,800,000 bearer shares of common stock with voting rights and 4,800,000 bearer shares of preferred stock without voting rights. The conversion of the previously listed 4,800,000 shares of preferred stock without voting rights into shares of common stock with voting rights took effect on September 28, 2015 when the corresponding amendments to the Articles of Association were filed in the Commercial Register. The total number of voting rights has totalled 9,600,000 since that date, as notified by Berentzen-Gruppe Aktiengesellschaft by way of an announcement of the total number of voting rights pursuant to Section 26a WpHG (German Securities Trading Act).

The following persons subject to the notification requirement have notified Berentzen-Gruppe Aktiengesellschaft pursuant to Section 21 WpHG that their share of voting rights in Berentzen-Gruppe Aktiengesellschaft has reached, risen above, or fallen below certain reporting thresholds specified in the WpHG:

Person subject to notification requirement	Date when a reporting threshold was reached, risen above, or fallen below	Attribution per WpHG	Attribution via [1]	Voting rights %	Voting rights No.
AURELIUS SE & Co. KGaA (formerly Aurelius AG) Grünwald, Germany	March 2, 2016	§ 22	BGAG Beteiligungs GmbH	29.17	2,800,012
	September 28, 2015	§ 22 (1) (1) (1)		56.28	5,403,012
BGAG Beteiligungs GmbH Grünwald, Germany	September 28, 2015			49.57	4,758,773
MainFirst SICAV Senningerberg, Luxembourg	March 2, 2016			8.50	815,500
PWM Vermögensfondsmandat - DWS Luxembourg, Luxembourg	March 2, 2016			3.54	340,000
Andrew Gibbs United Kingdom	March 2, 2016	§ 22	Otus Capital Management Limited Otus Capital Management LP	5.38	516,141
	September 28, 2015	§§ 22 (1) (1) (6), 22 (1) (2)		3.49	334,810
Otus Capital Management Limited London, United Kingdom	September 28, 2015	§§ 22 (1) (1) (6), 22 (1) (2)		3.49	334,810
Otus Capital Management LP London, United Kingdom	September 28, 2015			3.49	334,810

[1] Information on voting rights notifications after the Act Implementing the Transparency Directive Amending Directive entered into force on November 26, 2015.

(4.11) Declaration regarding the German Corporate Governance Code

The Declaration of Conformity regarding the recommendations of the Government Commission: German Corporate Governance Code was issued pursuant to Section 161 AktG on March 24, 2015. The declarations of conformity have been made permanently available on the internet at www.berentzen-gruppe.de/en/.

The declaration regarding the corporate governance of Berentzen-Gruppe Aktiengesellschaft pursuant to Section 289a HGB is incorporated into the Corporate Governance Report, which is available for examination at the website www.berentzen-gruppe.de/en/.

(4.12) Exemption options

Exemption options make it possible for companies to dispense with the preparation, audit and publication of annual financial statements and management report. A list of companies that exercise this exemption option is shown separately in the List of Shareholdings (Note 1.6).

(4.13) Executive bodies of Berentzen-Gruppe Aktiengesellschaft

Executive Board of Berentzen-Gruppe Aktiengesellschaft

The following persons served as members of the Executive Board of Berentzen-Gruppe Aktiengesellschaft in the 2015 financial year:

Name	Position held Responsibilities	Other Supervisory Board mandates
Frank Schübel Gräfelfing, Germany	Executive Board Spokesman of Berentzen-Gruppe Aktiengesellschaft Marketing, Sales, Production and Logistics, Purchasing, Corporate Communications, Research and Development	Berentzen USA, Inc., Dover / Delaware, USA (Board Member) Doornkaat Aktiengesellschaft, Norden, Germany (Chairman of the Supervisory Board)
Ralf Brühöfner Lingen, Germany	Member of the Executive Board of Berentzen-Gruppe Aktiengesellschaft Finance, Controlling, Human Resources, Information Technology, Legal Affairs	Berentzen USA, Inc., Dover / Delaware, USA (Board Member) Doornkaat Aktiengesellschaft, Norden, Germany (Deputy Chairman of the Supervisory Board)

Supervisory Board of Berentzen-Gruppe Aktiengesellschaft

The following persons served as members of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft in the 2015 financial year:

Name	Position held	Other Supervisory Board mandates
Gert Purkert Munich, Germany Chairman of the Supervisory Board	Member of the Executive Board of AURELIUS SE & Co. KGaA (formerly Aurelius AG), private equity firm, Grünwald, Germany	Aurelius Beteiligungsberatungs AG, Munich, Germany (Chairman of the Supervisory Board) Aurelius Portfolio Management AG, Munich, Germany (Chairman of the Supervisory Board) Aurelius Transaktionsberatungs AG, Munich, Germany (member of the Supervisory Board) fidelis HR GmbH, Würzburg, Germany (Chairman of the Supervisory Board) Hanse Yachts AG, Greifswald, Germany (Chairman of the Supervisory Board) Lotus AG, Grünwald, Germany (member of the Supervisory Board, until April 15, 2015) Publicitas AG, Zurich, Switzerland (member of the Supervisory Board)
Dr. Frank Forster Munich, Germany Deputy Chairman of the Supervisory Board	General Counsel of the Aurelius Group, Aurelius Beteiligungsberatungs AG, private equity firm, Munich, Germany	Aurelius Portfolio Management AG, Munich, Germany (member of the Supervisory Board) fidelis HR GmbH, Würzburg, Germany (Deputy Chairman of the Supervisory Board) Hanse Yachts AG, Greifswald, Germany (Deputy Chairman of the Supervisory Board)

Name	Position held	Other Supervisory Board mandates
Donatus Albrecht Munich, Germany	Member of the Executive Board of AURELIUS SE & Co. KGaA (formerly Aurelius AG), private equity firm, Grünwald, Germany	Aurelius Beteiligungsberatungs AG, Munich, Germany (Deputy Chairman of the Supervisory Board) Aurelius Portfolio Management AG, Munich, Germany (Deputy Chairman of the Supervisory Board) Aurelius Transaktionsberatungs AG, Munich, Germany (Chairman of the Supervisory Board)
Johannes C.G. Boot London, United Kingdom	Portfolio Manager at Palm Ventures LLC, Greenwich / Connecticut, USA	
Bernhard Düing Herzlake, Germany Employee representative	Production Shift Manager at Vivaris Getränke GmbH & Co. KG, Haselünne, Germany	
Adolf Fischer Lähden, Germany Employee representative	Production employee at Vivaris Getränke GmbH & Co. KG, Haselünne, Germany	
Dr. Dirk Markus London, United Kingdom	Chief Executive Officer of AURELIUS SE & Co. KGaA (formerly Aurelius AG), private equity firm, Grünwald, Germany	Compagnie de Gestion et des Prèts, Saran, France (member of the Supervisory Board, until February 26, 2015) Publicitas AG, Zurich, Switzerland (Chairman of the Supervisory Board, until August 7, 2015) SKW Stahl-Metallurgie Holding AG, Unterneukirchen, Germany (member of the Supervisory Board, until February 28, 2015) Obotritia Capital KGaA, Potsdam, Germany (member of the Supervisory Board, since August 7, 2015)
Dr. Martin Schoefer Munich, Germany	Vice President Human Resources of the Aurelius Group, Aurelius Beteiligungsberatungs AG, private equity firm, Munich, Germany	
Heike Vehring Minden, Germany Employee representative	Commercial employee of Berentzen-Gruppe Aktiengesellschaft, Haselünne, Germany	

(4.14) Total fees paid to the independent auditor of the consolidated financial statements

At the annual general meeting of Berentzen-Gruppe Aktiengesellschaft on May 13, 2015, PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Osnabrück, was elected to act as the independent auditor of the annual and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft.

The following table shows the breakdown of total expenses and fees recognised for the services provided by the independent auditor of the consolidated financial statements in the 2015 financial year:

	2015 EUR'000
Auditing of the annual/consolidated financial statements	223
Other audit services	158
Tax advisory services	51
Other services	0
	432

Haselünne, March 18, 2016

Berentzen-Gruppe Aktiengesellschaft

The Executive Board

Frank Schübel
Executive Board Spokesman

Ralf Brühöfner
Executive Board member

K. Declarations and Other Information

Declaration by the legal representatives

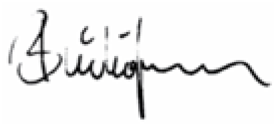
We hereby declare that, to the best of our knowledge, and in accordance with the applicable accounting principles, the consolidated annual financial statements give a true and fair view of the Group's financial position, cash flows and financial performance and the Management Report, which has been combined with the Management Report of Berentzen-Gruppe Aktiengesellschaft, provides a true and fair view of the development and performance of the Group together with a description of the principal opportunities and risks associated with the probable development of the Group.

Haselünne, March 18, 2016

Berentzen-Gruppe Aktiengesellschaft

The Executive Board

Frank Schübel
Executive Board Spokesman



Ralf Brühöfner
Executive Board member

Translation prepared by the management of Berentzen-Gruppe Aktiengesellschaft
Translation- the German text is authoritative

Auditor's Report

We have audited the consolidated financial statements prepared by the Berentzen-Gruppe Aktiengesellschaft, Haselünne, comprising the statement of financial position, the statement of comprehensive income, statement of changes in equity, cash flow statement and the notes to the consolidated financial statements, together with the group management report, which is combined with the management report of the Berentzen-Gruppe Aktiengesellschaft, Haselünne, for the business year from 1 January to 31 December 2015. The preparation of the consolidated financial statements and the combined management report in accordance with the IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § (Article) 315a Abs. (paragraph) 1 HGB („Handelsgesetzbuch": German Commercial Code) and supplementary provisions of the articles of incorporation] are the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to express an opinion on the consolidated financial statements and the combined management report based on our audit. In addition we have been instructed to express an opinion as to whether the consolidated financial statements comply with full IFRS.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the combined management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and in the combined management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of the companies included in consolidation, the determination of the companies to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company's Board of Managing Directors, as well as evaluating the overall presentation of the consolidated financial statements and the combined management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit the consolidated financial statements comply with the IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and supplementary provisions of articles of incorporation and full IFRS and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these provisions. The combined management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Osnabrück, March 18, 2016

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

sign. Prof. Dr. Gregor Solfrian
Wirtschaftsprüfer
(German Public Auditor)

sign. ppa. Heinz-Hermann Gerdes
Wirtschaftsprüfer
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Other Information about the Berentzen Group

Besides the present Annual Report, the following information about the Berentzen Group and the Berentzen-Gruppe Aktiengesellschaft is also available on www.berentzen-gruppe.de/en/investors/:

Annual Reports including Consolidated financial statements and Annual financial statements of Berentzen-Gruppe Aktiengesellschaft
Group Half-yearly Financial Reports
Group Interim Reports
Corporate Governance reports / Corporate governance declarations
Declaration of Conformity of Berentzen-Gruppe Aktiengesellschaft with the German Corporate Governance Code
Ad hoc announcements
Directors' dealings
Relevant corporate press releases

2016 financial calendar

March 24, 2016	Publication of the Consolidated/Annual Financial Statements and Annual Report for 2015
May 11, 2016	Publication of the Q1 Interim Report
May 12, 2016	Annual General Meeting in Munich, „Künstlerhaus“
August 11, 2016	Publication of the 2016 Group Half-yearly Financial Report
October 27, 2016	Publication of the Q3 Interim Report

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