

BERENTZEN-GRUPPE AKTIENGESELLSCHAFT
ANNUAL FINANCIAL STATEMENTS 2017



BERENTZEN-GRUPPE
Durst auf Leben



BERENTZEN-GRUPPE
Durst auf Leben

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A. Combined Management Report

The management report of Berentzen-Gruppe Aktiengesellschaft and the Group management report have been combined in accordance with Section 315 para. 5 of the German Commercial Code (HGB) in conjunction with Section 298 para. 2 HGB and published in the 2017 Annual Report.

The separate financial statements and management report of Berentzen-Gruppe Aktiengesellschaft for the 2017 financial year, which is combined with the Group management report, will be submitted to the operator of the electronic version of the Federal Gazette (Bundesanzeiger) and published in the electronic version of the Federal Gazette.

The separate financial statements of Berentzen-Gruppe Aktiengesellschaft and the Group's Annual Report 2017 are also available on the Internet at www.berentzen-gruppe.de/en.

B. Annual Financial Statements

Statement of Financial Position at December 31, 2017

Assets	12/31/2017 EUR	12/31/2016 EUR
A. Non-current assets		
I. Intangible assets		
1. Purchased franchises, industrial property rights and similar rights, and licenses to such rights	242,560.40	178,895.31
2. Advances to suppliers	39,187.50	46,906.25
	281,747.90	225,801.56
II. Property, plant and equipment		
1. Land, leasehold rights, and buildings, including buildings on land not owned	11,980,773.23	12,437,970.77
2. Technical equipment and machinery	7,774,535.83	7,895,315.72
3. Other equipment, plant and office equipment	615,573.56	607,220.32
4. Advances to suppliers and construction in progress	513,777.83	573,932.37
	20,884,660.45	21,514,439.18
III. Non-current financial assets		
1. Shares in affiliated companies	28,347,446.12	30,725,446.12
2. Loans to affiliated companies	5,400,002.00	5,400,002.00
3. Participating interests	1.00	1.00
4. Other loans	1.00	1.00
	33,747,450.12	36,125,450.12
	54,913,858.47	57,865,690.86
B. Current assets		
I. Inventories		
1. Raw materials and supplies	3,883,585.15	4,906,326.86
2. Work in progress	15,779,231.45	14,767,497.94
3. Finished products and merchandise for resale	10,639,339.36	9,869,334.63
	30,302,155.96	29,543,159.43
II. Receivables and other assets		
1. Trade receivables	1,753,027.47	2,541,417.96
2. Amounts receivable from affiliated companies	28,190,481.47	37,623,102.37
3. Other assets	5,257,367.75	4,469,339.15
	35,200,876.69	44,633,859.48
III. Cash on hand and cash in banks	8,978,191.45	41,461,625.62
	74,481,224.10	115,638,644.53
C. Prepaid expenses	125,772.16	138,649.54
	129,520,854.73	173,642,984.93

Shareholders' equity and liabilities	12/31/2017 EUR	12/31/2016 EUR
A. Shareholders' equity		
I. Capital in issue	24,423,596.60	24,423,596.60
1. Subscribed capital	24,960,000.00	24,960,000.00
2. Face value of own shares	-536,403.40	-536,403.40
(Conditional Capital EUR 12,480,000.00; PY: EUR 12,480,000.00)		
II. Additional paid-in capital	15,815,717.73	15,815,717.73
III. Retained earnings		
Other retained earnings	250,000.00	250,000.00
IV. Distributable profit	6,177,638.85	5,521,613.65
	46,666,953.18	46,010,927.98
B. Provisions		
1. Provisions for pensions and similar obligations	2,590,603.00	2,631,031.00
2. Tax provisions	2,060,300.00	992,507.00
3. Other provisions	9,074,931.51	8,869,138.78
	13,725,834.51	12,492,676.78
C. Alcohol tax liabilities	43,312,183.72	44,393,676.14
D. Liabilities		
1. Bonds	0.00	50,000,000.00
2. Liabilities to banks	7,500,000.00	0.00
3. Trade payables	3,851,920.15	4,855,601.21
4. Amounts payable to affiliated companies	8,043,712.60	8,150,456.37
5. Other liabilities	5,517,950.57	7,042,626.45
(of which from taxes: EUR 5,445,044.43 ; PY: EUR 6,227,930.85)		
	24,913,583.32	70,048,684.03
E. Deferred income	0.00	3,020.00
F. Deferred tax liabilities	902,300.00	694,000.00
	129,520,854.73	173,642,984.93

Income Statement for the Period from January 1 to December 31, 2017

	2017	2016
	EUR	EUR
1. Revenues	314,126,208.91	316,208,998.17
2. Alcohol tax	212,439,910.31	214,629,641.27
3. Revenues net of alcohol tax	101,686,298.60	101,579,356.90
4. Increase in inventories of finished goods and work in progress	2,021,224.87	2,701,216.65
5. Other operating income	3,923,748.23	1,811,163.98
6. Purchased goods and services		
a) Cost of raw materials and supplies, and merchandise for resale	52,948,358.21	54,400,203.21
b) Cost of purchased services	2,223,811.10	1,737,751.92
7. Personnel expenses		
a) Wages and salaries	10,054,062.31	10,535,154.07
b) Social security, pension and benefit costs (of which for pensions: EUR 108,890.58; PY: EUR - 61,549.48)	1,661,780.59	1,455,180.41
8. Depreciation, amortisation and write-downs of intangible assets and property, plant and equipment	1,894,527.64	2,002,281.97
9. Other operating expenses	26,133,825.24	26,800,797.98
10. Income from participating interests (of which from affiliated companies: EUR 1,500,000.00; PY: EUR 2,000,000.00)	1,500,000.00	2,000,000.00
11. Income from profit-and-loss transfer agreements	49,326.00	47,348.00
12. Income from other securities and loans of non-current financial assets (of which from affiliated companies: EUR 190,989.69; PY: EUR 387,863.55)	190,989.69	387,863.55
13. Other interest and similar income (of which from affiliated companies: EUR 6,366.93; PY: EUR 5,613.77) (of which income from discounting: EUR 1,286.59; PY: EUR 13,909.00)	16,544.30	40,681.02
14. Write-downs on non-current financial assets and securities classified as current assets	4,614,887.52	2,350,000.00
15. Expenses from losses absorbed	862,567.43	574,284.36
16. Interest and similar expenses (of which payable to affiliated companies: EUR 40,612.86; PY: EUR 41,821.57) (of which expenses from compounding: EUR 111,726.88; PY: EUR 123,110.79)	3,610,071.48	4,016,834.75
17. Income taxes (of which deferred taxes: EUR 208,300.00; PY: EUR 110,500.00)	2,314,423.61	1,621,289.33
18. Profit after taxes	3,069,816.56	3,073,852.10
19. Other taxes	65,368.61	48,638.36
20. Net profit/loss for the year	3,004,447.95	3,025,213.74
21. Profit carried forward from previous year	3,173,190.90	2,691,320.07
22. Difference between face value and cost of purchased treasury shares	0.00	-194,920.16
23. Distributable profit	6,177,638.85	5,521,613.65

Notes to the annual financial statements for the 2017 financial year

(1) Accounting and valuation methods

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

The annual financial statements have been prepared in accordance with the accounting and valuation principles applicable for large corporations under commercial law and the supplementary provisions of the German Stock Corporation Act (Aktiengesetz).

The Income Statement has been prepared in accordance with the cost summary format pursuant to Section 275 (2) HGB.

The additions made to the legally prescribed structure of the Statement of Financial Position and the Income Statement under Section 265 (5) sentence 2 HGB – notably including the separate presentation of alcohol tax – relate to the commercial activities of Berentzen-Gruppe Aktiengesellschaft and serve to present a better view of the Company's financial position, cash flows and financial performance.

The same accounting and valuation methods have been applied as in the previous year.

Intangible assets, which are comprised almost entirely of licenses, are carried at acquisition cost less scheduled amortisation. The licenses are amortized on a straight-line basis over a customary useful life of four to five years.

The items included in property, plant and equipment are carried at acquisition or production cost less scheduled depreciation, where they are depreciable. The depreciation is taken using the straight-line method based on the standard useful life (5 – 57 years). Low value assets have been recorded in a collective item and written down on a straight-line basis over a period of five years, in accordance with the statutory provisions.

Non-current financial assets such as shares in affiliated companies, loans to affiliated companies, participating interests, other loans are carried at acquisition cost or repayment amount. Write-downs are recognised in accordance with Section 253 (3) HGB. The impairment test performed for the shares in affiliated companies in the form of a discounted cash flow method is based on a medium-term plan with estimation uncertainties that was adopted and approved by the Supervisory Board.

Raw materials and supplies and merchandise for resale, are carried at average acquisition cost. Where the current market values are lower at the reporting date, these are recognised.

Work in progress and finished products are carried at the production cost to be recognised at a minimum under commercial law, meaning with direct input costs plus appropriate add-ons for indirect input costs. The principle of loss-free valuation is observed by applying discounts to the selling prices for costs still to accrue.

Receivables and other assets are stated at the lower of face value or fair value. Specific provisions for anticipated uncollectibility and general provisions to cover general credit risk are deducted from the receivables in the Statement of Financial Position. Receivables with credit insurance, receivables for which guarantees have been provided and the included-value added tax are deducted when identifying the stock of receivables exposed to risk.

Cash and cash equivalents are stated at face value.

Prepaid expenses include amounts disbursed prior to the reporting date that represent expenses for a certain period after the reporting date.

Subscribed capital is carried at face value. In accordance with Section 272 (1a) HGB, the imputed nominal value of treasury shares (own shares) is openly deducted from subscribed capital. The difference between the imputed nominal value and the acquisition cost of treasury shares is recognised within the distributable profit. Incidental acquisition costs incurred are recognised in profit or loss.

The provisions for pensions and similar obligations are determined using the projected unit credit (PUC) method in accordance with the generally accepted actuarial principles. The calculations are based on the 2005 G standard tables prepared by Professor Dr. Klaus Heubeck, an increase in pensions of 1.5%, and a rate of change of 0% for anticipated fluctuation and salary changes. Use has been made of the option permitted by Section 253 (2) sentence 2 HGB. The amounts are discounted using the average market rate of 3.77 % (at September 2017) announced by Deutsche Bundesbank for an assumed residual maturity of 15 years.

Provisions for service anniversary awards are funded 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 2.91 %. The figures calculated are similarly based on reports using a fluctuation rate of 5% and the 2005 G standard tables prepared by Professor Dr. Klaus Heubeck as the biometric basis of calculation based on the projected unit credit (PUC) method in accordance with generally accepted actuarial principles.

Tax and other provisions are set up to cover all uncertain liabilities and identifiable risks and carried at the amount anticipated to be payable under sound commercial judgement.

The measurement of provisions for 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 amount of such obligation can be estimated reliably necessarily entails a considerable degree of discretion.

Derivative financial instruments are carried at fair value.

Alcohol tax and import duties are recognised as liabilities in the amounts owed to the main customs offices and presented in a separate item added to the legally prescribed structure.

Liabilities are stated at the settlement amount.

Deferred income comprises amounts received prior to the reporting date that represent income for a specific period after the reporting date.

Deferred tax assets and liabilities are determined in accordance with Section 274 HGB, under which probable tax savings and charges arising in the future are recognised for temporary differences between the book values carried in the annual financial statements of Berentzen-Gruppe Aktiengesellschaft prepared in accordance with German commercial law and the amounts recognised for assets and liabilities for tax purposes. In this context, any such temporary differences accruing in the Group companies of Berentzen-Gruppe Aktiengesellschaft for income tax purposes are recognised by the parent company. The same principle applies for such temporary differences accruing at unincorporated firms in which Berentzen-Gruppe Aktiengesellschaft holds a participating interest, although the valuation is normally limited to deferred corporation taxes including the solidarity surcharge. Anticipated tax savings arising from the use of loss carry-forwards considered realisable in the future are included, provided this does not yield an excess of deferred tax assets. When exercising the capitalisation option permitted in Section 274 (1) sentence 2 HGB, deferred tax assets arising from deductible temporary differences and tax loss carry-forwards in excess of the deferred tax liabilities arising from taxable temporary differences are not capitalised.

The amounts of the tax savings and charges accruing are calculated using the tax rate applicable to the specific company when the differences reverse and are not discounted.

Deferred tax assets and liabilities are netted within the Company and within the group of companies for income tax purposes. Use has not been made of the option to recognise deferred tax assets and liabilities that have not been netted in the Statement of Financial Position compliant with Section 274 (1) sentence 3 HGB.

Receivables and liabilities denominated in foreign currency are translated using the exchange rate applicable at the closing date (average spot exchange rate).

(2) Notes to the Statement of Financial Position

(2.1) Non-current assets

The development of non-current assets during the reporting period is presented separately in the Statement of Changes in Non-current Assets presented in an annex to the notes.

Loans to subsidiaries of Berentzen-Gruppe Aktiengesellschaft are shown under Loans to affiliated companies (EUR 5,400 thousand; PY: EUR 5,400 thousand).

(2.2) Receivables and other assets

The sum total of trade receivables is reduced by receivables of EUR 20,380 thousand (PY: EUR 16,825 thousand) sold under the terms of factoring agreements. The receivables were sold to factoring companies on a non-recourse basis. Specific allowances in the amount of EUR 3 thousand (PY: EUR 4 thousand) were recognised on the trade receivables not sold to factoring companies in the 2017 financial year.

The amounts receivable from affiliated companies originate from the ongoing clearing and settlement transactions involving subsidiaries.

The following table shows the breakdown of other assets:

	12/31/2017	12/31/2016
	EUR '000	EUR '000
Receivables from factoring haircut	4,792	4,010
Reimbursement claims	169	39
Tax refund claims	144	162
Receivables from export operations	63	84
Refund claims from ecology tax	40	0
Creditors with debit balances	21	71
Marketing reimbursement claims from licensing partners	0	100
Other	28	3
	5,257	4,469

The following table shows the residual maturities of the receivables and other assets:

	12/31/2017 EUR '000	of which due in	
		Up to 1 year EUR '000	More than 1 year EUR '000
Trade receivables	1,753	1,753	0
Amounts receivable from affiliated companies	28,191	28,191	0
Other assets	5,257	5,257	0
	35,201	35,201	0

	12/31/2016 EUR '000	of which due in	
		Up to 1 year EUR '000	More than 1 year EUR '000
Trade receivables	2,542	2,542	0
Amounts receivable from affiliated companies	37,623	37,623	0
Other assets	4,469	4,469	0
	44,634	44,644	0

There were receivables denominated in foreign currency with a value of EUR 223 thousand (PY: EUR 231 thousand) at the reporting date.

(2.3) Cash on hand and cash in banks

The item of cash on hand and cash in banks comprises current accounts with banks that are used for settlement of two factoring agreements. These current accounts hold the available cash under these factoring arrangements at any given time ("customer settlement accounts"); the receivables from customer settlement accounts in the amount of EUR 6,463 thousand (PY: EUR 8,681 thousand) exhibit different characteristics than normal current account receivables due from banks, particularly with regard to interest.

(2.4) Prepaid expenses

Prepaid expenses include advance payments of EUR 126 thousand (PY: EUR 139 thousand) for other third party services.

(2.5) Subscribed capital

The capital stock of Berentzen-Gruppe Aktiengesellschaft in the amount of EUR 24,960 thousand (PY: EUR 24,960 thousand) is divided into 9,600,000 shares of common stock (PY: 9,600,000 shares of common stock), which are no-par bearer shares and are fully paid-in. The imputed value per share is EUR 2.60.

At December 31, 2017, the number of shares outstanding was 9.393.691 (PY: 9.393.691) shares of common stock, Berentzen-Gruppe Aktiengesellschaft having purchased a total of 206,309 treasury shares representing an imputed share of capital equal to EUR 536 thousand in financial years 2015 and 2016.

The development of subscribed capital and the number of shares outstanding are presented in the table below:

		12/31/2017		12/31/2016	
		EUR '000	No.	EUR '000	No.
Common shares	Bearer shares	24,960	9,600,000	24,960	9,600,000
Capital stock		24,960	9,600,000	24,960	9,600,000
Treasury shares		- 536	- 206,309	- 536	- 206,309
Subscribed capital (issued)/ shares outstanding		24,424	9,393,691	24,424	9,393,691

(2.6) Authorised capital (not issued)

The Executive Board of Berentzen-Gruppe Aktiengesellschaft is authorised, with the consent of the Supervisory Board, to increase the share capital 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. 4 of the Articles of Association of Berentzen-Gruppe Aktiengesellschaft in the version of 19 May 2017. 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.

(2.7) Conditional Capital (not issued)

The share capital 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.

(2.8) Treasury shares

In financial years 2015 and 2016, 206,309 no par value shares were acquired by Berentzen-Gruppe Aktiengesellschaft within the scope of a share buy-back program. This corresponds to an imputed share equal to EUR 536 thousand or 2.15% of the Company's capital stock. The average purchase price per share was EUR 7.2706. The shares were purchased for a total purchase price of EUR 1,500 thousand (excluding transaction costs). The cumulative difference between the imputed nominal value and the acquisition cost of the treasury shares purchased was EUR 964 thousand and was offset against distributable profit.

(2.9) 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.

(2.10) Retained earnings and distributable profit

In accordance with the Stock Corporations Act, the utilisation of profit, including the distribution of dividends to the shareholders, is measured on the basis of the distributable profit presented in the separate financial statements of Berentzen-Gruppe Aktiengesellschaft prepared in accordance with German commercial law.

At the annual general meeting of 19 May 2017, it was resolved to use the distributable profit of EUR 5,522 thousand presented in the separate financial statements of Berentzen-Gruppe Aktiengesellschaft for the 2016 financial year to pay a dividend of EUR 0.25 per qualifying common share for the 2016 financial year and to carry forward the remaining amount to new account. In consideration of the treasury shares held by the Company at the date of the annual general meeting, which do not qualify for dividends in accordance with Section 71b AktG, this amount corresponded to a total distribution of approximately EUR 2,348 thousand and a carry-forward to new account of approximately EUR 3,173 thousand.

The Statement of Financial Position was prepared taking into account the partial utilisation of the distributable profit.

The following table shows the changes in distributable profit:

	2017	2016
	EUR	EUR
Net profit for the year	3,004,447.95	3,025,213.74
Distributable profit of the previous year	5,521,613.65	4,571,623.27
Difference between the nominal value and acquisition cost of purchased treasury shares	0.00	-194,920.16
Dividend pay-out	-2,348,422.75	-1,880,303.20
Distributable profit	6,177,638.85	5,521,613.65

(2.11) Proposal for the utilisation of distributable profit

The Executive Board of Berentzen-Gruppe Aktiengesellschaft proposes to the annual general meeting that the distributable profit for financial year 2017 in the amount of EUR 6,178 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 0.22 per common share qualifying for dividends for the 2017 financial year and to carry forward the remaining amount to new account. In consideration of the treasury shares held by the Company at the date of the annual general meeting, which do not qualify for dividends in accordance with Section 71b AktG, this amount corresponds to a total expected distribution of approximately EUR 2,067 thousand and a carry-forward to new account of approximately EUR 4,111 thousand. Payment of this dividend is dependent on the approval of the Company's annual general meeting of 3 May 2018. The number of shares qualifying for dividends can change up to the annual general meeting. In this case, given an unchanged dividend of EUR 0.22 per common share qualifying for dividends, a correspondingly adjusted recommended resolution for the utilisation of distributable profit will be proposed to the annual general meeting.

(2.12) Provisions for pensions and similar obligations

As of the 2016 financial year, pension provisions are discounted to present value by application of the average market interest rate for the past 10 financial years, in accordance with the new provisions of Section 253 para. 2 HGB (new version). The resulting difference between the value of pension provisions measured by application of the 10-year average interest rate (3.77 %) and that measured by application of the 7-year average interest rate (2.91 %) is subject to a payout block and is presented in the table below:

	12/31/2017	12/31/2016
	EUR '000	EUR '000
Pension provision (Measured at the 10-year average interest rate)	2,591	2,631
Pension provision (Measured at the 7-year average interest rate)	2,777	2,788
Difference	-186	-157

(2.13) Tax provisions

The tax provisions of EUR 2,060 thousand relate to trade tax and corporate income tax payable for the 2016 and 2017 financial years as well as retroactive trade tax payments resulting from an external tax audit for the years 2012 and 2013.

(2.14) Other provisions

The other provisions comprise the following items:

	12/31/2017	12/31/2016
	EUR '000	EUR '000
Bonuses/ advertising subsidies	6,570	5,999
Personnel provisions	1,311	1,285
Outstanding invoices	692	948
Supervisory Board compensation	246	117
Legal, consulting and auditing costs	214	520
Retroactive payment interest, external tax audit	42	0
	9,075	8,869

(2.15) Liabilities

The following table shows the breakdown of liabilities by residual maturity:

	12/31/2017	of which due in		
		up to 1 year	more than 1	more than 5 years
	EUR '000	EUR '000	EUR '000	EUR '000
Liabilities for alcohol tax	43,312	43,312	0	0
Liabilities to banks	7,500	0	7,500	0
Trade payables	3,852	3,852	0	0
Amounts payable to affiliated companies	8,044	8,044	0	0
Other liabilities	5,518	5,518	0	0
	68,226	60,726	7,500	0

	12/31/2016	of which due in		
		up to 1 year	more than 1	more than 5 years
	EUR '000	EUR '000	EUR '000	EUR '000
Liabilities for alcohol tax	44,394	44,394	0	0
Bonds	50,000	50,000	0	0
Trade payables	4,856	4,856	0	0
Amounts payable to affiliated companies	8,150	8,150	0	0
Other liabilities	7,043	7,043	0	0
	114,443	114,443	0	0

Of the total amounts payable to affiliated companies, EUR 7,895 thousand (PY: EUR 8,002 thousand) relates to current clearing and settlement transactions and EUR 148 thousand (PY: EUR 148 thousand) to current loan liabilities due to subsidiaries.

The following table shows the breakdown of other liabilities:

	12/31/2017 EUR '000	12/31/2016 EUR '000
Taxes		
Sales tax	5,301	6,021
Payroll and church tax	144	207
	5,445	6,228
Debtors with credit balances	49	145
Miscellaneous other liabilities	24	11
Liabilities for bond interest payable	0	659
	5,518	7,043

There were liabilities denominated in foreign currency with a value of EUR 112 thousand (PY: 721 thousand) at the reporting date.

(2.16) Deferred tax liabilities

	12/31/2017 EUR '000	12/31/2016 EUR '000
Deferred tax liabilities	902	694
	902	694

The table below shows the breakdown of deferred tax liabilities by line item and circumstances.

	12/31/2017		12/31/2016	
	Deferred tax assets EUR '000	Deferred tax liabilities EUR '000	Deferred tax assets EUR '000	Deferred tax liabilities EUR '000
ASSETS				
Property, plant and equipment	0	831	0	881
Non-current financial assets	0	730	0	481
Prepaid expenses	126	0	135	0
SHAREHOLDERS' EQUITY AND LIABILITIES				
Provisions for pensions and similar obligations	524	0	520	0
Other provisions	9	0	13	0
Subtotal for temporary differences	659	1,561	668	1,362
Capitalisation of tax loss carry-forwards	0		0	
Netting	-659	-659	-668	-668
Deferred taxes presented in the Statement of Financial Position	0	902	0	694

Deferred taxes are measured on the basis of a tax rate of 29.3% (PY: 29.3%).

(2.17) Contingent liabilities

Berentzen-Gruppe Aktiengesellschaft has issued an absolute maximum-liability guarantee of EUR 2,185 thousand (PY: EUR 2,185 thousand) for the branch of a subsidiary in the federal state of 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 in favour of a foreign subsidiary in the 2012 financial year. The letter of indemnity is not expected to be utilised, as it only covers current liabilities.

There are letters of indemnity related to maximum-liability customs bonds in the amount of EUR 776 thousand (PY: EUR 776 thousand). The current alcohol tax liabilities secured by such guarantees amounted to EUR 43,312 thousand at year-end (PY: EUR 44,394 thousand).

(2.18) Other financial commitments and information on off-balance sheet transactions

Berentzen-Gruppe Aktiengesellschaft has total commitments of EUR 792 thousand (PY: EUR 634 thousand) arising from rental and lease contracts, EUR 3 thousand (PY: EUR 3 thousand) of which relates to affiliated companies.

The following table shows the breakdown of rental and lease commitments by the due date of the agreed rental or lease payments:

	12/31/2017 EUR '000	of which payable in		
		up to 1 year EUR '000	1 to 5 years EUR '000	more than 5 years EUR '000
Rental payments for property	20	19	1	0
of which to affiliated companies	3	3	0	0
Lease payments for office equipment	188	45	143	0
Lease payments for vehicle fleet	518	233	285	0
Lease payments for Company bicycles	66	33	33	0
	792	330	462	0

	12/31/2016 EUR '000	of which payable in		
		up to 1 year EUR '000	1 to 5 years EUR '000	more than 5 years EUR '000
Rental payments for property	20	19	1	0
of which to affiliated companies	3	3	0	0
Lease payments for office equipment	76	39	37	0
Lease payments for vehicle fleet	538	214	324	0
	634	272	362	0

The rental and lease agreements serve the purpose of flexibly managing investments on the basis of liquidity and innovation considerations and lead to an improvement in the financial position and cash flows in the respective financial years. The risk of future cash outflows is made calculable by the fixed amounts payable and terms of the contracts.

At the reporting date, Berentzen-Gruppe Aktiengesellschaft has two ongoing services contracts governing the provision of distribution services with terms until December 31, 2018 and June 30, 2019, respectively. These contracts give rise to a total commitment of EUR 1,465 thousand (PY: EUR 636 thousand) at December 31, 2017.

Moreover, three additional services contracts for the provision of advertising services exist on the reporting date. Two of these contracts extend until June 30, 2018, while the third contract runs until December 31, 2018. These contracts give rise to obligations for advertising services in the amount of EUR 581 thousand (PY: EUR 249 thousand).

The following table shows the breakdown of the commitments arising from the aforementioned services and advertising contracts broken down by the due dates of the payments to be made:

	12/31/2017 EUR '000	of which payable in		
		up to 1 year EUR '000	1 to 5 years EUR '000	more than 5 years EUR '000
Commitments for distribution services	1,465	1,060	405	0
Commitments for advertising services	581	581	0	0
	2,046	1,641	405	0

	12/31/2016 EUR '000	of which payable in		
		up to 1 year EUR '000	1 to 5 years EUR '000	more than 5 years EUR '000
Commitments for distribution services	636	636	0	0
Commitments for advertising services	249	249	0	0
	885	885	0	0

Trade receivables of EUR 20,380 thousand (PY: EUR 16,825 thousand) had been sold at the reporting date under the terms of two factoring agreements. Following the deduction of the relevant haircuts of EUR 4,792 thousand (PY: EUR 4,010 thousand), there was cash inflow of EUR 15,588 thousand (PY: EUR 12,815 thousand).

Factoring serves to enhance the Company's capital structure and reduce its financing costs. The latent default risks in the stock of receivables have been transferred to the buyer; a default risk is thus excluded. A lasting, constant improvement in liquidity is ensured by the continuous stream of revenues during the course of the year.

(2.19) Legal disputes

In connection with its ordinary business activities, Berentzen-Gruppe Aktiengesellschaft is 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 Berentzen-Gruppe Aktiengesellschaft 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.

At the present time, the Berentzen-Gruppe Aktiengesellschaft does not expect any material adverse effects on its financial position, cash flows and financial performance to result from individual legal disputes. 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 fully covered by the respective risk provisions cannot be ruled out, as a general rule.

(2.20) Derivative financial instruments

Berentzen-Gruppe Aktiengesellschaft is exposed to currency and interest rate risks as part of its commercial activities; derivatives are employed exclusively to hedge such risk.

Contracts for currency hedging instruments are concluded to hedge currency and interest rate risk arising from ongoing commercial activities, and each is recognised individually using the market price that corresponds to their fair value at the reporting date. Any resulting negative valuation result leads to the recognition of a provision for pending losses, which is recognised in the Income Statement, whereas a positive valuation result is not recognised.

The market price of the currency options is determined using the net present value method, under which valuation is based on the daily closing prices or the end-of-month ECB reference prices.

There were no outstanding currency options at December 31, 2017.

(3) Notes to the Income Statement

(3.1) Revenues

Berentzen-Gruppe Aktiengesellschaft generated the following non-consolidated revenues in the 2017 financial year, adjusted for alcohol tax, mainly from sales of spirits:

	2017	2016
	EUR '000	EUR '000
Sales of goods	80,127	80,668
Services affiliated companies	1,886	1,776
Waste recycling	73	86
Rental income	54	53
Other revenues	23	26
Domestic revenues excluding alcohol tax	82,163	82,609
Sales of goods	19,523	18,970
Foreign revenues excluding alcohol tax	19,523	18,970
	101,686	101,579

(3.2) Other operating income

The other operating income breaks down as follows:

	2017	2016
	EUR '000	EUR '000
Income from written-off receivables from affiliated companies	2,250	0
Reversal of provisions	943	829
Currency translation	109	157
Income from compensation of loss or damage	83	38
Cost reimbursements	81	50
Income relating to other periods	67	54
Derecognition of liabilities	42	35
Income from disposal of non-current assets	22	14
Marketing reimbursement licencing partners	11	245
Miscellaneous other operating income	316	389
	3,924	1,811

(3.3) Personnel expenses

Personnel expenses include expenses for pension plans of EUR 109 thousand (PY: EUR-62 thousand).

(3.4) Other operating expenses

The following table shows the breakdown of other operating expenses:

	2017	2016
	EUR '000	EUR '000
Marketing, advertising / trade	11,818	11,645
Transport and selling costs	8,905	8,861
Maintenance	1,271	1,243
Packaging recycling	809	1,007
Other personnel expenses	709	758
Charges, contributions and insurance premiums	685	611
Legal, consulting and auditing costs	664	868
Rents and office costs	504	506
Supervisory Board compensation	248	118
Losses from write-downs on inventories	188	281
Intragroup cost allocations	157	268
Currency translation	77	72
Expenses relating to other reporting periods	18	416
Expenses from increases in specific and general valuation allowances	11	4
Receivables defaults	7	73
Miscellaneous other operating expenses	63	70
	26,134	26,801

(3.5) Financial result and result from participating interests

The income from participating interests of EUR 1,500 thousand (PY: EUR 2,000 thousand) resulted from dividend payments by or the allotment of profit shares of the following affiliated companies:

	2017	2016
	EUR '000	EUR '000
T M P Technic-Marketing-Products GmbH, Linz	1,500	2,000
	1,500	2,000

The income of EUR 49 thousand from profit-and-loss transfer agreements (PY: EUR 47 thousand) mainly stems from profit-and-loss transfer agreements with the following Group companies:

	2017	2016
	EUR '000	EUR '000
Pabst & Richarz Vertriebs GmbH, Minden	49	47
	49	47

EUR 191 thousand (PY: EUR 388 thousand) of the income from other securities and loans of non-current financial assets, and EUR 6 thousand (PY: EUR 6 thousand) of the other interest and similar income results from affiliated companies.

The write-downs on non-current financial assets totalling EUR 4,615 thousand (PY: EUR 2,350 thousand) include impairment losses of EUR 4,613 thousand (PY: EUR 550 thousand) in the book value of a German affiliated company, by reason of an impairment that is expected to be permanent. In the course of liquidation of a foreign subsidiary, additional depreciation in the amount of EUR 2 thousand was recognized, down to the carrying amount of the participating interest. In addition, impairment losses were recognised in a loan granted to a foreign subsidiary, also by reason of an impairment that is expected to be permanent, in the amount of EUR 1,800 thousand.

The expenses from losses absorbed result from profit-and-loss transfer agreements with the following Group companies:

	2017	2016
	EUR '000	EUR '000
Der Berentzen Hof GmbH, Haselünne	462	292
DLS Spirituosen GmbH, Flensburg	289	170
Doornkaat Aktiengesellschaft, Norden	111	112
	862	574

Interest and similar expenses include interest expenses of EUR 2,591 thousand for the corporate bond issued by Berentzen-Gruppe Aktiengesellschaft (PY: EUR 3,250 thousand), interest of EUR 41 thousand payable to affiliated companies (PY: EUR 42 thousand) and expenses of EUR 112 thousand (PY: EUR 123 thousand) arising from the compounding of pension provisions and other provisions.

Income of EUR 109 thousand (PY: EUR 157 thousand) and expenses of EUR 115 thousand (PY: EUR 87 thousand) were recognised from currency translation.

(3.6) Income taxes

The income tax expense of EUR 2,314 thousand shown in the Income Statement (PY: EUR 1,621 thousand) includes tax expenses of EUR 359 thousand from previous years (PY: EUR 5 thousand).

Income taxes of EUR 9 thousand (PY: EUR 25 thousand) arose from the liability of a foreign subsidiary to recognise withholding tax for the payment of loan interest payments to Berentzen-Gruppe Aktiengesellschaft.

The increase in deferred tax liabilities increased tax expenses by an amount of EUR 208 thousand (PY: EUR 111 thousand).

(3.7) Other taxes

Other taxes include property taxes of EUR 41 thousand (PY: EUR 41 thousand) and motor vehicle taxes of EUR 8 thousand (PY: EUR 8 thousand). In addition, back sales taxes of EUR 17 thousand were payable in the 2017 financial year for the financial years 2012 to 2013.

(4) Additional information on the annual financial statements

(4.1) Management 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 2017 financial year:

Name	Position held Responsibilities	Supervisory Board mandates
Ralf Brühöfner Lingen, Germany	Member of the Executive Board of Berentzen-Gruppe Aktiengesellschaft Finance, Controlling, Human Resources, Information Technology, Legal Affairs, Corporate Communications, Investor Relations, Corporate Social Responsibility	Berentzen USA, Inc., Dover / Delaware, United States of America (Board Member, until June 28, 2017) Doornkaat Aktiengesellschaft, Norden, Germany (Deputy Chairman of the Supervisory Board)
Oliver Schwegmann Timmendorfer Strand, Germany (since June 1, 2017)	Member of the Executive Board of Berentzen-Gruppe Aktiengesellschaft Marketing, Sales, Production and Logistics, Purchasing, Research and Development	Doornkaat Aktiengesellschaft, Norden, Germany (Chairman of the Supervisory Board, since September 1, 2017)
Frank Schübel Gräfelting, Germany (until May 19, 2017)	Executive Board Spokesman of Berentzen-Gruppe Aktiengesellschaft Marketing, Sales, Production and Logistics, Purchasing, Corporate Communications, Research and Development, Corporate Social Responsibility	Berentzen USA, Inc., Dover / Delaware, United States of America (Board Member, until March 14, 2017) Doornkaat Aktiengesellschaft, Norden, Germany (Chairman of the Supervisory Board, until August 31, 2017)

The following total compensation within the meaning of Section 285 No. 9 letter a) sentences 1 to 4 HGB or compensation commitments were granted to the members of the Executive Board:

Type of compensation	2017 EUR '000	2016 EUR '000
Non-performance-based components	705	701
Performance-based components	462	930
Total compensation	1,167	1,631
Committed performance-based components with a long-term incentive effect	107	179

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 107 thousand (PY: EUR 179 thousand).

At the present time, Berentzen-Gruppe Aktiengesellschaft refrains from disclosing the compensation 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, 2016, by adopting a resolution to the effect that, in accordance with Section 314 (3) sentence 1 HGB in conjunction with Section 286 (5) sentence 1, the information required by Section 314 (1) No. 6 a) sentence 5-8 HGB and Section 285 No. 9 a) sentence 5-8 HGB will not be disclosed.

Neither Berentzen-Gruppe Aktiengesellschaft nor a subsidiary granted subscription rights or other share-based compensation to members of the Executive Board in financial year 2017, 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 financial year 2017. Furthermore, the total compensation of the Executive Board in financial year 2017 contained no benefits to former members of the Executive Board in connection with the cessation 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 financial year 2017.

No compensation was paid to former members of the Executive Board or their surviving dependents in the 2017 financial year.

Post-employment benefits or total compensation within the meaning of Section 285 No. 9 letter b) HGB were granted to former managing directors- and their survivors- of Group companies to which Berentzen-Gruppe Aktiengesellschaft is the legal successor in the amount of EUR 106 thousand in financial year 2017 (PY: EUR 105 thousand).

As calculated in accordance with Section 253 HGB, the present value of accrued pension obligations for this group of persons amounted to EUR 727 thousand at December 31, 2017 (PY: EUR 767 thousand).

Supervisory Board of Berentzen-Gruppe Aktiengesellschaft

The following persons served as members of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft in the 2017 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 Management SE, Grünwald, Germany, as general partner of AURELIUS Equity Opportunities SE & Co. KGaA, 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) HanseYachts AG, Greifswald, Germany (Chairman of the Supervisory Board)
Frank Schübel Gräfelfing, Germany Deputy Chairman of the Supervisory Board (since May 19, 2017)	Managing Director of TEEKANNE Holding GmbH, Dusseldorf, Germany, as general partner of TEEKANNE GmbH & Co. KG, Dusseldorf, Germany	Berentzen USA, Inc., Dover / Delaware, United States of America (Board Member, until March 14, 2017) Doornkaat Aktiengesellschaft, Norden, Germany (Chairman of the Supervisory Board, until August 31, 2017)
Dr Frank Forster Munich, Germany Deputy Chairman of the Supervisory Board (until May 19, 2017)	General Counsel Group in the Aurelius Group, Aurelius Beteiligungsberatungs AG, private equity firm, Munich, Germany	Aurelius Portfolio Management AG, Munich, Germany (Member of the Supervisory Board) HanseYachts AG, Greifswald, Deutschland (Deputy Chairman of the Supervisory Board)

Name	Position held	Other Supervisory Board mandates
Johannes C.G. Boot London, United Kingdom	Chief Investment Officer of Lotus Aktiengesellschaft, Grünwald, Germany	Deutsche Konsum REIT-AG, Broderstorf, Germany (Member of the Supervisory Board)
Heike Brandt Minden, Germany	Commercial employee at Berentzen-Gruppe Aktiengesellschaft, Haselünne, Germany	
Bernhard Düing Herzlake, Germany	Production Shift Manager at Vivaris Getränke GmbH & Co. KG, Haselünne, Germany	
Adolf Fischer Lähden, Germany	Production employee at Vivaris Getränke GmbH & Co. KG, Haselünne, Germany	
Prof Dr Roland Klose Würzburg, Deutschland (since May 19, 2017)	Professor of Business Administration at FOM University of Economics & Management, Essen / Nuremberg, Germany	
Hendrik H. van der Lof Almelo, The Netherlands (since May 19, 2017)	Managing Director of Via Finis Invest B.V., Almelo, The Netherlands	Monolith N.V., Amsterdam, The Netherlands (Member of the Supervisory Board) TIIN Buy Out and Growth fund B.V., Naarden, The Netherlands (Chairman of the Supervisory Board)
Dr Dirk Markus London, United Kingdom (until May 19, 2017)	Chairman of the Executive Board of AURELIUS Management SE, Grünwald, Germany, as general partner of AURELIUS Equity Opportunities SE & Co. KGaA, private equity firm, Munich, Germany	Deutsche Industrie Grundbesitz AG, Rostock, Germany (Deputy Chairman of the Supervisory Board, since October 18, 2017) Elk Fertighaus GmbH, Schrems, Austria (Deputy Chairman of the Supervisory Board) Obotritia Capital KGaA, Potsdam, Germany (Member of the Supervisory Board)
Dr Martin Schoefer Munich, Germany (until May 19, 2017)	Vice President Human Resources in the Aurelius Group, Aurelius Beteiligungsberatungs AG, private equity firm, Munich, Germany	
Daniël M.G. van Vlaardingen Hilversum, The Netherlands	Managing Director of Monolith Investment Management B.V., Investmentgesellschaft, Amsterdam, The Netherlands	

Total compensation in the amount of EUR 243 thousand (PY: EUR 117 thousand) within the meaning of Section 285 No. 9 letter a) sentence 1-4 HGB was granted to the members of the Supervisory Board in their function as members of the Supervisory Board.

Neither Berentzen-Gruppe Aktiengesellschaft nor a subsidiary granted subscription rights or other share-based compensation to members of the Supervisory Board in financial year 2017, 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 financial year 2017. Furthermore, the total compensation of the Supervisory Board in financial year 2017 contained no benefits to former members of the Supervisory Board in connection with the cessation 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 financial year 2017.

No compensation was granted to former members of the Supervisory Board and their survivors in financial year 2017.

(4.2) Employees

Alongside the members of the Executive Board, Berentzen-Gruppe Aktiengesellschaft employed the following average number of people during the year:

	Annual Average	
	2017	2016
Salaried staff	124	124
Wage-earning staff	72	68
Apprentices	16	19
	212	211

(4.3) Announcements and notifications of changes in voting rights in Berentzen-Gruppe Aktiengesellschaft pursuant to the German Securities Trading Act

The following persons have notified Berentzen-Gruppe Aktiengesellschaft pursuant to Section 33 of the Securities Trading Act (WpHG) in the version in force since January 3, 2018 (WpHG n.v.) or pursuant to Section 21 WpHG o.v. that the share of voting rights of Berentzen-Gruppe Aktiengesellschaft held by the notifying party has fallen below or exceeded certain thresholds stipulated in the Securities Trading Act:

Subject to reporting obligation	Date when a reporting threshold was reached, exceeded, or fallen below	Attribution per WpHG	Attribution via	Voting rights	
				%	No.
Stichting Administratiekantoor Monolith Amsterdam, The Netherlands	April 25, 2016	Section 22 (old version)	Monolith Duitsland B.V.	10.42	1,000,000
MainFirst SICAV Senningerberg, Luxembourg	March 2, 2016			8.50	815,500
Lazard Frères Gestion S.A.S. Paris, France	June 22, 2017			5.07	486,598
PWM Vermögensfondsmandat - DWS Luxembourg, Luxembourg	April 4, 2017			2.98	286,000
	December 18, 2017	Section 22 (old version)		2.98	285,693
	May 5, 2017	Section 22 (old version)		3.00	288,100
Deutsche Asset Management S.A. Luxembourg, Luxembourg	April 4, 2017	Section 22 (old version)		2.98	286,000
	January 19, 2017	Section 22 (old version)	As of January 19, 2017, PWM Vermögensfondsmandat- DWS delegated voting rights to the management company Deutsche Asset Management S.A.	3.13	300,000
Andrew Gibbs United Kingdom	April 3, 2017	Section 22 (old version)	Otus Capital Management Limited Otus Capital Management LP	2.32	223,060
	February 24, 2017	Section 22 (old version)	Otus Capital Management Limited Otus Capital Management LP	4.77	458,274

(4.4) 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 in December 2017. The Declaration of Conformity has been made permanently available on the internet at www.berentzen-gruppe.de/en.

(4.5) List of Shareholdings of Berentzen-Gruppe Aktiengesellschaft**Direct subsidiaries^{1) 4)}**

Name, registered office	Share-holding in %	Equity capital 12/31/2017 EUR '000	Net profit/loss 2017 EUR '000
Berentzen Distillers International GmbH, Haselünne	100.0	287	-4,513
Der Berentzen Hof GmbH, Haselünne ^{2) 3)}	100.0	26	0
DLS Spirituosen GmbH, Flensburg ^{2) 3)}	100.0	2,482	0
Doornkaat Aktiengesellschaft, Norden ^{2) 3)}	100.0	56	0
Pabst & Richarz Vertriebs GmbH, Minden ^{2) 3)}	100.0	33	0
T M P Technic-Marketing-Products GmbH, Linz	100.0	5,549	1,211
Vivaris Getränke GmbH & Co. KG, Haselünne ³⁾	100.0	1,922	-1,604

Indirect subsidiaries^{1) 4)}

Name, registered office	Share-holding in %	Equity capital 12/31/2017 EUR '000	Net profit/loss 2017 EUR '000
Domestic companies			
Berentzen Distillers Asia GmbH, Haselünne	100.0	22	-1
Berentzen Distillers Turkey GmbH, Haselünne	100.0	936	-4,478
Berentzen North America GmbH, Haselünne	100.0	374	130
Foreign companies			
Berentzen Alkollü İckiler Ticaret Limited Sirketi, Istanbul, Republic of Turkey	100.0	1,513	-404

¹⁾ With regard to Section 286 (3) 1 No 1 HGB, affiliated companies and participating interests together with those companies for which the shareholder with unlimited liability is Berentzen-Gruppe Aktiengesellschaft are not disclosed to the extent that they, individually and as a whole, are immaterial for the financial position, cash flows and financial performance of the Company.

²⁾ A profit-and-loss transfer agreement exists with this company.

³⁾ Pursuant to Section 264 (3) HGB or Section 264b HGB, the companies or 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⁾ The listed companies are included in the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft, Haselünne, by way of full consolidation.

(4.6) Total fees paid to the independent auditor

At the annual general meeting of Berentzen-Gruppe Aktiengesellschaft on May 19, 2017, Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Dusseldorf, was elected as the independent auditor of the separate 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 in the 2016 and 2017 financial years:

	2017	2016
	EUR '000	EUR '000
Auditing of financial statements	143	149
Other audit-related services	0	0
Tax advisory services	0	0
Other services	0	0
	143	149

The auditing of financial statements refers to the statutory audit of the separate and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft. In addition, the independent auditor performed a statutory audit of the separate financial statements and audit reviews of the subsidiaries.

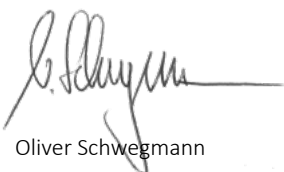
(4.7) Events after the reporting date

No events of particular importance that were not presented in the income statement or statement of financial position occurred after the close of the financial year.

Haselünne, March 8, 2018

Berentzen-Gruppe Aktiengesellschaft

The Executive Board



Oliver Schwegmann

Member of the Executive Board



Ralf Brühöfner

Member of the Executive Board

Statement of Changes in Non-current Assets

	Acquisition or Production Cost				12/31/2017 EUR
	01/01/2017 EUR	Addition EUR	Transfer EUR	Disposal EUR	
I. Intangible assets					
2. Purchased franchises, industrial property rights and similar rights, and licences to such rights	28,618,184.18	120,505.85	46,906.25	0.00	28,785,596.28
3. Goodwill	5,337,480.25	0.00	0.00	0.00	5,337,480.25
4. Advances to suppliers	46,906.25	39,187.50	-46,906.25	0.00	39,187.50
	34,002,570.68	159,693.35	0.00	0.00	34,162,264.03
II. Property, plant and equipment					
1. Land, leasehold rights and buildings, including buildings on land not owned	31,113,707.31	203,295.85	25,774.26	89,007.34	31,253,770.08
2. Technical equipment and machinery	35,010,295.40	334,733.72	517,356.00	77,048.55	35,785,336.57
3. Other equipment, plant and office equipment	3,634,308.17	198,893.04	30,802.11	58,058.68	3,805,944.64
4. Advances to suppliers and construction in progress	573,932.37	513,777.83	-573,932.37	0.00	513,777.83
	70,332,243.25	1,250,700.44	0.00	224,114.57	71,358,829.12
III. Non-current financial assets					
1. Shares in affiliated companies	54,902,917.76	2,250,000.00	0.00	125,585.46	57,027,332.30
2. Loans to affiliated companies	9,149,700.00	0.00	0.00	2,250,000.00	6,899,700.00
3. Participating interests	7,891.83	0.00	0.00	0.00	7,891.83
4. Other loans	1,022.58	0.00	0.00	0.00	1,022.58
	64,061,532.17	2,250,000.00	0.00	2,375,585.46	63,935,946.71
	168,396,346.10	3,660,393.79	0.00	2,599,700.03	169,457,039.86

01/01/2017 EUR	Depreciation and Amortisation			12/31/2017 EUR	Net Book Values	
	Addition EUR	Transfer EUR	Disposal EUR		12/31/2017 EUR	12/31/2016 EUR
28,439,288.87	103,747.01	0.00	0.00	28,543,035.88	242,560.40	178,895.31
5,337,480.25	0.00	0.00	0.00	5,337,480.25	0.00	0.00
0.00	0.00	0.00	0.00	0.00	39,187.50	46,906.25
33,776,769.12	103,747.01	0.00	0.00	33,880,516.13	281,747.90	225,801.56
18,675,736.54	597,260.31	0.00	0.00	19,272,996.85	11,980,773.23	12,437,970.77
27,114,979.68	972,869.61	0.00	77,048.55	28,010,800.74	7,774,535.83	7,895,315.72
3,027,087.85	220,650.71	0.00	57,367.48	3,190,371.08	615,573.56	607,220.32
0.00	0.00	0.00	0.00	0.00	513,777.83	573,932.37
48,817,804.07	1,790,780.63	0.00	134,416.03	50,474,168.67	20,884,660.45	21,514,439.18
24,177,471.64	4,614,887.52	0.00	112,472.98	28,679,886.18	28,347,446.12	30,725,446.12
3,749,698.00	0.00	0.00	2,250,000.00	1,499,698.00	5,400,002.00	5,400,002.00
7,890.83	0.00	0.00	0.00	7,890.83	1.00	1.00
1,021.58	0.00	0.00	0.00	1,021.58	1.00	1.00
27,936,082.05	4,614,887.52	0.00	2,362,472.98	30,188,496.59	33,747,450.12	36,125,450.12
110,530,655.24	6,509,415.16	0.00	2,496,889.01	114,543,181.39	54,913,858.47	57,865,690.86

C. Declarations and Other Information

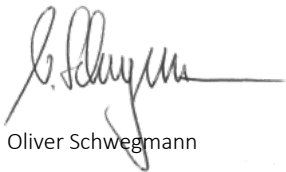
Declaration by the legal representatives

We hereby declare that, to the best of our knowledge, and in accordance with the applicable accounting principles, the annual financial statements provide a true and fair view of the Company's financial position, cash flows and financial performance, and that the Management Report, which has been combined with the Group Management Report, provides a true and fair view of the development and performance of the Company together with a description of the principal opportunities and risks associated with the probable development of the Company.

Haselünne, March 8, 2018

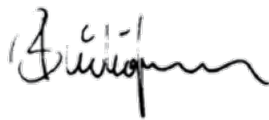
Berentzen-Gruppe Aktiengesellschaft

The Executive Board



Oliver Schwegmann

Member of the Executive Board



Ralf Brühöfner

Member of the Executive Board

Independent Auditor's Report

To Berentzen-Gruppe Aktiengesellschaft

Report on the Audit of the Annual Financial Statements and of the Combined Management Report

Audit Opinions

We have audited the annual financial statements of Berentzen-Gruppe Aktiengesellschaft, Haselünne, which comprise the statement of financial position at 31 December 2017, and the income statement for the period from 1 January 2017 to 31 December 2017, and the notes to the annual financial statements for the 2017 financial year including the recognition and measurement methods presented therein. In addition, we have audited the management report of Berentzen-Gruppe Aktiengesellschaft which is combined with the group management report (hereinafter: combined management report) for the financial year from 1 January 2017 to 31 December 2017. In accordance with the German legal requirements, we have not audited the content of the Statement on Corporate Governance pursuant to Section 289f and Section 315d HGB [Handelsgesetzbuch: German Commercial Code].

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material aspects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2017 and of its financial performance for the financial year from 1 January 2017 to 31 December 2017 in compliance with German Legally Required Accounting Principles, and
- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of the above listed Statement on Corporate Governance pursuant to Section 289f and Section 315d HGB.

Pursuant to Section 322 para. 3 sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the combined management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 January 2017 to 31 December 2017. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon, we do not provide a separate audit opinion on these matters.

In the following, we present the key audit matter in our view.

Our presentation of the key audit matter has been structured as follows:

1. Financial statement risk
2. Audit approach
3. Reference to related disclosures

Assessment of the Impairment of the Shares in Vivaris Getränke GmbH & Co. KG

1. Financial Statement Risk

The annual financial statements as at 31 December 2017 shows under the shares in affiliated companies item, among others, shares in the subsidiary Vivaris Getränke GmbH & Co KG, Haselünne. The shares are accounted for at acquisitions cost. Within the course of the annual impairment test of the shares in affiliated companies, the Management of Berentzen-Gruppe Aktiengesellschaft assessed whether a write-down of the shares in Vivaris Getränke GmbH & Co KG to the lower attributed value is necessary due to permanent impairment. The impairment test was conducted based on a discounted cash flow method, whereby the future cash flows to be discounted were derived from the medium-term plan for the Berentzen-Gruppe Aktiengesellschaft as submitted by the Management of Berentzen-Gruppe Aktiengesellschaft and approved by the Supervisory Board. The Management of Berentzen-Gruppe Aktiengesellschaft concluded that no write-down of the shares in Vivaris Getränke GmbH & Co KG to the lower attributed value due to permanent impairment is necessary.

The result of the measurement of the shares is dependent on the estimation of future cash flows and the discount interest rate used within the discounted cash flow method and is therefore associated with a high degree of estimation uncertainty. Against this background and given Vivaris Getränke GmbH & Co KG's loss history of three years, this matter was of particular importance in our audit.

2. Audit Approach

As part of our audit of the measurement of shares in the subsidiary Vivaris Getränke GmbH & Co KG, among other things, we analysed the methodological approach used for performing the impairment test. Taking into account that even small changes in the discount rate may have a material impact on the result of the impairment test, we assessed the appropriateness of the cost of capital parameters used in the impairment test as at 31 December 2017. In addition, we assessed the appropriateness of the cash flows used in the measurement by comparison with the medium-term planning and by reconciliation with industry-specific market expectations. We discussed the planning assumptions in particular with regard to their feasibility considering the strategic key topic in detail with the responsible management and evaluated selected measures for increasing future cash flows based on additional evidence. We enquired on plan deviations during the reporting period and their reasons, asked for the Company's explanations of their reasons, and considered if the reasons have appropriately been taken into account in the current medium-term planning.

3. Reference to related Disclosures

The Company's disclosures concerning the recognition and measurement methods are included in Section (1) of the notes to the annual financial statements. The direct subsidiaries of the Berentzen-Gruppe Aktiengesellschaft are presented in the list of shareholdings under Section (4.5) of the notes to the annual financial statements. The statement of changes in non-current assets presented in an annex to the notes to the annual financial statements gives an overall presentation of the development of shares in affiliated companies in the financial year 2017.

Other Information

The Management is responsible for the other information. The other information includes:

- the Statement on Corporate Governance pursuant to Section 289f and Section 315d HGB
- the Responsibility Statement pursuant to Section 264 para. 2 sentence 3 HGB regarding the annual financial statements and the Responsibility Statement pursuant to Section 289 para. 1 sentence 5 HGB regarding the combined management report.

Our audit opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and the Supervisory Board for the Annual Financial Statements and the Combined Management Report

The Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in accordance with German Legally Required Accounting Principles. In addition, the Management is responsible for such internal control, as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Management is responsible for assessing the company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances which conflict therewith.

Furthermore, the Management is responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the Management and the reasonableness of estimates made by the Management and related disclosures.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German principles Legally Required Accounting Principles.
- Evaluate the consistency of the combined management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.

- Perform audit procedures on the prospective information presented by the Management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on 19 May 2017. We were engaged by the Supervisory Board on 20 November 2017. We have been the auditor of Berentzen-Gruppe Aktiengesellschaft without interruption since the financial year 2016.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Ronald Rulfs.

Düsseldorf, 9 March 2018

Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft

Dr. Thomas Senger

Ronald Rulfs

Wirtschaftsprüfer

Wirtschaftsprüfer

[German Public Auditor]

[German Public Auditor]

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Financial Calendar 2018

January 11/12, 2018	ODDO BHF Forum in Lyon, France, Lyon Convention Center
February 1, 2018	Publication of preliminary business figures 2017
March 15, 2018	Publication of consolidated and separate financial statements and 2017 Annual Report
April 26, 2018	Publication of the Q1/2018 Interim Report
May 3, 2018	Annual general meeting in Hanover, Germany, Hannover Congress Centrum (HCC), Glashalle
May 15/16, 2018	Equity Forum Spring Conference 2018 in Frankfurt/Main, Germany, Marriott Hotel Frankfurt
August 14, 2018	Publication of the 2018 Group Semiannual Report
October 25, 2018	Publication of the Q3/2018 Interim Report

At March 15, 2018. The financial calendar is provided for information purposes only and will be regularly updated. It is subject to change.

Disclaimer

This report also contains forward-looking statements. These are based on management assumptions, estimates and expectations at the time of this report's publication regarding future company-related developments. They therefore carry risks and uncertainties which are named and explained, particularly (but not exclusively) as part of the management report within the risk and opportunities report and the forecast report. Events and results that actually occur thereafter may therefore significantly differ from the forward-looking statements, both positively and negatively. Many uncertainties and resulting risks are characterised by circumstances that are beyond the control and influence of Berentzen-Gruppe Aktiengesellschaft and cannot be estimated with certainty. These include changing market conditions and their economic development and effect, changes in financial markets and exchange rates, the behaviour of other market actors and competitors and legal changes or political decisions by regulatory and governmental authorities. With regard to the forward-looking statements, unless otherwise required by law, Berentzen-Gruppe Aktiengesellschaft assumes no obligation to make any corrections or adjustments based on facts arising after the time of this report's publication. No guarantee or liability, neither expressed nor implied, is assumed for the currency, accuracy or completeness of the forward-looking statements. The trademarks and other brand names that are used in this report and may be protected by third parties are governed by the provisions of the applicable trademark law and the rights of the registered owners. The copyright and reproduction rights for trademarks and other brand names created by Berentzen-Gruppe Aktiengesellschaft itself remain with the company unless it expressly agrees otherwise.

This report is also available in English translation for information purposes. In case of discrepancies the German version alone is authoritative and takes precedence over the English.

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