

TECHNOLOGIES
INVESTMENTS
DEVELOPMENT

FISCAL 2014/2015 ANNUAL REPORT

FISCAL YEAR 2014/2015

TABLE 01

Income statement, Cash flow statement, Balance sheet, Share, Employees

IFRS	2014/2015	Changes in %	2013/2014	2012/2013	2011/2012	2010/2011
Income statement						
Revenues (EUR million)	934.787	7.4	870.563	782.405	709.323	576.238
Operating profit (EUR million)	91.637	2.9	89.087	81.261	75.105	60.399
Profit from ordinary activity (EUR million)	91.670	2.4	89.519	81.645	75.172	61.008
Earnings after income tax (EUR million)	62.636	0.5	62.343	57.268	51.726	42.002
Cash flow statement						
Cash flow from operating activities (EUR million)	36.967	-53.6	79.670	77.731	38.302	23.728
Cash flow from investing activities (EUR million)	-82.313	28.2	-64.211	-32.447	-36.923	-23.561
Free cash flow (EUR million)	-45.346	-393.3	15.459	45.284	1.379	0.167
Capital spending (EUR million)	84.917	27.0	66.843	34.702	39.513	31.769
Balance sheet						
Capital and reserves (EUR million)	320.306	14.3	280.324	239.013	201.159	165.992
Equity ratio (%)	56.9	-4.2	59.4	58.5	56.3	56.3
Total assets (EUR million)	563.009	19.3	471.800	408.420	357.418	294.843
Share						
Earnings per share (EUR)	6.21	0.3	6.19	5.69	5.14	4.18
Dividend per share (EUR)	2.45 ³	2.1	2.40	2.20	2.00	1.70
Share price on 30 September (EUR) ¹	93.23	-8.0	101.30	93.06	57.50	35.92
Share price, high (EUR) ²	138.70	15.7	119.85	97.00	62.50	59.94
Share price, low (EUR) ²	85.25	-3.8	88.60	57.07	33.00	32.33
Shares outstanding on 30 September (number)	10,143,240	-	10,143,240	10,143,240	10,143,240	10,143,240
Market capitalisation on 30 September (EUR million)	945.7	-8.0	1,027.5	943.9	583.2	364.3
Employees						
Number of employees at Bertrandt Group on 30 September	12,367	7.0	11,561	10,829	9,952	8,603

¹Closing price in Xetra trading.²In Xetra trading.³Dividend proposed by the Management and the Supervisory Board.

MULTIYEAR OVERVIEW

TABLE 02

Consolidated income statement

EUR million	2014/2015	2013/2014	2012/2013	2011/2012	2010/2011
01/10 until 30/09					
Revenues	934.787	870.563	782.405	709.323	576.238
Other internally generated assets	0.472	0.176	0.375	0.483	0.379
Total revenues	935.259	870.739	782.780	709.806	576.617
Other operating income	13.323	13.208	13.043	9.007	8.649
Raw materials and consumables used	-88.089	-71.444	-62.862	-66.126	-55.395
Personnel expenses	-660.357	-624.141	-560.548	-494.047	-399.052
Depreciation	-25.193	-22.234	-19.594	-15.251	-11.353
Other operating expenses	-83.306	-77.041	-71.558	-68.284	-59.067
Operating profit	91.637	89.087	81.261	75.105	60.399
Net finance income	0.033	0.432	0.384	0.067	0.609
Profit from ordinary activities	91.670	89.519	81.645	75.172	61.008
Other taxes	-1.250	-1.220	-1.148	-1.161	-0.930
Earnings before tax	90.420	88.299	80.497	74.011	60.078
Income taxes	-27.784	-25.956	-23.229	-22.285	-18.076
Earnings after income tax	62.636	62.343	57.268	51.726	42.002
– attributable to minority interest	0.017	0.004	0	0	0
– attributable to shareholders of Bertrandt AG	62.619	62.339	57.268	51.726	42.002
Number of shares (million) – diluted/basic, average weighting	10.083	10.076	10.069	10.061	10.049
Earnings per share (EUR) – diluted/basic	6.21	6.19	5.69	5.14	4.18

TABLE 03

Consolidated Balance Sheet

EUR million	30/09/2015	30/09/2014	30/09/2013	30/09/2012	30/09/2011
Assets					
Intangible assets	17.455	15.548	14.262	13.936	11.486
Property, plant and equipment	184.823	132.365	89.488	76.410	56.339
Investment properties	1.608	1.672	1.737	1.803	1.869
Financial assets	8.091	4.885	5.355	6.321	7.951
Receivables and other assets	6.838	7.826	6.921	3.999	2.860
Income tax assets	0.150	0.301	0.446	0.586	0.720
Deferred taxes	3.212	3.717	2.685	2.376	2.521
Non-current assets	222.177	166.314	120.894	105.431	83.746
Inventories	0.558	0.614	0.749	0.560	0.528
Future receivables from construction contracts	139.342	75.081	62.443	58.695	37.927
Receivables and other assets	186.339	188.016	176.900	170.876	135.717
Income tax assets	1.525	0.232	0.181	0.339	0.248
Cash and cash equivalents	13.068	41.543	47.253	21.517	36.677
Current assets	340.832	305.486	287.526	251.987	211.097
Total assets	563.009	471.800	408.420	357.418	294.843
Equity and liabilities					
Issued capital	10.143	10.143	10.143	10.143	10.143
Share premium	28.595	27.734	26.984	26.625	26.625
Retained earnings	246.799	206.323	171.219	138.684	106.651
Consolidated distributable profit	34.083	35.455	30.666	25.706	22.571
Equity attributable to shareholders of Bertrandt AG	319.620	279.655	239.012	201.158	165.990
Minority interests	0.686	0.669	0.001	0.001	0.002
Capital and reserves	320.306	280.324	239.013	201.159	165.992
Provisions	13.039	12.374	9.690	8.914	6.978
Other liabilities	0.278	0.400	0.432	0.464	0.495
Deferred taxes	24.168	17.214	14.138	12.070	10.668
Non-current liabilities	37.485	29.988	24.260	21.448	18.141
Tax provisions	4.171	14.806	14.958	8.936	3.839
Other provisions	54.594	61.210	52.147	50.151	43.921
Borrowings	39.642	0.092	0.221	0.149	0.466
Trade payables	20.444	12.289	10.179	11.208	10.491
Other liabilities	86.367	73.091	67.642	64.367	51.993
Current liabilities	205.218	161.488	145.147	134.811	110.710
Total equity and liabilities	563.009	471.800	408.420	357.418	294.843

TECHNOLOGIES

The demands made of drive system development today are tougher than ever. In its role as a technology specialist, Bertrandt demonstrates the competence it needs to meet development objectives – minimising emissions, maximising efficiency and safety.

___ [READ MORE FROM PAGE 20](#)

INVESTMENTS

Vehicle safety is about more than just robust vehicle bodies and reliable airbags which have been tested using stringent crash test procedures. Vehicle safety is really all about intelligent driver assistance systems which intervene preventively to protect against accidents occurring at all.

___ [READ MORE FROM PAGE 32](#)

DEVELOPMENT

Things that were previously considered progressive and which provided dramatic increases in productivity are now even more efficient than ever – automated equipment is to be made more flexible. Bertrandt helps its customers with a clever software kit.

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SHAREHOLDERS

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better technologies – not less
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WE INVESTED in new technologies and infrastructure in the past fiscal year to expand and deepen our expertise in automotive trends.

84.917

MILLION EUROS FOR
TECHNOLOGIES,
INFRASTRUCTURE
AND SPECIALIST
KNOW HOW

MANAGEMENT BOARD REPORT



DIETMAR BICHLER
Chairman of the Management Board

Dear Shareholders,

The motto of this year's annual report is „Technologies. Investments. Development.“ These three key words have accompanied us throughout the reporting period. „Technologies“ are the driving force behind our business model. They stand for dynamism, the future and progress. „Investments“ in the knowledge of our employees and our infrastructure form the basis for the implementation of technologies which meet market and customer needs. „Development“ stands for technological progress, for our own development work in customer projects and for the ongoing development of our Company.

SUCCESSFUL ONGOING GROWTH

We consolidated our market position even further during the last fiscal year. Once again we were able to increase our key figures. Compared to the previous year our Group revenues were up by 7.4 percent to EUR 934.787 million. Operating profit rose by 2.9 percent to EUR 91.637 million. The Company's equity ratio of 56.9 percent secures our position among the solid companies in the automotive industry. With these firm financial foundations we aim to be a competent and reliable partner for our customers, employees and shareholders.

RECORD LEVEL OF INVESTMENTS

Our financial strength is a key pillar of substantial and sustainable growth. Over the last three years we have invested over EUR 186 million in expanding and deepening our expertise in automotive trends. Almost EUR 85 million of this was spent during the reporting period. Our across-the-board growth in new and existing competence areas enables us to penetrate the development process even further. Would you like to know more? I invite you to take a look behind the scenes and find out more about our development work! Four colleagues report on pages 19 to 48 about technological requirements and solution strategies in safety/connectivity, powertrains and automation.

SPECIALIST KNOW-HOW FOR COMPLEX DEVELOPMENT PROJECTS

The expansion of our product and service range combined with ever more ambitious project business go hand in hand with a growing workforce. We were successful in recruiting more engineers, technicians and commercial employees in the period under review. On the reporting date, 30 September 2015, Bertrandt had 12,367 employees worldwide – in the classic engineering disciplines such as automotive and mechanical engineering as well as in electrical engineering, information technology and software settings. These various employee profiles are reflected in positions which offer a variety of challenges at all levels of the automotive supply chain and which, as a complete vehicle manufacturer, we are able to offer. Beyond developments in the automotive industry we also serve other dynamic industries which are shaped by current trends. Key words such as connectivity or Industry 4.0 represent interesting challenges. Changing demands in complex multidimensional projects provide our specialists with the scope they need in order to make the very most of their expertise. With an attractive package of social benefits and the participation of our employees in the Company's success we are a modern and competitive employer. This has been confirmed once again in the “trends Graduate Barometer 2015 – Engineering Edition”: we are again among the 100 most popular employers in Germany.

INTACT MARKET DRIVERS SUPPORT DEVELOPMENT DEMAND IN TECHNOLOGY INDUSTRIES

The automotive industry is shaped by various drivers. The diversity of models continues to expand. There is also a very high level of technological diversity. These have been triggered by worldwide rules and regulations on emissions as well as on safety and comfort. The connectivity of cars with their environments is becoming increasingly important, too.

“Products will need to continue meeting high technological standards. Our ability to offer products and services from a diverse range of disciplines enables us to meet market trends and support our customers as well as to develop competitive products for every kind of national market.”

DIETMAR BICHLER, Chairman of the Management Board

All of these call for detailed technical knowledge and joined-up thinking throughout product development. In 2014 alone, German manufacturers and suppliers are reported by the VDA to have invested around EUR 34 billion in research and development more than any other industry in Germany. Products will need to continue meeting high technological standards. Our ability to offer products and services from a diverse range of disciplines enables us to meet market trends and support our customers as well as to develop competitive products for every kind of national market. Modern inspection procedures and innovative lightweight developments contribute to reducing emissions. On the way to accident-free driving our test engineers are optimising modern assistance systems. These may be on-board or take the form of forward-looking information derived from the connectivity of vehicles with each other and their infrastructure.

The aerospace industry in Germany is shaped by similar drivers and market players are keen to reduce emissions and enhance safety and comfort. Projections show that the industry can expect stable growth until 2034. At present existing models are being optimised. Alternative materials and new engine technologies will reduce both weight and fuel consumption. Safety and passenger comfort will also continue to be enhanced. Bertrandt is in a good position to support its customers. One focus is on aircraft cabin development.

The key issues in the energy and medical technology industries, the electrical systems/electronics sector or machinery and plant engineering sectors are also characterised by diverse technological contents. The fourth industrial revolution is a shared challenge and was the lead theme at the „Integrated Industry“ Hannover Messe in 2015. With an internally developed miniature production line

exhibited on our stand we were able to demonstrate how several system controls can be usefully networked. It is in this setting that digital production, robots with elaborate sensor technology or computer-aided automation solutions turn development work into a sphere of activity with a real future.

In all these industries the diversity of the Bertrandt Group's products and services offers all our customers tailored all-in solutions throughout the entire product creation process. Our decentralised structure means we are in close contact with our customers at all times. 40 years of group-wide expertise and experience are immediately available locally to customers from Bertrandt's own local subsidiaries. This constellation makes us a reliable partner for current and future tasks at every project phase of development. With our high level of interface expertise we guarantee smooth processes in complex multidimensional projects.

SUSTAINABLE MANAGEMENT CONTINUED

Our aim for our partners is to be a competent partner with great implementation strength. We focus on automotive, aerospace, energy, medical technology, electrical engineering as well as machinery and plant engineering and aim to secure further growth in all these sectors in the future. Our product and service range is therefore consistently aligned with market and customer requirements. We also aim to press ahead with diversification in technical industries beyond the mobile world. In this respect, sustainable and responsible corporate governance are of huge importance to us. Our growth should therefore continue to go hand in hand with flat hierarchies and short decision-making channels.

HIGH DIVIDEND-YIELDING BERTRANDT SHARE

The German equity market was highly volatile during the period under review. This also impacted our share. The share began the fiscal year 2014/2015 modestly, trading at EUR 102.00 and then falling to a low of EUR 85.25 in October. The Bertrandt share benefited alongside the entire European equities market from the good economic data and the ECB's bond purchase programme: On 24 March 2015, the share hit an all-time high since the Company's IPO of EUR 138.70. In the final quarter of the period under review the downwards trend in international stock markets resulted in a substantial fall in the share price – despite the



positive assessments made by analysts. Our share closed on the last day of trading in the fiscal year at EUR 93.23.

With these developments in mind we would like to thank all our shareholders for their financial commitment to the Bertrandt share and for the confidence they have demonstrated in the Company. This year, too, we would like you, our shareholders, to benefit from the Bertrandt Group's good performance. The Management Board and the Supervisory Board have for this reason proposed a higher dividend of EUR 2.45 per share for the 2014/2015 fiscal year.

TECHNOLOGIES. INVESTMENTS. DEVELOPMENT.

In the light of the successful 2014/2015 fiscal year we believe the prospects are good for further growth in a technological and dynamic setting. The focused investments we have made in recent years have laid the firm foundations which will enable us to work with our employees to create added value for our customers and to consolidate our market position. Working from these solid business foundations we aim to continue our good business performance in the coming year based on stable market drivers and the ensuing demand for engineering know-how.

We envisage multi-faceted project scopes and the associated technological requirements arising from trends in environmentally-friendly mobility, comfort, safety and connectivity leading to even closer linkages between engineering specialists and their customers. We therefore wish to remain a strategic partner for our customers and to work together to create important innovations.

We would like to thank our staff for their commitment and our customers, business partners and shareholders for the confidence shown in us.

Yours sincerely,

DIETMAR BICHLER
Chairman of the Management Board

HANS-GERD CLAUS
Member of the Management Board Engineering

MICHAEL LÜCKE
Member of the Management Board Sales

DIETMAR BICHLER
CEO

MARKUS RUF
Member of the Management Board Finance

(from left to right)

SUPERVISORY BOARD REPORT



DR KLAUS BLEYER
Chairman of the Supervisory Board

ACTIVITIES OF THE SUPERVISORY BOARD DURING THE 2014/2015 FINANCIAL YEAR

Bertrandt had a successful 2014/2015 financial year. The Group was able to increase its revenues and earnings, despite mixed economic and industry conditions, and continued to strengthen its market position as engineering service provider and technology group. Capital expenditure again reached a record level in this financial year and was used to develop the Company's technology centres in order to complete the scope of products and services with a focus on its customers' needs.

The Supervisory Board of Bertrandt AG diligently performed its duties in accordance with the law, the Company's Articles of Association and the Board's Rules of Procedure in the year under review. The Board regularly advised the Management Board on the management of the Company and monitored the Management Board's activities on an ongoing basis. The Board was consulted on all the decisions of fundamental importance in a direct and timely manner. Regular briefings by the Management Board in written and oral reports that provided comprehensive and up-to-date information on a regular basis on the strategy, business performance, planning and the risk situation formed the principal basis for fulfilling the statutory supervisory tasks. In the context of its activity the Board ensured that applicable statutory provisions, the Company's Articles of Association and the Rules of Procedure of the Supervisory and Management Boards were complied with.

Collaboration between the Supervisory Board and the Management Board was and is characterised by open and ongoing dialogue. In particular, the consultations between the Chairman of the Supervisory Board and the CEO were in-depth and focused on solutions. The Chairman of the Supervisory Board passed key findings and information obtained from these consultations to the members of the Supervisory Board, thus ensuring that they were up to date on all pertinent matters and given the opportunity to contribute their counsel.

FOCAL POINTS OF THE SUPERVISORY BOARD'S DELIBERATIONS

Throughout the fiscal year, the Supervisory Board monitored the Management Board's actions and provided it with advice. The Supervisory Board received regular reports on Bertrandt's business performance as well as the current market situation and its impact on Bertrandt. In addition to monitoring the business performance of Bertrandt AG and the Bertrandt Group, the Supervisory Board also concerned itself with the performance of individual subsidiaries in and outside Germany. The topics of discussion also included fundamental issues relating to business policy and strategic direction, its implementation in short and medium-term planning as well as risk management and the Company's financing strategy. The Supervisory Board examined the internal control system and satisfied itself of its proper functioning. Moreover, the members of the Supervisory Board were provided with detailed information on the Company's business, financial position, market and competitive situation as well as its personnel situation.

The Supervisory Board held four scheduled meetings during the 2014/2015 financial year: on 8 December 2014, on 18 February 2015, on 13 May 2015 and on 21 September 2015. An additional meeting took place on 14 October 2014. All members of the Supervisory Board took part in these meetings.

In the meeting of 14 October 2014, which was held via telephone, the Supervisory Board resolved to appoint and employ the members of the Management Board, Markus Ruf, Michael Lücke and Hans-Gerd Claus as well as the CEO, Dietmar Bichler for another term of five years following their respective current period of office.

During its meeting on 8 December 2014 the Supervisory Board discussed, amongst other things, the annual financial statements of Bertrandt AG and the Group. Moreover, the Board also approved the resolutions proposed for the annual general meeting which was held on 18 February 2015 in Sindelfingen. Upon the Audit Committee's proposal the Board also deliberated on the proposal for the appointment of the auditor for financial year 2014/2015. The auditor submitted a written statement of independence pursuant to the German Corporate Governance Code. In line with the recommendations of the German Corporate Governance Code, the Supervisory Board also examined the efficiency of its activities and adopted the Corporate Governance Report and the Corporate Governance Declaration pursuant to Section 3.10 German Corporate Governance Code. In the meeting the Supervisory Board also decided on the provision of finance for the planned investing activities.

The topics discussed by the Supervisory Board in the meeting of 18 February 2015 included the planned legislation on the "equal participation of women and men in leadership positions in the private and public sectors". During the meeting of 13 May 2015 the Supervisory Board considered the management board reports and the Act on the equal participation of women and men in leadership positions in the private and public sectors once again. The German Corporate Governance Code was also discussed in the meeting. Further, the Board members received training on the new IFRS and their impacts on the Bertrandt Group.

In the meeting held on 21 September 2015 the Board amongst other matters adopted the group budget for the upcoming financial year and the Declaration of conformity with the German Corporate Governance Code pursuant to Section 161 German Stock Corporation Act (AktG). Moreover, following a recommendation by the Human Resources Committee the Supervisory Board defined the targets for which it is responsible based on the "Act on the equal participation of women and men in leadership positions in the private and public sectors". Further, the Supervisory Board resolved to implement minor adjustments regarding the schedule of responsibilities.

In its meeting of 7 December 2015 the Supervisory Board adopted the present report and requested and authorised the Chairman to sign it.

ORGANISATION AND BUSINESS OF THE COMMITTEES

To perform its duties the Supervisory Board has formed a Human Resources and an Audit Committee. The Human Resources Committee consists of Dr Klaus Bleyer (Committee Chairman), Maximilian Wölfle (Deputy Chairman) and Prof. Dr-Ing. Wilfried Sihm. To increase efficiency, the Human Resources Committee also performs the duties of the Nomination Committee. The Audit Committee is composed of Dr Klaus Bleyer (Committee Chairman), Maximilian Wölfle (Deputy Chairman) and Horst Binnig.

Dr Klaus Bleyer acts as Financial Expert and independent Supervisory Board member with accounting and auditing expertise according to Section 100 (5) AktG.

The Audit Committee held four meetings in the 2014/2015 financial year. In its meeting on 8 December 2014, the Audit Committee in the presence of the auditors dealt with the financial statements of Bertrandt AG and the Group as well as the audit's contents, focal areas and results. Further, the focal areas for next year's audit were adopted. In the conference call meetings on 2 February 2015, 4 May 2015 and 27 July 2015 the Audit Committee discussed, amongst other things, the financial reports to be published soon after these dates with regard to revenues, earnings and cash flow.

The Human Resources Committee met three times in fiscal 2014/2015: on 14 October 2014, 8 December 2014 and on 21 September 2015. In the conference call meeting on 14 October 2014 the Human Resources Committee decided to propose to the Supervisory Board a renewal of the contracts with all the members of the Management Board. In the meeting on 21 September 2015 a recommendation was prepared for the Supervisory Board concerning the stipulations which the Supervisory

Board is required to develop in line with the Act on the equal participation of women and men in leadership positions in the private and public sectors.

CORPORATE GOVERNANCE

Corporate governance is defined as the responsible management and control of companies with the aim of creating long-term added value. In its meetings of 8 December 2014, 13 May 2015 and 21 September 2015 the Supervisory Board dealt with the implementation of the German Corporate Governance Code. In the meeting of 21 September 2015 the Supervisory Board adopted the amended version of the declaration of conformity in accordance with Section 161 AktG. The Company adheres to the recommendations of the Code with only a few exceptions. The deviations are set out in the declaration of conformity. The business report and also, in particular, the declaration of conformity are available for download on the Bertrandt website in the Investor Relations section.

AUDIT OF THE FINANCIAL STATEMENTS

On 18 February 2015, the ordinary Annual General Meeting of Bertrandt AG appointed PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, Stuttgart branch, as the Auditors for the financial statements of fiscal year 2014/2015. The Auditors have audited the annual financial statements and the management report of Bertrandt AG as well as the consolidated financial statements and the management report of the Group for fiscal year 2014/2015 together with the accounting and have issued an unqualified audit opinion.

Following their preparation and in good time before the meeting all Supervisory Board members received the financial statements and management reports for fiscal year 2014/2015, the reports of the Auditors and the proposal of the Management Board for the appropriation of profits. After the Audit Committee had dealt with and prepared the topics, the Supervisory Board dealt with the process of the preparation of the financial statements and the accounting results at its meeting of 7 December 2015. The external Auditors entrusted with the audit of the annual financial statements and the consolidated financial statements participated in the meeting. They reported on the audit as a whole, the focal areas of the audit and relevant audit results. In addition, they answered questions raised by the Supervisory Board. The Supervisory Board raised no objections against the audit.

After having conducted its own review, which did not give rise to any objections, the Supervisory Board noted the annual financial statements prepared by the Management Board, the consolidated financial statements of the Group, the management reports of Bertrandt AG and the Group and the Auditors' report with consent, and approved the annual financial statements and the consolidated financial statements. Thus, the annual financial statements were adopted and the consolidated financial statements approved at the same time. The Supervisory Board followed the proposal of the Management Board to use Bertrandt AG's distributable profit of EUR 34,082,844.42 for the fiscal year 2013/2014 to pay a dividend of EUR 2.45 per qualified share, and carry forward the remaining amount of EUR 9,231,906.42 to the next financial year.

ACKNOWLEDGEMENT

The Supervisory Board thanks the Management Board and all employees of the Bertrandt Group in Germany and abroad for their work in the year under review. Thanks to their great dedication, Bertrandt is enabled to continue its successful performance.

Ehningen, 7 December 2015

DR KLAUS BLEYER
Chairman of the Supervisory Board

MEMBERS OF THE SUPERVISORY BOARD OF BERTRANDT AG:

Dr Klaus Bleyer
Chairman of the Supervisory Board

Maximilian Wölfle
Deputy Chairman of the Supervisory Board

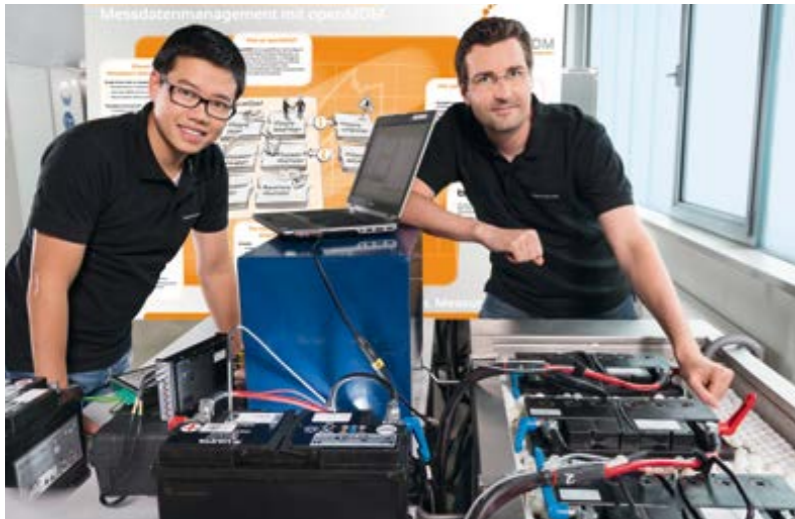
Horst Binnig

Prof. Dr-Ing. Wilfried Sihm

Stefanie Blumenauer
Employee representative

Astrid Fleischer
Employee representative

HIGHLIGHTS OF THE YEAR



OCTOBER 2014 BERTRANDT JOINS THE ECLIPSE FOUNDATION

Bertrandt has been an active member of the Eclipse Foundation's openMDM® Working Group since October 2014. Carmakers AUDI AG, BMW Group and Daimler AG have formed a working group with suppliers and software firms under the aegis of the Eclipse Foundation. The aim is to pursue the development of open source tools for the professional management of measurement data in order to collate and make available increasingly large volumes of data derived from various test systems for analysis, administration and archiving.

NOVEMBER 2014 BERTRANDT FRANCE RECEIVES AWARD FOR ITS COMMITMENT TO APPRENTICESHIP TRAINING

The Essonne Chamber of Commerce and Industry presented Bertrandt Bièvres with an award for its special commitment to training – including for its new CAD designer apprenticeship. The new training course, run jointly by Bertrandt and the Lycée Diderot vocational college in Paris, provides young CAD designers with insight into issues relating to the design of modern vehicles.

DECEMBER 2014 "CHANGE. KNOWLEDGE. GROWTH": FINANCIAL STATEMENTS PRESS CONFERENCE FOR THE 2013/2014 FISCAL YEAR

The Bertrandt Group continued on its growth trajectory in the 2013/2014 fiscal year. This growth rests firmly on increased customer demand, expanded capacities in existing and new capacities in future-oriented trends as well as high levels of capacity utilisation. The Group's growth is also apparent in the number of new jobs for specialists created by the Company: At the end of the fiscal year, the Company had 11,561 employees.



FEBRUARY 2015 ANNUAL GENERAL MEETING OF BERTRANDT AG

The Chairman of the Management Board Dietmar Bichler presented the 2013/2014 annual report to the Annual General Meeting of Bertrandt AG in Sindelfingen on 18 February 2015. He looked back on a successful financial year in which all the key financial indicators improved. It was a year in which a record volume of investments was made. The dividend per share increased to EUR 2.40. The Management Board provided a summary review of the first quarter of 2014/2015 which saw equally strong growth.

MARCH 2015 BERTRANDT AT THE 3RD INTERNATIONAL CONGRESS AUTOMOTIVE WIRE HARNESS

Manufacturers, suppliers and engineering service providers presented their on-board power supply expertise in Ludwigsburg on 24 and 25 March. Top themes included the use of aluminium in on-board power systems, new collaborative models in on-board power supply development and the requirements which on-board power supply components on engines will need to meet in the future. Bertrandt's Electronics Competence Centre was there to present its latest work to interested visitors.

APRIL 2015 BERTRANDT AT THE HANOVER FAIR 2015

Bertrandt again invited visitors to this year's Hanover Fair where the focus was on automation. An internally developed, fully-automated in-line assembly system was used to demonstrate multi-step processes in which each process step is linked by means of a robotics control system. The highlight is an add-on safety feature which enables sensitive areas to be screened off completely automatically.



JUNE 2015 BERTRANDT EXPANDS IN MÖNSHEIM

The new test centre in Mönsheim went into operation. Bertrandt can now offer testing services for complete vehicles and vehicle components on an area of 6,000 m². Test services cover environmental simulations, e-mobility and drive/motor components. In close cooperation with the Bertrandt Technikum in Ehningen the Company is now able to develop components and modules into complete vehicles in Mönsheim.

AUGUST 2015 CAREER START AT BERTRANDT WOLFSBURG

23 apprentices launched into their professional careers after successfully completing their training with Bertrandt in Tappenbeck near Wolfsburg. All 23 were taken on by Bertrandt. From commercial industry specialists through to electronics engineers for equipment and systems and technical product designers, the subsidiary in Wolfsburg now provides training in eleven recognised trades and professional fields as well as dual university/firm-based degree courses. Bertrandt not only offers interesting opportunities and career prospects for young people who are just beginning their working lives, it also benefits from outstandingly well trained young staff along the entire product development value chain.



SEPTEMBER 2015 IAA 2015: REGIONAL POLITICIANS FROM THE STATE OF BADEN- WÜRTTEMBERG VISIT BERTRANDT

Members of the Management Board welcomed three high-ranking representatives from the State of Baden-Württemberg to Bertrandt AG's stand on the first day of the trade fair: The Minister of Finance and Economics, Dr Nils Schmid, visited Bertrandt on Thursday 17 September. The Minister-President of Baden-Württemberg, Winfried Kretschmann and Minister of Transport Winfried Hermann were present on 18 September to find out more about the latest technology trends in the industry and the prospects for growth in the Bertrandt Group. Highlights at the Bertrandt stand included two exhibits which were developed in-house: a driving-feel simulator and a gesture control system.



TECHNOLOGIES

**PERSUASIVE END-TO-END
SOLUTIONS DEPEND ON BETTER
TECHNOLOGIES – NOT LESS**

Developing more efficient powertrains with lower emissions more quickly – this was the hat trick achieved by Bertrandt's powertrain department in Munich.

“

The powertrain is the heart of the car”. That’s how Stefan Koch sums up the work of Bertrandt’s “Powertrain development” department. The powertrain, or drive train, is how automotive engineers refer to all the vehicle components which generate and transmit power for propulsion to the wheels, from the engine through to auxiliaries, peripherals, transmission and final drive. Alongside Stefan Koch’s own department two others, “Test bench operation” and “Electrified drives”, are also involved. All three concentrate on the “heart of the car” for BMW, their main Munich-based customer.

RESPONSIBLE FOR COMPLETE PACKAGES

The department’s tasks and workload are currently undergoing significant changes. This can be illustrated by one example in particular. In the past, engineers were tasked with projects like providing “design support for water pumps”. “Today, it’s not support for a particular component which is required, but the complete development of the cooling circuit with radiator, tubes, pumps and coolant, including thermal management,” reports Koch. The working methods of Bertrandt’s engineers have thus changed completely. This trend of using Bertrandt’s know-how for “complete packages” not only means that the scope of orders expands in volume terms. It also means that tasks are now so complex that team engineers themselves have to identify the project structures which ensure that the required outcome is achieved at the agreed time and to the very highest standards of quality.

The work is no longer limited to the development phase alone. Teams now have to carry out in-depth tests on all the subsystems which have been developed as well. Even at this early stage, they need to bear in mind industrial and production processes: can the system components be easily and quickly assembled? It is also important to look ahead when selecting the materials. “Our engineers are familiar with end-of-life legislation. This is important as it should be possible to sensibly recycle a vehicle once it has reached the end of its useful life,” is the example Stefan Koch cites. The team has to consult and coordinate with the system suppliers, of course, in order to identify the supplier which can deliver the best quality components and manufacture them most cost efficiently.

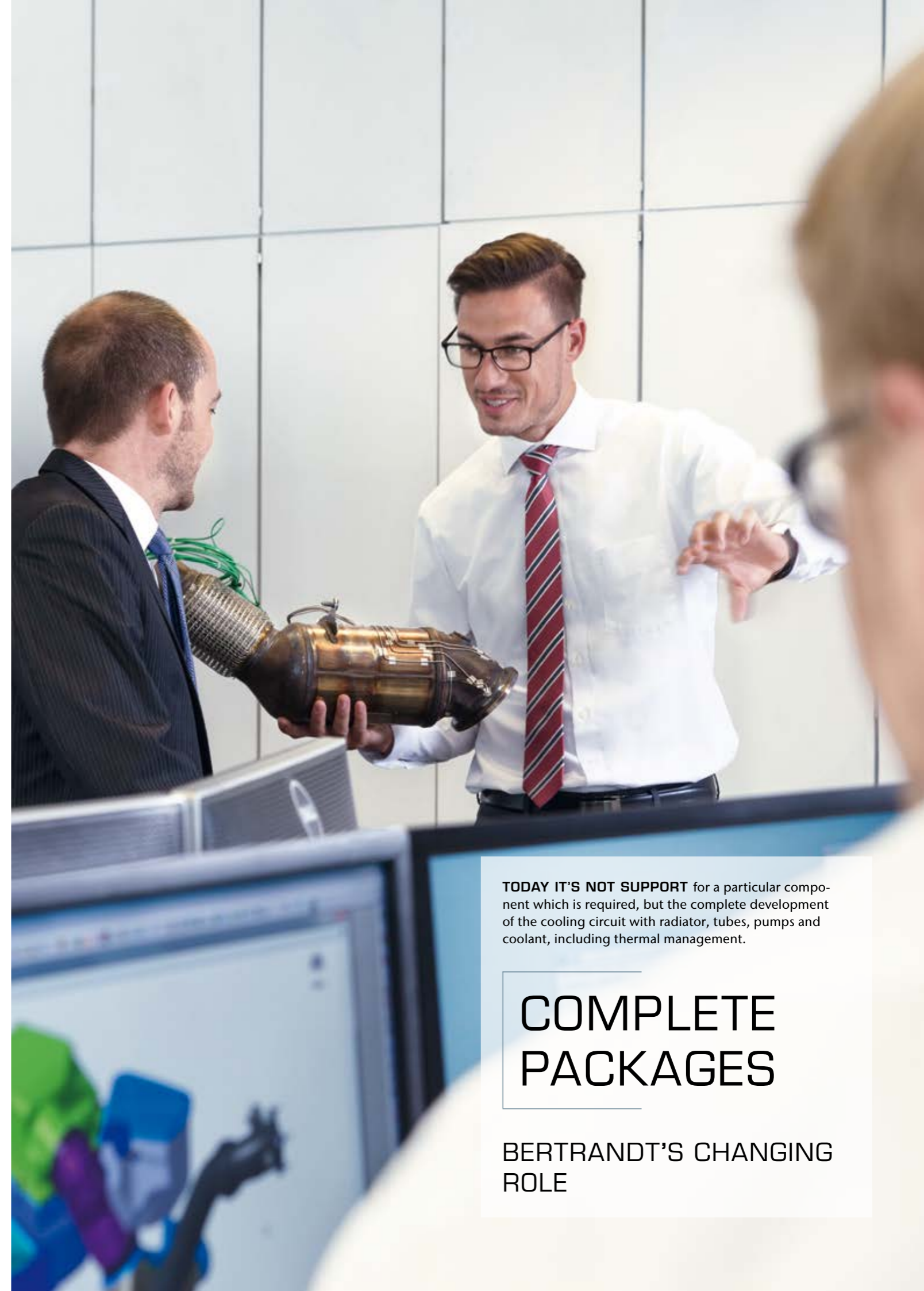
KEEPING THE BIG PICTURE IN MIND – THINKING IN SYSTEMS

It is not surprising then that the department not only has “classic” engineers but also has production or quality engineers working in it. According to Stefan Koch, integrated, systemic thinking needs to encompass the entire engineering process: “Of course component testing is about validating functions. It’s only when results have been fed back to the people working on the design and development that they can possibly know whether their calculations actually tally with test values. The engineers, on the other hand, think very carefully about how a particular function can be implemented.”

This means that it is precisely this function which must be tested right across the entire service life of the product. The department has developed monitoring tools for this feedback process which can be used by all project team members. As a result, any member of the team can see immediately whether the driving performance and consumption values are already available at the test stands, for example. These can then be compared with the values identified in the simulation in order to determine the precision of the simulation model.

Right: Drive system development begins at Bertrandt with CAD design and simulation.

Below: Then the developed subsystems are thoroughly tested.



TODAY IT’S NOT SUPPORT for a particular component which is required, but the complete development of the cooling circuit with radiator, tubes, pumps and coolant, including thermal management.

COMPLETE PACKAGES

BERTRANDT’S CHANGING ROLE



FOR MANY DECADES all that was available was a diesel or petrol engine. This meagre choice between two different types of combustion engine has now been consigned to history.

DRIVE VARIETY

E-DRIVE, FUEL CELL,
HYBRID ...

This is what Stefan Koch means by “keeping the big picture in mind”. He has set up a whole series of structures in his department which help people to do just that. For example, there are working parties in which mechanical and automotive engineers exchange ideas with electrical engineering colleagues. “We are happy for electrical engineers to join and contribute any ideas they may have to the development team.”

Just how important a systemic approach is for the generation of good solutions is illustrated by one drive strategy in particular, namely downsizing. Downsizing is about reducing cylinder capacity and/or the number of cylinders. Until recently this development route was considered to be the most economic means of boosting the efficiency of combustion engines.

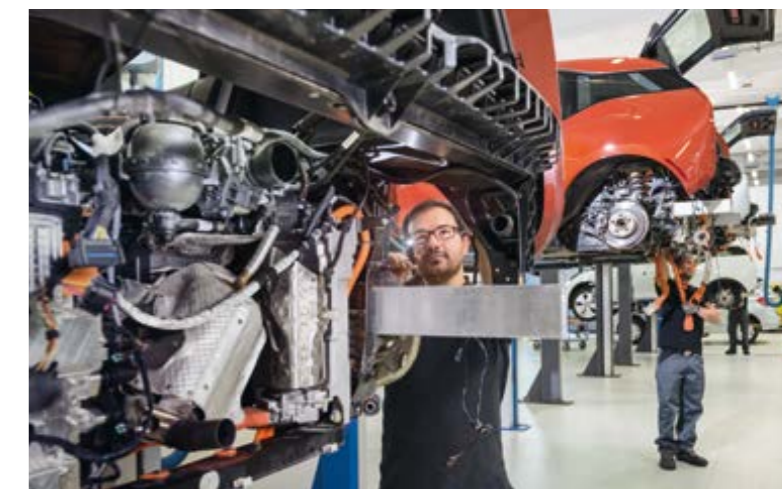
However, in order to get sufficient performance from these smaller and lighter machines their operating pressures must be increased or their power density increased by means of a turbo charger, for example. Nonetheless, this approach is not always feasible. Higher temperatures in particular put more strain on the engines. In fact, they get so hot that engineers have to take action such as modify the cooling. This then results in some of the gains in efficiency being immediately lost again.

APPLYING ENGINEERS' OWN IDEAS

The fact that the projects entrusted to Bertrandt's teams are becoming increasingly complex and comprehensive is something which Stefan Koch regards as both an opportunity and a challenge. “Many colleagues realise that they have much greater creative freedom with Bertrandt and can make better use of their engineering know-how than might be the case at an OEM”. In his opinion the real difference is that “OEMs tend to set tasks and also define the objective and way of getting there. At Bertrandt the only thing which is fixed in advance is the objective and the time by which it needs to be achieved. In other words, engineers are free to decide themselves how they actually

“We compare different drive concepts for the customer to provide them with the information they need in order to decide what kind of drive should be used.”

STEFAN KOCH, Head of the powertrain development department



⊥ Top: Drive testing at Bertrandt.

→ Left: Hybrid powertrains with combustion engines are also developed in Stefan Koch's department.

KEEPING TRACK OF THE VARIETY OF DRIVES

For many decades all that was available was a diesel or petrol engine. This meagre choice between two different types of combustion engine has now been consigned to history. There is now a diversity of concepts in addition to combustion engine-based drives, including a wide variety of different ideas for electric vehicles. Or electric motors used in combination with combustion engines as hybrid drive for more efficient dynamism. In these hybrid vehicles the combustion engine is the main source of propulsion with the additional electric motor providing initial acceleration, peak performance and recuperation of energy from braking. Alternatively, the combustion engine may only be used to generate enough electrical energy for longer journeys while the electric motor propels the wheels.



⌞ Top: Bertrandt always looks very closely at discrepancies between simulation values and prototype trials on test benches.

Stefan Koch gladly admits to having “petrol in my blood”. As head of the powertrain development department, however, he takes a more detached view of the “best” drive. “Electric vehicles have real advantages in towns. Having said that, I still believe there are some areas in which the combustion engine is by far the best solution.”

Bertrandt's team in Munich compares different drive concepts for the customer so that it can provide them with the information they need in order to decide what kind of drive should be used. The ultimate decision is then taken by the customer. The concept which comes out top in the end is a matter of competition between the different disciplines. “As an engineer I prefer the most technically complex option. The commercial experts, on the other hand, consider which type can be best marketed. The people who are most concerned with manufacturing costs will probably say to the engineer, 'well, your preference may be technically superb, but it is so expensive to build that nobody will ever buy it'.” This scenario describes the constant challenge which engineers confront in finding a convincing overall solution in the development of powertrains. “What we do is carry out a technical evaluation of the drive concept in the context of cost.”

ASSESSING VEHICLE PERFORMANCE, EFFICIENCY AND EMISSIONS IN SIMULATIONS

One of the most important tools for the technical evaluation of a drive concept is simulation. Simulation techniques were first used in automotive engineering to examine crash behaviour, for example. This is done using a mathematical model of a component along with its physical characteristics, such as stiffness and strength. Simulations allow engineers to predict how a component will physically respond to an accident under the impact of a defined force.

“The situation with drives is more complicated,” explains Stefan Koch. The reason: The drive consists of many different parts. And the drive is not subject to just one force, but to many different forces. In other words, a simulation model which, for example, is intended to provide information about the driving performance values, consumption and emissions of a powertrain in a particular vehicle model of a defined size, weight and aerodynamic drag is enormously complex. Calculations on this scale can only be reliably carried out using high-performance software tools. This is why the department's simulation experts use modern simulation tools, such as the GT Suite offered by Gamma Technologies, which is the leading provider in this field.

“Electric vehicles have real advantages in towns. There are some areas, however, in which the combustion engine is by far the best solution.”

STEFAN KOCH, Head of the powertrain development department

The differences between the values produced by the simulation and those for the first real prototypes as determined on test stands are astonishingly small. It is already possible to reduce the deviations between the values measured in reality and those in simulations to just five to ten percent. Simulation values also move closer to the actual values the further the development work progresses and the more components there are in the powertrain which are already being used in other vehicles.

The results are less accurate for completely new drive concepts. Nonetheless, an “overall trend”, as Stefan Koch puts it, can be identified and the most important advantage in his mind is that it is now also possible to test even unconventional solutions relatively quickly by simulating their potential in terms of driving dynamism and expected consumption without building and carrying out extensive trials on expensive prototype parts.

EXTENSIVE TESTING – BUT ALWAYS STANDARDISED

The final trial phase in an engineering project is the real litmus test: have the development objectives been met? Does the system or subsystem which is being examined function stably under all test conditions across its entire service life? At the same time, Stefan Koch is keen to emphasise that test procedures such as these should be as standardised as possible. Only then can current results be compared with earlier series of measurements and “only then”, he qualifies, “can I know just how much better I have got”. However, it is just as important to understand the measurement technology.



“Test procedures must be as standardised as possible. Only then can the results be compared with earlier series of measurements. And only then can I know how much better I have got.”

STEFAN KOCH, Head of the powertrain development department

The measuring sensors used at different Bertrandt locations are a good example. The powertrain development departments have compared the hardware that is being used at different locations: Does sensor A need to be calibrated more often than sensor B? How great are the differences in measurements produced by the same kind of sensors which originate from different suppliers? Questions such as these add to an overall understanding throughout the Group as a whole about what different test procedures are designed to determine and whether the results in each case are really reliable.

EVOLUTION AND COEXISTENCE RATHER THAN GREAT LEAPS FORWARD

Stefan Koch believes there is still plenty of scope for further improvements. His credo is: “Getting the most out of every component by using lightweight design, selecting the right materials, optimising frictions, and control strategies.” He does not expect to see breakthrough transformations in combustion engines: “There are no fundamental changes which we can make in the combustion process. This process will not really change.” It is in engine control that he perceives the most lucrative opportunities for continuous improvement. “We now have more precise sensor technology, faster controllers and more complex mechanics, such as the variable valve timing, in the cars of today.”

For him these are the ingredients which will enable his team to reduce emissions levels and bring consumption down much lower, although – and, with petrol in his blood, this goes without saying – driving should still remain a pleasure.

The area where he believes the most important changes can be made in hybrid drive concepts is elaborating the optimum operating strategy which will ensure that these technically demanding drive variants also produce dividends in the form of greater efficiency. The reason why he is pleased about the e-drive option is not simply because it is “good for the environment” to have an electric variant as well. He also thinks that emission-free driving and the fact that an e-drive is much quieter at inner-city speeds are also important advantages. Nevertheless, it is important not to forget that “not everyone lives in Munich in a detached house with a socket in their garage.” There need to be infrastructure-based as well as financial purchasing incentives – a problem that is particularly apparent in relation to the technically lucrative application of combustion engines which use hydrogen as fuel.

SAME SYSTEMS – NEW REQUIREMENTS

It is not only technical challenges which need to be mastered. Legislators are also presenting automotive manufacturers, and as a result engineering partners such as Bertrandt, with completely new tasks, for example through tougher emission laws. The new WLTP (“Worldwide harmonized light vehicles test procedure”) and the Euro 6c emissions standard will come into effect in 2017, for example. The purpose of both is to standardise the actual driving cycle worldwide and to define the measurement procedure in such a way that the determined consumption values better reflect the fuel which is actually consumed by consumers in their everyday driving. This will be done by determining real driving emissions (RDE) with the aid of mobile measurement technology on board the vehicle as it drives on the road. This also means that, in the future, all components will be evaluated and optimised in terms of their influence on consumption and emissions in every possible driving situation.

Stating two powertrain subsystems, the cooling and automated transmission systems, as an example, the engineer explains how development tasks can change fundamentally with the objectives of energy efficiency, lower consumption and minimisation of emissions on the one hand and the arrival of new drive concepts on the other.



⊥ Top: Selective catalytic reduction is one technical means of reducing unwanted emissions.
 ⇨ Left: Test procedures at Bertrandt are constantly being re-evaluated and optimised.

“In the past, the purpose of the cooling system was simply to absorb heat from the drive units to ensure they did not overheat. Today, the watchword is thermal management.”

STEFAN KOCH, Head of the powertrain development department

In the past, the purpose of the cooling system was simply to absorb heat from the drive units to ensure they did not overheat. Today, the watchword is thermal management. There's a good reason for this: “Unused heat is wasted energy,” and, when Stefan Koch says “wasted” it sounds as tough as superfluous. Instead of squandering energy, it is better to make productive use of waste heat. The only thing it has been used for in the past is to heat the inside of vehicles during the colder months of the year. Now, however, the treatment of exhaust using catalytic converters and e-motors have opened up whole new promising uses for heat absorbers for development engineers: a high-voltage battery works best at constant temperatures and catalytic converters function with optimum efficiency when a certain temperature of operation has been reached. While developers previously only thought in terms of how they could get rid of heat as quickly as possible, they are now working on sophisticated heat transfer paths and ways of making the most efficient possible use of the energy produced by a running combustion engine. ⊥



- ⊥ **Top:** The aqueous urea solution AdBlue is added at a special test stand to reduce the nitrogen oxides in exhaust gas.
- └ **Right:** One thing's certain at Bertrandt – efficient and strong engines are our passion.

A similarly significant transformation is taking place in the development of transmissions: Modern automated transmissions with eight or even nine gears allow combustion engines to be used with a degree of ease – so that they are hardly even noticed – and efficiency that even highly skilled drivers would be unable to achieve with a manual gearbox.

On the other hand, automatic transmissions of this kind with eight or nine gear steps are mechanisms which pose a considerable engineering challenge for engineers who are keen to minimise friction as far as they can.

SHORTER DEVELOPMENT CYCLES CALL FOR PARTNERS WITH KNOW-HOW FOR THE ENTIRE VEHICLE

With this in mind it can only be good that electric motors produce practically consistent torque throughout the entire power range. Stefan Koch already knows what's coming, and answers with a smile: "Well, we will still need transmissions, at least to reverse." More seriously, however, his answer relates to the new drive concepts. In contrast to the combustion engine, an electric motor is

fantastic when it comes to recovering the energy which is produced when the vehicle brakes rather than "losing" it as excess heat on the brake discs. Instead, the electric motor is switched into a generator which charges up the battery. The technical term is recuperation. However, in some cases, the optimal gear ratios for propulsion and recuperation are difficult to reconcile.

At the end of the conversation, Stefan Koch sums up: "In times when development cycles are becoming ever shorter, automotive manufacturers need partners who are able to support them throughout this process. The distributed nature of our operations provides us with an excellent understanding of our customers' needs and processes. And our customers are seeking partners they can work with on an equal footing: partners who are able to develop complete vehicles, subsystems or vehicle derivatives. That, in turn, is only possible with partners who have know-how relating to the entire vehicle. Which is precisely what we at Bertrandt have." ─



SIMULATION VALUES move closer to the actual values the further the development work progresses and the more components there are in the engine variants which are already being used in other vehicles.

5-10 %

DEVIATION BETWEEN
SIMULATED AND REAL
MEASURED VALUES.

**INVESTMENTS****SAFE AND SOUND – ON THE ROAD AND ON THE WEB**

The next milestones in vehicle safety are autonomous driving, vision zero and protected connectivity. Experts at Bertrandt are working today on the issues of tomorrow.



- ⊥ **Top:** If the vehicle in front of you cuts in too close or brakes suddenly, the emergency brake assistant intervenes and brings the vehicle to a halt.
- ⊥ **Right:** The system recognises pedestrians as well as other vehicles.

It is one of the most unpleasant driving situations when driving in congested traffic: struggling to keep your distance from the car up ahead when suddenly an impatient fellow road user overtakes on the right and swerves back immediately on to the left-hand lane. Manoeuvres of this kind can be dangerous – especially when the traffic up ahead brakes hard to avoid other cars which are slowing into a queue and the safety distance between you and the overtaking vehicle is suddenly shortened.

In situations such as these, driving experience, sound judgement and a cool head are all required. How hard do I need to brake to make sure I don't collide with the car in front? How close is the next vehicle behind me? The trick is to brake carefully but firmly and quickly enough.

Assistance systems have been helping drivers in just such critical situations for many years now. In the case described here, for example, an emergency brake assistant with sensor technology which maintains the same distance between you and the vehicle in front. A system which keeps tabs on your own speed as well as that of the other car. This data is used to perform continuous calculations of whether the distance and difference in speed is still safe or whether a critical threshold has been reached and only a decisive emergency braking manoeuvre can prevent a real accident from occurring.

The early generations of these emergency brake assistants would have been hopelessly overstretched by the situation described here. One scenario which engineers have had in mind, for example, is when an inattentive truck driver approaches a queue and drives straight into another truck which has already come to a halt without braking. The sensor technology localises the stationary obstacles, warns the driver and, in an extreme case where the driver fails to respond, brakes hard.

The difference in the performance of current emergency brake systems is not just to do with the sensor technology. What makes the latest generation of electronic assistants both much better and so much more useful, is the software – in other words, the automatic interpretation of the sensor data: What exactly is an obstacle? What does it look like? How big must it be? How is it moving? If the answer to all these questions is: "It's a truck ahead which has just braked really hard," the assistant calculates in a flash to what extent the situation has escalated. Should it inform the driver? Should it just give a warning or is it time to brake automatically?

"b.RABBIT" FOR SAFE ASSISTANCE SYSTEMS

Even a cursory glance at Kai Golowko's team at Bertrandt on the test track reveals that this is where engineers are living their childhood dreams. A go-kart with a mighty "rucksack" in the shape of car rear end is racing along the track. The vehicle is being driven by remote control from the edge of the track. Some distance behind the go-kart follows a black Audi A7. Then, all of a sudden, the go-kart changes lane right in front of the limousine. Both vehicles are moving at a typical congestion convoy speed of around 50 km/h. Then comes the critical moment: the go-kart brakes abruptly which, because it is so light at just 200 kilogrammes, means that the following limousine is stretched to the limit and beyond. However, the assistance function is up to the task and the limousine comes to a halt around two metres behind the go-kart.



FOR THE ONGOING DEVELOPMENT, validation and approval of driver assistance functions Bertrandt has now produced a mobile referencing system. It enables the position of objects in the vehicle's environment, such as pedestrians or cyclists, to be recorded with absolute precision.

b.MOVE

DETECTING OBJECTS
AROUND THE VEHICLE.



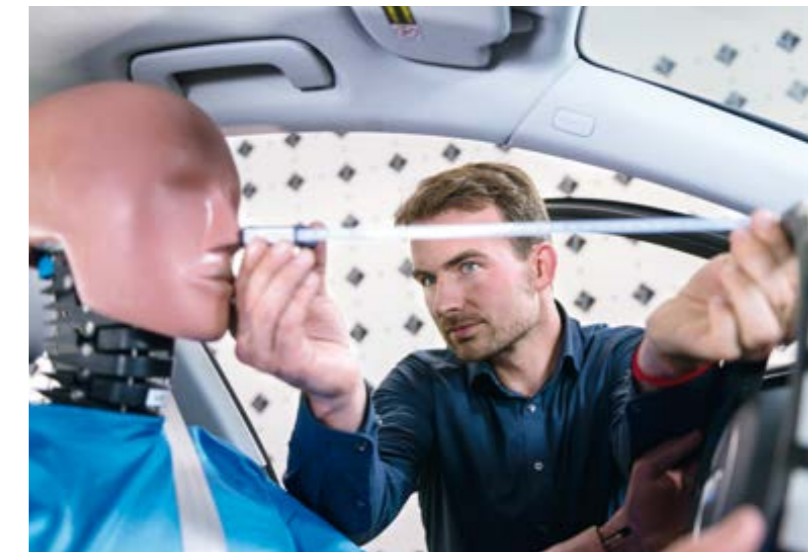
This is not the place for a show of technology prowess. This is where Kai Golowko's team are perfecting a test system which is designed to sound out the driver assistance system. An extremely challenging task. How do you test the brake functions? Well, that's something that anyone who has taken their car in for a roadworthiness test will know. The braking performance is measured individually on all four wheels on a roller dynamometer. But how do you check whether the new generation of emergency brake assistants are working reliably and appropriately? Just measuring deceleration values is not enough. The decisive question is: does the assistant work properly in every possible conceivable situation?

Kai Golowko and his engineers have developed the "b.rabbit" go-kart for just this purpose – initially in the form of an immobile polystyrene block on the track which reflected the rays from the radar sensors and was designed to force the test vehicle to carry out emergency braking.

Then the point came at which the assistants were so smart that they no longer recognised "b.rabbit 1.0" as a car – the block-like silhouette simply didn't look enough like a car. The engineers had already told the software in the assistance systems what cars looked like. And in no time the systems refused to accept "rabbits", which did nothing but sit there motionless. Golowko's team mobilised "b.rabbit" to perform agile testing on the assistance systems' advanced functions.

Kai Golowko's prediction was that "the new systems would very quickly recognise that the speed with which "b.rabbit" could accelerate and slow down again was not the same as the driving dynamism of a car." When that happened it was high time for his team to have "b.rabbit 4.0" up and ready to go in order to put more emergency braking systems through their paces in realistic situations which are nonetheless safe for the test personnel and for the materials. Unfortunately, gestures the engineer, the "rabbits" only have a useful life of between "six and nine months".

What makes this rabbit hunt so different is that the rabbit isn't actually chased at all. It's the assistance system that comes under strain in determining whether it is mature enough for everyday situations on the road. That, after all, is the test mission which Bertrandt's driving safety specialists are trying to clarify with the help of the "b.rabbit".



⊥ Top: Preparations with a crash vehicle.
→ Left: The first function tests on driver assistance systems on a HiL test rig.

KEY ISSUE: EXCLUDING MALFUNCTIONS

The non-expert tends to think as soon as a technical system works reliably it is certified as ready for production. But what is actually meant by reliable? This is where Kai Golowko gets right down to the essentials: "The most important thing for us is to prevent the system activating when it shouldn't". If a defensive car driver thinks it is better to err on the side of braking too much rather than too little, Golowko defines his safety philosophy the other way around: an assistance system like the autonomous emergency braking system should, of course, prevent accidents. Ideally, this means that the system should respond every time the electronics and sensors detect that the danger of a collision is unavoidable unless the vehicle brakes hard and immediately. But if a system can be tricked into braking at the wrong moment emergency braking can, in the worst possible case, provoke a multiple-vehicle collision – with all the potential for major injuries and difficult legal issues which such a pile-up might cause.

NEW VEHICLE FUNCTIONS call for tailored concepts which enable sound validation using Hardware in the Loop (HiL) test rigs.

HiL

TEST SCOPE FOR DRIVER ASSISTANCE, COMFORT AND DRIVE FUNCTIONS.

"The most important thing for us is to prevent the system activating when it shouldn't"

KAI GOLOWKO, Head of the integrated vehicle safety department



- ⊥ **Top:** Modern driver assistance systems not only detect other vehicles and pedestrians, they can also recognise traffic signs.
- └ **Right:** The functioning of driver assistance systems is laboratory tested in Ralf Schoenen's department.

In Ingolstadt Kai Golowko is responsible for ensuring that all newly developed safety systems function so well that they can be given the seal of approval, i.e. that they “function robustly”. However, the hurdles are not defined by him alone. Many passive safety systems are subject to legal requirements which define in technical guidelines down to the very last detail what his team may nor may not designate as functioning robustly. However, customers too specify the requirements which his team must guarantee are met in full.

For several years now advanced driver assistance systems (ADAS), such as autonomous emergency braking, have also had to be tested right through to production readiness. Legislators have not yet laid down clear requirements and only insist that, before such systems are used on a large commercial scale, they may “only be installed if they do not cause any damage” – a requirement which leaves wide scope for interpretation. “b.rabbit” is designed to reduce this scope as far as possible.

COMBINED VIEW FROM SEVERAL DIFFERENT ANGLES

Kai Golowko knows perfectly well that “functions robustly” does not mean quite the same thing as “always functions perfectly”. Nonetheless, he and his colleagues have combined different potential solutions which may not offer 100 percent safety, but certainly do provide 99.9 recurring percent reliability. They apply different approaches which consider the test object from a number of different angles and which enable weak points to be detected which it would be difficult to discover when taken as a whole.

First of all there's the simulation: The autonomous emergency brake assistant is tested in a high-performance workstation. In an extreme case the component may not even exist yet. Braking takes place purely virtually, in the computer as it were. Instead of skid marks on the tarmac, the only traces left are computer data. De facto this means that the engineers determine in simulated situations under what broad conditions the purely virtual ADAS would carry out emergency braking. The whole thing becomes somewhat more tangible when performed on test stands, which are referred to by vehicle developers as Hardware-in-the-Loop or HiL test rigs. The entire car may still lead an

exclusively virtual CAD existence in a computer, but the control unit for the ADAS already exists in prototype form. The software control package has also been programmed. This means that the behaviour of the new assistant can be tested before there is any need to fill the “b.rabbit's” tank with fuel.

The next stage is the “rabbit's” appearance on the test track before, finally, the system is tested in prototypes of the new vehicle model in real road traffic situations in the road test.

Throughout it is important to analyse in precise detail the inconsistencies between the observed behaviour from different test perspectives. Are the results of the simulation the same as those for the road trial? Are there discrepancies between the parameters and ADAS measured values as determined on a HiL test rig and those derived from tests with the “b.rabbit”?

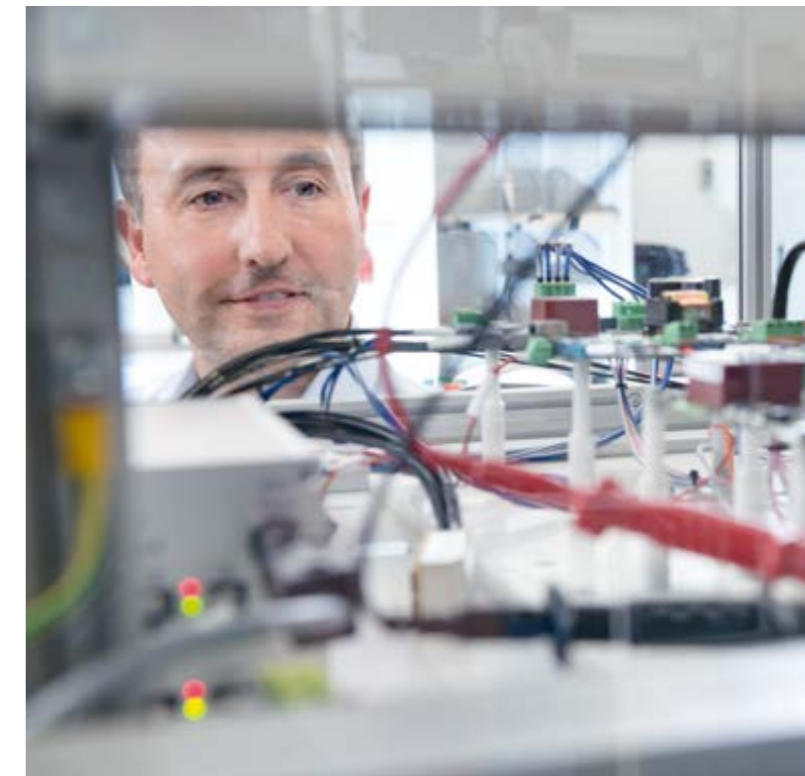
Each different test perspective provides a different picture, a bit like the various angles seen in a televised football match: Was the player offside? Was another player fouled outside the penalty area or not? We are used to TV directors giving us the best angles and shots. Golowko's team works in much the same way, making the most of a particular test procedure's strengths and compensating for its weaknesses with other test methods.

ACTIVE – PASSIVE – INTEGRATED

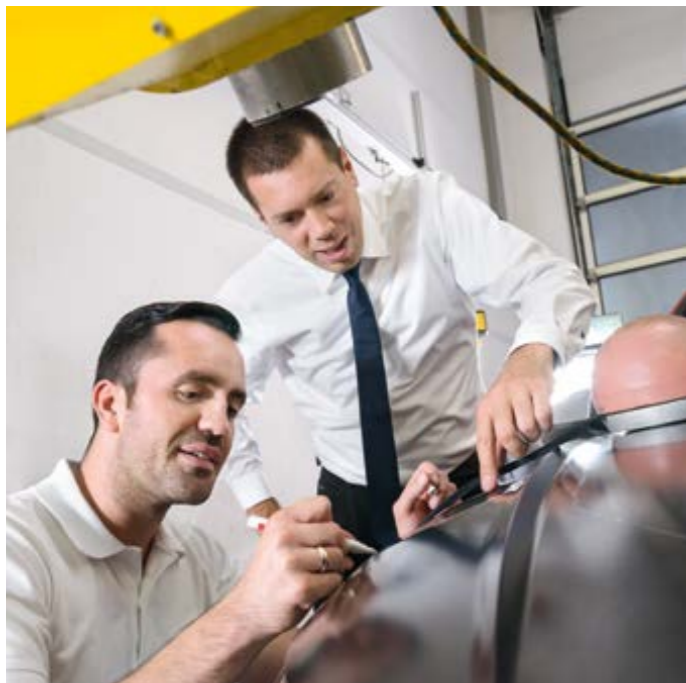
In the past it would have been said in the automotive industry that Kai Golowko's team took care of passive safety while his colleague Ralf Schoenen and his team were responsible for the active part. But in fact even his title as “head of electronics and software development” suggests that the issue of vehicle safety can no longer simply be divided into two areas. The term which is applied these days is integrated safety. This is because every single system interacts very closely with all the others. Ralf Schoenen: “It might make more sense to differentiate between safety and driver assistance systems.” The first of these is Golowko's domain, while the second is what Schoenen's team concentrates on. And just to complicate things even more: in reality there is no clear dividing line between the two, as what was once a distance-monitoring cruise control system, a driver assistance system designed simply to enhance the driving experience, now includes unambiguous safety functions.

“It might make more sense to differentiate between safety and driver assistance systems. And just to complicate things even more: In reality there is no clear dividing line”

RALF SCHOENEN, Head of the electronics and software development department



“The fault” presumably, lies with the new paradigm of “highly automated driving”. Someone who drives a classy convertible on the Grande Corniche high above Nice or along California's Ocean Drive is someone who appreciates driving at its best and most attractive and who is unlikely to be interested in automated driving. But those of us and that is probably most people who spend an exasperating amount of time stopping and starting in dense traffic on the way to work or to the next meeting will probably find it a pleasant experience not having to keep switching back and forth from the accelerator to the brake pedal or – a veritable sport – to the clutch.



⊥ Top: Evaluation of a head impact test.
└ Right: Validation of vehicle sensors in Kai Golowko's department

“Thanks to today's safety technology there has been a welcome fall in the number of road fatalities and seriously injured people in many countries, despite the considerable increase in road traffic.”

KAI GOLOWKO, Head of the integrated vehicle safety department

The more complex the traffic situation is, the more reliable electronic assistance systems need to be. Pedestrians coming from the right, a tram from the left, a cyclist from behind, and then someone making a right turn across the centre of the roadway and oncoming traffic. Complex traffic situations such as these are only superficially matters of comfort, but much more profoundly to do with Golowko's “robustly functional” safety.

A road test on streets in China with local drivers demonstrated to the safety experts from Bertrand in Ingolstadt just how carefully you have to look at things. The results of the test with the autonomous cruise control system: It's a foreign country: they do things differently there. And that goes for driving, too. The evaluation showed, for example, that China's urban drivers use the accelerator and brake pedals much more abruptly than European or North American drivers. Kai Golowko sums it

up: “What you might do in Berlin, Madrid or San Francisco is not necessarily what people do in Beijing and what seems to work there.” “Quite different driving styles can have a negative influence on function and, in extreme cases, mean that the ADAS function may need to be limited in a particular country or region,” is how Schoenen sums up the essence of this trial.

VISION ZERO – ACCIDENT-FREE DRIVING

It may come as no surprise that it's impossible to get such straightforwardly rational engineers as Schoenen and Golowko to come out with any simply worded but impossible to keep promises. “Yes, it's a good and proper objective. We're doing all we can do to work towards it. We're aware that we can only really work towards a world in which there are no road accidents, without actually ever getting there entirely,” qualifies Schoenen. And Kai Golowko adds: “Thanks to today's safety technology there has been a welcome fall in the number of road fatalities and seriously injured people in many countries, despite the considerable increase in road traffic. But, of course, it's also the case that it will take a long time to achieve another comparable fall of the same nature.” In the future, strenuous efforts will have to be made to improve road safety further. Even if both engineers believe that public expectations are too ambitious and that things will not go quite as quickly as hoped, they have no doubts: We are working on it. As hard as we can – on that they are both agreed.

AUTOMATIC BUT INDIVIDUAL

Traffic experts take it as read that the accident statistics will only improve if it is possible to develop driver assistance systems for increasingly complex driving situations. Automated driving is an integral element of Vision Zero. And this is where Ralf Schoenen's team are making an important contribution, indeed well ahead of customer orders. The work is visible in the Audi A7 trial vehicle, the boot of which has been so packed full of measurement and control electronics by the engineers that it would be very impractical to try putting your groceries in the trunk “But,” emphasises Schoenen, “the sensor technology we have built into the vehicle reflects the series version of this model.”

VISION ZERO stands for the vision of not just reducing the number of road fatalities and seriously injured to a minimum by 2050 but of bringing them down to zero. One milestone on the way to reaching this goal would be a reduction

OF 40 %
BY 2020

ALMOST A REALITY IN
THE VERY NEAR FUTURE.



THE ENGINEERS AT BERTRANDT are developing driver assistance systems for increasingly complex driving situations. This is particularly apparent in the work being done on the Audi A7 trial vehicle, which the engineers have packed full with an array of measurement and control electronics.

>40

NUMBER OF SIGNALS
USED TO CHARACTERISE
A STYLE OF DRIVING

His electronics team has set itself the goal of offering more functionality without the need for more hardware. The team therefore set off to identify more than 40 different signals which were already in the vehicle and which could be used to characterise someone's style of driving: How quickly does someone accelerate? How hard do they brake? How much distance does a driver keep between himself and the vehicle ahead? Are assistance systems overridden by drivers?

Applying a suitable method to offset these parameters with each other, the team came up with three styles of driving: safety conscious, efficient/energy saving or sporty. These three styles are shown as coloured bars in an additionally integrated display. "How do I drive and what does that mean for the automated driving functions?" is how Schoenen describes the inquiry at the heart of the project. "If vehicles are driven wholly or partly automatically, then they shouldn't just drive according to the way that physics and the road traffic regulations would allow. They must also be tailored to the driver and give her a feeling of safety," explains Schoenen. It may be that you are allowed to drive on a particularly winding stretch of road at 70 km/h and the vehicle may also be capable of doing so. Driving at that speed may also be to the taste of a driver who sees driving as a sport. But this would be much too fast for someone who feels nervous driving along the edge of steep cliffs. These are the kind of differences which the electronics team is bearing in mind. It is working on using existing data and smart control algorithms to, as it were, individualise otherwise automatic driving functions so that everyone in the car feels comfortable being driven on "autopilot". This is yet another link between safety and comfort.

THE NEXT POINT OF CONNECTION: THE INTERNET

To date cars have been isolated information systems. This is now changing. Cars communicate with each other, with traffic control centres or "smart" road sign systems. The benefits are obvious: information about hazards can be passed along such permanently moving/changing networks, traffic congestion information can be fed into the onboard navigation systems of vehicles approaching this stretch of the route in all but real time.

But, of course, everyone who uses the internet with smartphones, tablets or office computers is aware of the dangers lurking in cyberspace. Cyber-crime of the most diverse kinds has proved to be the dark side of the new medium and is a warning to all users to take care when moving through this new environment. It takes no stretch of the imagination to guess that, no sooner have they opened up to the internet, cars too are bound to become the target of cyber-attacks. Ralf Schoenen's team has been studying this new aspect of vehicle safety – or more appropriately security – for the last eighteen months.

For example, his team has been analysing architecture concepts which would prevent attacks being made on an onboard control unit. His specialists also want to find out to what extent and which encryption procedures would be able to protect vehicle communications against cyber-attacks. In order to find practical solutions to these dilemmas, the Bertrandt team in Ingolstadt has begun cooperating with some completely new partners with expertise in fields which until now have not been in great demand or not required at all in automobile development.

Nonetheless, Ralf Schoenen believes there is nothing new at all about the challenge of "automobile security". "As engineering service providers our task over the last 40 years has not really changed at all. In technological terms we must ensure we are the equals of our customers." →

→ **Left:** Bertrandt is developing a model which can recognise different styles of driving.

↑ **Below:** The first step is to test driver assistance systems in a virtual test environment.





DEVELOPMENT

MODULAR SOFTWARE – AND NOTHING IS IMPOSSIBLE ANYMORE

IT specialists from Bertrandt add flexible software modules to a software “kit” for a digital factory.



AUTOMATED SYSTEMS deliver a single product. Quickly, effectively, cost efficiently. Producing different variants on the same system was sometimes only possible with great effort.

INDUSTRY 4.0

TAKES THE RIGIDITY OUT
OF AUTOMATION.

It's astonishing that, in such a short space of time, a sober-sounding term like "Industry 4.0" should become a buzzword which appears to have cast a spell on manufacturers, plant engineers and production specialists. The term owes its magic to the enticing opportunities which the experts believe it implies. In a purely technical sense, "Industry 4.0" describes the objective of introducing greater flexibility to the automation which conquered factories during the third industrial revolution: automated systems deliver a single product. Quickly, effectively, cost efficiently. But what happens if different variants are required? Or, even more challenging, if a system is expected to supply product A today and to manufacture product B tomorrow when the day before it was producing product C?

This is precisely the question which Bertrandt's "Industry" team in Ingolstadt is focusing on. The software developers are working on behalf of the manufacturing execution system producers Krones. This is a company which enjoys a first rate reputation with breweries and other beverage producers – above all because Krones has embraced the "nothing is impossible" principle for the design of complex production systems.

And such systems and peripheral systems for beverage bottlers can be very complex indeed. Both alcoholic and non-alcoholic drinks need to be produced. Cans, PET or glass bottles are all used as containers – in each case possibly for different quantities. Then comes the filling system followed by cappers and labellers. Finally there are shipping systems with the corresponding transport logistics. The whole thing becomes even more complex when final products need to be mixed precisely according to a recipe from several sub-products. And matters get even trickier when the system is expected to supply different products at the drop of a hat or the operator wants to expand its product range without having to set up a completely new production line.



- ⌞ **Top:** Florian Riederer on the labeller in the Krones works in Neutraubling.
- ⌞ **Left:** Close collaboration with the customer makes us a highly valued engineering partner.

CUSTOMER ORIENTATION IS ESSENTIAL

Lead engineer Florian Riederer from Bertrandt's "Industry" team sums up: "Our customer is the quality leader in its field. Its systems offer unbeatable flexibility and this provides operators with significant benefits over the entire service life." This is ultimately what the 4.0 factory is all about: Flexible, automated production without expensive retrofitting and without long and resource intensive set-up times in which nothing at all is coming off the conveyor belt – without the costly redesigning of control software.

And this is where Bertrandt's team of developers comes in. The team has practically translated the customer's motto of "nothing is impossible" into programme code for each of the system parts. In this way it has practically created the building blocks for the factory 4.0. No concrete walls, supply facilities or production lines – just digital components consisting of software modules which are responsible for controlling the system components of the factory 4.0. These are components because the plants are not only intended to produce a product but are also expected to carry out various tasks or supply various products in short intervals in very short periods of time and without time-consuming re-setting.



“Thanks to our expertise the customer can start the project immediately. Staff do not need to be first sent off for training. Which means they can concentrate on their primary business.”

FLORIAN RIEDERER, Lead engineer software development

Florian Riederer explains what customers like Krones appreciate so much about Bertrandt's work: “Thanks to our expertise the customer can start the project immediately. Staff do not need to be first sent off for training. Which means they can concentrate on their primary business.” The second plus point is that his colleagues are always up to date, e.g. as far as automation software is concerned. “While our customers have kept up with the state of the art, things keep developing and we offer know-how for new software portals which not all our customers have.” A third advantage is what he refers to as the “open minded approach” or, more precisely, “if a technology is renewed in some way it's a great help for us to be able to apply ideas and effective approaches to the solution we are looking for which have been used in other projects. This means that we sometimes suggest implementation methods to customers which they hadn't even thought of.”

FACTORY 4.0 MEANS CONCEIVING AND PLANNING IN TERMS OF FUNCTIONS

But let's take a look over the shoulders of Bertrandt's software developers. Their customer is planning a new filling system for a beverage producer. But that is only a very rough description of what the project entails. On one occasion it starts off with filling, goes on to capping and ends with labelling. On another this is preceded by a production line for plastic bottles. Filling not only involves a homogeneous product, but also a mixture – such as a mixed drink. This calls for additional plant components, such as a mixer. And, finally, products should not just roll off the conveyor belt, but need to be packaged, stacked on pallets, made ready for shipping and picked for delivery to various purchasers.

Florian Riederer explains what else is possible: “Some of the bottles, let's say for a particular beer, may need to be closed with crown caps. The next product, a fruit juice perhaps, must be filled into bottles with screw caps. Or a lemonade is offered in 0.33 l bottles and 0.5 l bottles”. And Bertrandt's customer wants to offer all these different products using the same system at acceptable prices

MODULAR SOFTWARE DESIGN

One thing is clear: This kind of flexibility is not possible with rigid software. Starting from scratch every time with new code would be far too expensive owing to the enormous amount of work involved. The Bertrandt team uses an old-fashioned sounding but in fact extremely modern and effective strategy in which the functionality of each system component is controlled by individual software modules. On their own these can only do one thing, albeit with great reliability and without any input from other programme elements. Machine parameters – such as the conveyor belt speed which may be required in each case – and type parameters – such as filling pressure – enable each module to be adjusted with great precision to the actual task at hand. This system of modular building blocks in effect develops the plug and play principle into a plug and produce one. Tailored to its requirements in each case, each product is assigned as set of type and machine parameters which are accessed from a software library every time the system is re-set for a change of product.



- ⊥ **Top:** Bertrandt began with Krones by developing the software for the filling system and further production steps are due to follow.
- **Left:** The development scope is mostly performed in Bertrandt's own premises.
- ⊥ **Below:** practical test for the newly developed software takes place on the local system.

“We realise that it is important for our customers to have service providers who have a sufficient range of know-how to be able to take on new projects or to make use of the cost advantages offered by the possible “redesign” of the existing projects that we are already taking care of.”

FLORIAN RIEDERER, Lead engineer software development



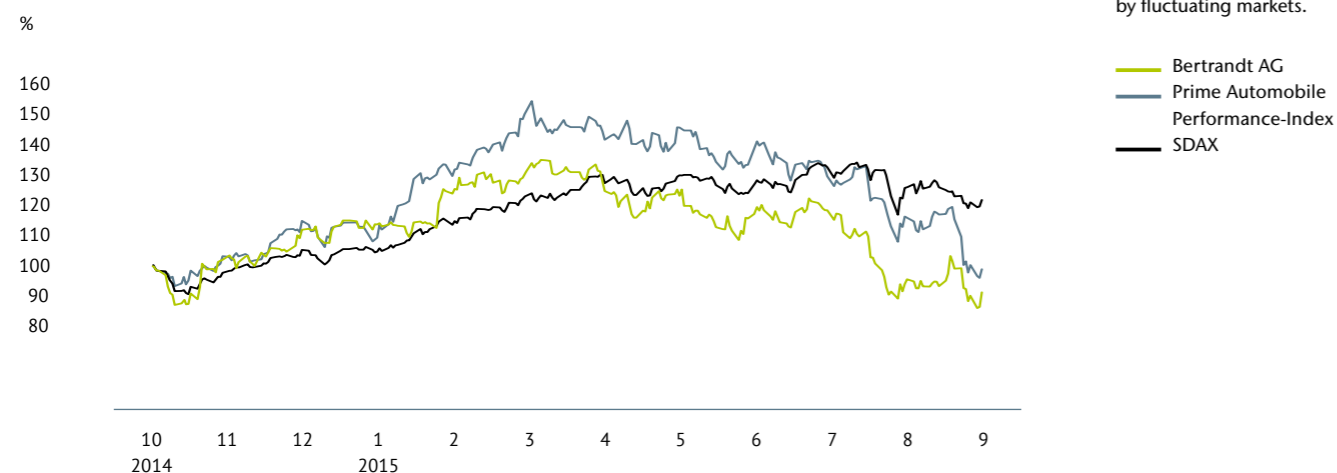
What we then have at the end is an assembly kit of software modules which enable lemonade, mixed drinks, beers and mineral water to be filled with a single system involving a short cleaning and re-setting phase. “It goes without saying that it is important to maintain the library and to keep it up to date at all times,” adds Florian Riederer.

The team in Ingolstadt has been actively engaged in this field for around one and a half years. “We keep on growing and we are confident that we will be able to carry on doing just that. It all began with the control software for the filling components. Now we are working on the control for the mixer.” And with more customer contacts the required sensor technology also grows, which is good for Bertrandt's customers as well. “We realise that it is important for our customers to have service providers who have a sufficient range of know-how to be able to take on new projects or to make use of the cost advantages offered by the possible “redesign” of the existing projects that we are already taking care of.” This is also because Krones looks after plants which their customers commissioned many years ago. “This enables attractive cost reductions to be achieved over the entire service life of a plant,” explains Florian Riederer. And when the necessary conversion work is being done, the software kit developed by the Bertrandt team also provides the required “4.0 flexibility”. →

Information on the share

First trading day	1 October 1996
Ticker symbol	BDT
ISIN	DE0005232805
WKN	523280
Issued share capital (EUR)	10.143.240 Euro
Number of shares	10.143.240 number
Market segment	Prime Standard
Stock exchanges	Xetra, Frankfurt, Stuttgart, Berlin, Hamburg, Düsseldorf, Munich
Index	SDAX

Share price in comparison



BERTRANDT ON THE CAPITAL MARKET

HIGH EQUITY MARKET VOLATILITY

After the overall heterogeneous development of global equity markets in 2014, the first quarter of 2015 was marked by positive sentiment. As economies picked up and the ECB announced its bond buyback programme, European equity markets experienced a boost which was only briefly dampened by declining dynamism in China. In mid-2015 many stock exchanges were affected by corrections. Stock markets fell in response to the negative impact of the sovereign debt crisis and related crisis of confidence. Decreasing dynamism

in China and the Fed's interest decision which was expected for September contributed to further uncertainties in global equity markets in the third quarter of 2015.

On 1 October 2014, the German blue-chip stock market index, DAX started the first day of the period under review at 9,454 points. After hitting a low of 8,572 points on 15 October 2014, the DAX recovered strongly in the last months of the calendar year.

2

percent increase in the DAX since the start of the year.

TABLE 04

The Bertrandt share at a glance.

CHART 05

Bertrandt share affected by fluctuating markets.

Key figures of the Bertrandt share

	2014/2015	2013/2014	2012/2013	2011/2012	2010/2011
Earnings per share (EUR)	6.21	6.19	5.69	5.14	4.18
Dividend per share (EUR)	2.45 ³	2.40	2.20	2.00	1.70
Share price on 30 September (EUR) ¹	93.23	101.30	93.06	57.50	35.92
Share price, high (EUR) ²	138.70	119.85	97.00	62.50	59.94
Share price, low (EUR) ²	85.25	88.60	57.07	33.00	32.33
Shares outstanding on 30 September (number)	10,143,240	10,143,240	10,143,240	10,143,240	10,143,240
Market capitalisation on 30 September (EUR million)	945.7	1,027.5	943.9	583.2	364.3
Book value per share 30 September (EUR)	31.58	27.64	23.65	19.93	16.39
Cashflow from operating activities per share (EUR)	3.64	7.85	7.66	3.78	2.34
Average daily trading volume (number)	26,166	19,295	20,558	26,062	44,683
Total payout (EUR million)	24.851	24.182	22.152	20.122	17.084
P/E ratio	15.0	16.4	16.3	11.2	8.6

¹Closing price in Xetra trading.

²In Xetra trading.

³Dividend proposed by the Management and Supervisory Board.

TABLE 06

Five-year comparison of the key figures of the Bertrandt share.

On 16 March 2015 the DAX exceeded the mark of 12,000 points, reaching a new all-time high of 12,375 points in early April. In August, however, it lost 2,000 points within a period of ten days. Due to the falling share prices on the Chinese stock exchanges and the interest decision which the Fed was expected to make in September, the quarterly performance of the German blue-chip stock market index was the poorest for four years. On 30 September 2015 the index closed at 9,660 points and was thus two percent higher than at the beginning of the fiscal year. The SDAX outperformed the DAX and the Prime Automobile Performance Index over the whole of fiscal 2014/2015. Starting at 6,854 points, the SDAX hit its high of 9,156 on 6 August 2015 and closed at 8,310 points at the end of the financial year. The Prime Automobil Performance Index oscillated between 1,231 points (on 10 October 2014) and 2,039 points (on 16 March 2015), closing at 1,304 points on 30 September 2015.

CHART 05

BERTRANDT AFFECTED BY FLUCTUATING MARKETS

The Bertrandt share started the fiscal year 2014/2015 moderately by closing in Xetra trading at EUR 102.00. On 10 October it fell to its lowest point at EUR 85.25, before overtaking the SDAX in the subsequent weeks in line with

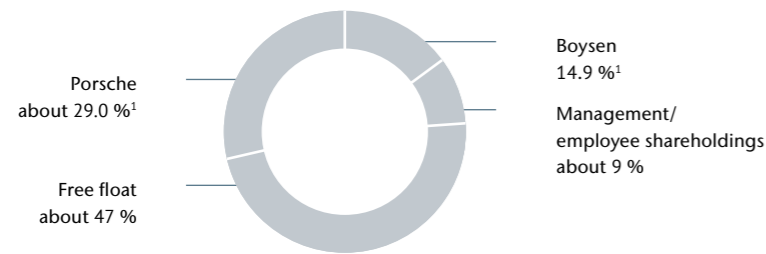
138.70

euros was the highest price the share reached during the period under review.

the performance of the Prime Automobile Performance Index. This positive development continued in the second quarter of the year under review: on 24 March 2015 the share climbed to its high for the fiscal year of EUR 138.70. The downward trend recorded at the international stock exchanges in the last quarter of the fiscal year also affected the Bertrandt share. This resulted in a noticeable fall of the share price, despite positive assessments by analysts. On the last day of trading in the financial year the share closed at EUR 93.23 or 8.6 percent lower than at the start of the financial year. The average daily trading volume increased by around 35% to 26,166 shares.

CHART 05

Shareholder structure



¹All data is based on disclosures made to the company pursuant to Section 21 et. seq. WpHG. As of 30 September 2015

Analyst recommendations

Analysts	Recommendation	Target for the share in EUR
Bankhaus Lampe	Buy	145
Bankhaus Metzler	Buy	124
DZ Bank	Buy	130
Hauck & Aufhäuser	Buy	142
Landesbank Baden-Württemberg	Buy	135
MainFirst Bank	Buy	145
Warburg Research	Buy	140
Deutsche Bank	Hold	105

47

percent of the shares are in free float.

SHAREHOLDER STRUCTURE

As at the date when these consolidated financial statements were prepared, shareholdings in Bertrandt AG broke down as follows: Twenty-nine percent of the shares were held by Porsche AG, Stuttgart, Germany. Another 14.9 percent were held by Friedrich Boysen Holding GmbH, with registered offices in Altensteig, a subsidiary of Friedrich

Boysen Unternehmensstiftung. Management and staff held around nine percent of the shares, while free float amounted to around 47 percent. Notifications of voting rights pursuant to the German Securities Trading Act are published in the Investor Relations section of Bertrandt's website.

CHART 07

BERTRANDT'S EMPLOYEE SHARE SCHEME – A SUCCESS STORY

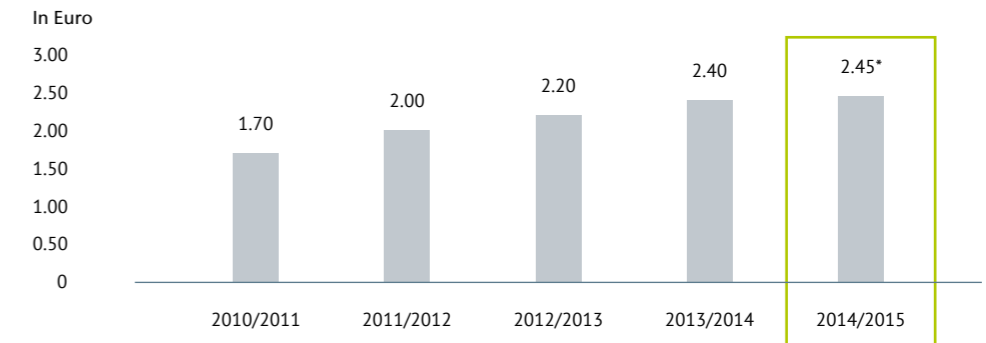
In May 2015, the qualified Bertrandt employees in Germany were offered the opportunity of buying Bertrandt shares with the advantage of preferential tax treatment. The shares were repurchased under a share buy-back programme. The programme was a success, with participation at around 25 percent of eligible employees and thus slightly higher than in the previous year (22 percent). In total, 7,548 Bertrandt shares were transferred to employees.

CHART 07

CHART 09

Bertrandt AG's consistent dividend policy.

Development of the dividend



* Dividend proposed by the Management and the Supervisory Board.

BUY RECOMMENDATION BY MAJORITY OF ANALYSTS

The Bertrandt share is observed and regularly evaluated by banks and investment companies which now also include well-known MainFirst Bank AG. The eight analysts adjusted their recommendations and targets for the Bertrandt share in the light of the changed economic environment for German industry. Analysts' assessments are published in the Investor Relations section of Bertrandt's website.

TABLE 08

10 YEARS CAPITAL MARKET DAY



More than 60 participants – representatives from banks, analysts and journalists – followed Bertrandt's invitation to the Company's tenth Capital Market Day in Ehningen on 20 May 2015. CEO Dietmar Bichler presented the Bertrandt Group's first-half figures and informed the guests about new developments in the Group. Moreover, the technical challenges "drive technologies of the future" and "Industry 4.0" were discussed by two renowned guest speakers: Prof. Dr-Ing. Michael

2.45

euro dividend proposed by the Management Board and Supervisory Board to the annual general meeting.



Detailed information on the Bertrandt share is available on our website and regularly updated.

Bargende, Chair in Automotive Powertrains at the University of Stuttgart and member of the Management Board of the Research Institute of Automotive Engineering and Vehicle Engines Stuttgart (FKFS) and Prof. Dr-Ing. Wilfried Sihm, Head of the Department for Industrial and Systems Engineering at the Institute of Management Science, TU Wien and Managing Director of the department of Production and Logistics Management at Fraunhofer Austria Research GmbH.

PROPOSED DIVIDEND: EUR 2.45 PER SHARE

The Bertrandt Group has always pursued a consistent dividend policy. On the strength of the positive development of earnings in the period under review, the Management and Supervisory Boards will be asking the shareholders to approve a dividend of EUR 2.45 per share at the annual general meeting on 17 February 2016. This is an increase of more than two percent over the previous year's figure of EUR 2.40. In this way we would like to thank our shareholders for their investment in our Company and the confidence shown in us.

CHART 09

SUSTAINED HIGH LEVEL OF INVESTOR RELATIONS ACTIVITY

A key component of Bertrandt's corporate policy involves transparent, comprehensive and timely capital markets communication with institutional and private investors, analysts as well as the media. In so doing, the Group seeks to position its share as a long-term investment and, to this end, complies with the high transparency requirements of the Prime Standard of Deutsche Börse as well as nearly all of the recommendations of the German Corporate Governance Code.

In the calendar year 2015 the Company continued to pursue a high level of investor relations activity. Bertrandt kept institutional investors and analysts up to date at several conferences and road shows in the finance centres in Europe and informed them about the group's business growth. Bertrandt presented itself to potential and existing institutional and private investors at 26 roadshows in Germany, Austria, Belgium, Denmark, France, the Netherlands, Spain, Switzerland and the UK. Moreover, visits to the locations in Ehningen and Munich were organised in 2015. In addition, the annual financial results and analyst conference on 11 December 2014 provided information about the business performance to journalists and representatives of financial institutions. The Company's communication focuses on presenting Bertrandt's business model, the Company's strategic orientation as well as explaining the technical and business management background.

BERTRANDT HOMEPAGE

Bertrandt uses the internet as a communication platform to provide all interested parties with comprehensive information on the Company. Such information is published in due time in the Investor Relations section of Bertrandt's website in both German and English.

CORPORATE GOVERNANCE

DECLARATION OF CONFORMITY TO THE GERMAN CORPORATE GOVERNANCE CODE PURSUANT TO SECTION § 161 AKTG

The Management Board and Supervisory Board of Bertrandt AG declare in accordance with Section 161 of the German Stock Corporation Act (AktG) that the recommendations of the Government Commission on the German Corporate Governance Code (GCGC), as amended on 13 May 2013 and published in the electronic Federal Gazette on 10 June 2013 and as amended on 24 June 2014 and published in the electronic Federal Gazette on 30 September 2014 have been complied with, with the following exceptions: Sections 3.8 (3), 4.1.5, 4.2.2 (2) sent. 3, 4.2.3 (2) sent. 6, sub-sent. 1 and (3), 5.2 (2), 5.3.2 sent. 3, 5.4.1 (2) and (3), 5.4.2 sent. 1, 5.5.2, 5.5.3 sent. 1 and 7.1.2 sent. 4 of the German Corporate Governance Code. The Recommendations pursuant to Section 4.2.5 (3) and (4) GCGC applicable as from 1 October 2014 onward were also not applied.

The recommendations of the Government Commission on the German Corporate Governance Code, as amended on 5 May 2015 and published in the electronic Federal Gazette on 12 June 2015 have been and are being complied with, with the following exceptions: Since 12 June 2015 the recommendations in Sections 3.8 (3), 4.1.5, 4.2.2 (2) sent. 3, 4.2.3 (3) 4.2.5 (3) and (4), 5.2 (2), 5.3.2 sent. 3, 5.4.1 (2) and (3), 5.4.2 sent. 1, 5.5.2, 5.5.3 sent. 1 and 7.1.2 sent. 4. GCGC have not been applied. Until 1 October 2015, the Company also deviated from Section 4.2.3 (2) sent. 6 sub-sent. 1 GCGC.

These deviations from individual recommendations were and are based on the following considerations:

Section 3.8 (3) GCGC

Bertrandt AG has taken out a pecuniary damage liability insurance policy (a so-called directors and officers liability insurance). In deviation from Section 3.8 (3) GCGC the policy includes no deductible for Supervisory Board members. Bertrandt AG has taken out the policy to protect its interests in the hypothetical event of a claim for damages.

Section 4.2.2 (2) sent. 3 GCGC

The system for Management Board compensation is oriented towards a sustainable growth of the Company within the meaning of Section 87 (1) sent. 2 AktG. When assessing whether remuneration of the members of the Management Board is appropriate, the Supervisory Board shall also consider vertical comparability as recommended in Section 4.2.2 (2) sent. 3 GCGC. However, since the details of said recommendation are still controversially discussed in the legal literature and in practice, a deviation is declared as a precautionary measure.

Section 4.2.3 (2) sent. 6, sub-sent. 1 and (3) GCGC

Pursuant to the recommendations in Section 4.2.3 (2) sent. 6 sub-sent. 2 the variable portions of the compensation of the members of the Management Board are capped. However, Section 4.2.3 (2) sent. 6 sub-sent. 1 additionally provides that the amount of compensation shall be capped "overall". As the compensation of the members of the Management Board is fixed and not variable, the Company holds the view that by capping variable compensation this recommendation is already implemented. However, as a precautionary measure a deviation from the GCGC for the period up to 30 September 2015 has also been and is also being declared in respect of this recommendation. With effect from 1 October 2015 the total remuneration of the members of the Management Board was also limited to a maximum amount by way of amendment of their employment contracts; a declaration of conformity in this respect is therefore not required.

The Company continues to deviate from Section 4.2.3 (3) GCGC. It is not the Supervisory Board's intention to guarantee a specific pension level for the retired members of the Management Board but to ensure that compensation for their current activity is in line with the market and the situation of the Company. Hence, pension commitments are generally not made. Such commitments exist, as has been stated in the Company's annual reports for many years, exclusively with regard to one active and one former member of the Management Board.

Section 4.2.5 (3) and (4) GCGC

The compensation of the members of the Management Board is disclosed to the extent required by law. On 18 February 2009 the annual general meeting had decided to continue with the Company's long-standing reporting practice until the end of the 2014/2015 fiscal year, and again adopted a resolution on the non-disclosure of Management Board compensation in accordance with the German Disclosure of Management Board Compensation Act (Vorstandsvergütungs-Offenlegungsgesetz) of 10 August 2005. The Company will continue to deviate from the recommendations under Section 4.2.5 (3) and (4) GCGC in the fiscal year beginning on 1 October 2015. Sufficient transparency will be ensured by the provisions governing the disclosure of Management Board compensation which are now applied in full.

Section 5.2 (2) GCGC

The Chairman of the Supervisory Board has for many years simultaneously been Chairman of the Audit Committee. Since this has proven effective, the company will continue to deviate from Section 5.2 (2) GCGC in this respect.

Section 5.3.2 sent. 3, Section 5.4.1 (2) and (3), Section 5.4.2 sent. 1 and Section 4.1.5 GCGC

The Company will continue to deviate from Sections 5.3.2 sent. 3, 5.4.1 (2) and (3), 5.4.2 sent. 1 and 4.1.5 GCGC. It is in the interest of Bertrandt AG to give priority to the professional experience, capabilities and knowledge of the individual persons when appointing members to the Management Board and the Supervisory Board or appointing other executives.

The Company believes that its Supervisory Board has an appropriate number of independent members. However, since the term "independent members" has not been finally clarified, the Company as a precautionary measure declares a deviation from Sections 5.3.2 sent. 3, 5.4.2 sent. 1 and 5.4.1 (2) GCGC based on the fact that three of the four members appointed by the shareholders, including the Chairman of the Supervisory Board, have already served three or more terms in the Supervisory Board. Taking this into account, the Company has also decided not to fix a maximum period of office in the Supervisory Board within the meaning of Section 5.4.1 (2) GCGC.

Section 5.5.2 and Section 5.5.3 sent. 1 GCGC

In its Rules of Procedure the Supervisory Board has provided for the handling of conflicts of interests independently and in deviation from the recommendations stipulated by Sections 5.5.2 and 5.5.3 sent. 1 GCGC. According to the Rules of Procedure each Supervisory Board member is obliged to disclose any conflicts of interest to the Chairman of the Supervisory Board; it is mandatory for the Chairman of the Supervisory Board to disclose this information to his or her deputy. These provisions exceed the stipulations of Section 5.5.3 sent. 1 GCGC by applying to all conflicts of interest and not distinguishing between matters which are of material or temporary nature. The right to waive public disclosure of such information enables the members of the Supervisory Board to discuss in confidence with the Chairman cases which merely appear to be conflicts of interests.

Section 7.1.2 sent. 4 GCGC

Bertrandt AG published its report on the first quarter of fiscal 2014/2015 on 16 February 2015 and the report for the second quarter 2015 on 20 May 2015. In all of its reports, Bertrandt AG conforms to the strict quarterly reporting requirements in the Prime Standard of Frankfurt Stock Exchange. As long as the German Corporate Governance Code is not synchronised with the provisions of the Prime Standard, Bertrandt AG reserves the right to deviate from Section 7.1.2 sent. 4 GCGC.

Ehningen, 21 September 2015

The Management Board	The Supervisory Board
Dietmar Bichler Chairman	Dr Klaus Bleyer Chairman

REPORT PURSUANT TO SECTION 3.10 OF THE GERMAN CORPORATE GOVERNANCE CODE

On 21 September 2015, Bertrandt AG submitted the declaration pursuant to Section 161 German Stock Corporation Act (AktG) for the period under review stating whether the Company has conformed and is conforming to the recommendations of the German Corporate Governance Code (GCGC) or which recommendations were or are not applied. The declaration is reproduced in our annual report for fiscal 2014/2015 as part of the corporate governance declaration (pursuant to Section 289a of the German Commercial Code, HGB) in the Group Management Report and is also published at "<http://www.bertrandt.com/investor-relations/corporate-governance.html>".

The basic principles of Bertrandt's corporate governance are determined by the duties as stipulated by the German Stock Corporation Act:

MANAGEMENT BOARD

The Management Board has direct responsibility for the management of Bertrandt AG and represents the Company. It comprises four persons. Notwithstanding the overall responsibility of the Management Board as a whole, specific tasks are assigned to the individual members in accordance with a schedule of responsibilities. One key management duty is the observance of statutory requirements, corporate guidelines and ethical principles (compliance). The members of the Management Board are exclusively bound to act in the Company's best interest. Substantial business transactions require the Supervisory Board's approval.

SUPERVISORY BOARD

The Supervisory Board of Bertrandt AG comprises six members, of whom four are shareholder representatives elected at the 2014 annual general meeting. Two members, the employee representatives on the Supervisory Board were and are voted by Bertrandt employees. The employee representatives who are currently on the Supervisory Board were last elected in 2013.

The Supervisory Board monitors the Management Board and is responsible for appointing its members. To perform its duties in an effective and efficient manner the Supervisory Board has formed a Human Resources and an Audit Committee. The Audit Committee is composed of Dr Klaus Bleyer, Maximilian Wölfle and Horst Binnig. The Human Resources Committee consists of Dr Klaus Bleyer, Maximilian Wölfle and Prof. Dr-Ing. Wilfried Sihl. The Human Resources Committee simultaneously assumes the role of the Nomination Committee. The Supervisory Board has appointed Dr Klaus Bleyer as an independent Supervisory Board member (so-called "financial expert") with accounting and auditing expertise according to Section 100 (5) German Stock Corporation Act.

TABLE 10

Holding of shares in the company by the members of the Management Board and the Supervisory Board of Bertrandt AG

Management Board	Supervisory Board
400,000	84

Intensive and ongoing communication takes place between the Management Board and the Supervisory Board. The Management Board informs the Supervisory Board in a timely and comprehensive manner and on a regular basis of matters especially concerning corporate strategy, the course of business, the Group's financial position (including the risk situation and risk management activities as well as compliance) and corporate planning and the Company's orientation. The Audit Committee also discusses the half-year report and the quarterly reports with the Management Board.

ANNUAL GENERAL MEETING

The shareholders of Bertrandt AG use their rights at the annual general meeting, exercising their voting rights. Each share has one vote. There are no shares with multiple, preferential or maximum voting rights. At the annual general meeting the shareholders pass resolutions in particular on such matters as the appropriation of profits, discharging the Management Board and Supervisory Board from their responsibilities, and they appoint the shareholder representatives for the Supervisory Board and the auditor. Shareholders are notified of important dates on a regular basis by means of a financial calendar, which is published in the annual report, the quarterly reports as well as on the Company's website. As a matter of principle, the Chairman of the Supervisory Board chairs the annual general meeting. Bertrandt AG offers its shareholders the service of a proxy voter bound by instructions.

PURCHASE OR SALE AND HOLDING OF SHARES IN THE COMPANY OR OF FINANCIAL INSTRUMENTS RELATED TO SHARES IN THE COMPANY BY PERSONS SPECIFIED IN SECTION 6.3 GCGC

In fiscal year 2014/2015 no transactions with shares in the Company or related financial instruments, which would be notifiable under Section 15a WpHG and Section 6.2 German Corporate Governance Code were reported by the members of the Management Board and the Supervisory Board

of Bertrandt AG or any parties closely related to them. Bertrandt AG announces notifiable transactions immediately after their disclosure to the Company.

As at 30 September 2015, the Chairman of the Management Board, Dietmar Bichler held 400,000 shares in Bertrandt AG (3.94 percent of the shares issued) within the meaning of Section 6.2. sent. 1 of the German Corporate Governance Code. In total, the members of the Management Board and the Supervisory Board held the following number of shares as at 30 September 2015:

TABLE 10

DISCLOSURES ON SHARE OPTION PROGRAMMES AND SIMILAR SECURITIES-BASED INCENTIVE SCHEMES OFFERED BY THE COMPANY

No share option programmes or similar incentive schemes based on securities are offered by Bertrandt AG. However, to the extent permitted by tax law, the Company supports the acquisition of its shares by the group's employees under its employee share schemes. In addition, to the extent permitted by tax law, the Company granted interest-bearing loans in previous years to the Group's executives (however, not to members of the Management Board), which are still extended, to assist them in the acquisition of shares in an investment company which holds shares in Bertrandt AG.

Ehningen, 7 December 2015

The Management Board	The Supervisory Board
Dietmar Bichler Chairman of the Management Board/ Markus Ruf Member of the Management Board	Dr Klaus Bleyer Chairman/ Maximilian Wölfle Deputy Chairman

B

GROUP MANAGEMENT REPORT

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BERTRANDT'S COMPREHENSIVE RANGE OF SERVICES provides each customer with customised solutions along the entire product engineering process. As one of Europe's leading engineering specialists, Bertrandt is a reliable partner when it comes to challenges across all engineering project stages.

**MORE THAN
12,300**

**EMPLOYEES HONOUR
THEIR PROMISE OF
PERFORMANCE TO OUR
CUSTOMERS.**

THE GROUP GENERAL INFORMATION

BUSINESS MODEL AND STRATEGY

As one of Europe's leading engineering partners, Bertrandt has been devising specific and tailored solutions with customers at 47 locations in Europe, Asia and the United States for over 40 years now. Our services for the automotive and aerospace industries include all process steps in the project phases of conceptual design, CAD, development, design modelling, tool production, vehicle construction and production planning right through to start of production and production support. Furthermore, the individual development steps are validated by simulation, prototype building and testing. At our technology centres in the immediate vicinity of our customers, we maintain dedicated design studios, electronics labs as well as testing facilities where projects of different sizes are managed independently. Our customer base comprises nearly all European manufacturers as well as important system suppliers. We also provide technological services outside the mobility industry in such forward-looking sectors as energy, medical technology, electrical engineering as well as machinery and plant engineering throughout Germany. Consistency, reliability and forward-looking investments enable our customer relationships to thrive and are key success factors for Bertrandt.

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95

grammes of CO₂ per kilometre is the target set in Europe for the fleet average of newly registered cars as from 1 January 2021.

BASIS OF THE BUSINESS MODEL

Spurred by shorter lead times and new technologies the complexity of individual mobility solutions in the automotive and aerospace sectors is steadily increasing. Trends towards increased comfort, safety, connectivity and environmentally friendly mobility solutions, for example, require detailed technical know-how and joined-up thinking throughout product development. We consider ourselves an active contributor to the development of the future of mobility, and are consequently constantly adapting our range of services to customer needs as well as to changing market conditions. In order to meet the complex challenges posed by new materials, intelligent electronic systems and advanced powertrains, Bertrandt manages and coordinates key engineering areas in dedicated Competence Centres. Bertrandt's particular strength lies in the linking up and further development of know-how, and this makes us one of the leading European partners on the market for engineering services. The engineering expertise Bertrandt has built up over many years of activity in the mobility industries provides a firm foundation upon which the Company can realise and take forward customised development solutions in new sectors.

The most significant market trends that drive Bertrandt's success are the following:

ENVIRONMENTALLY FRIENDLY AND INDIVIDUAL MOBILITY

Over the last ten years, the German car industry has made remarkable progress in reducing CO₂ emissions. While in 2004 the average value of newly registered passenger cars of German group brands was 175.8 grammes of CO₂ per kilometre, it was only 132.9 grammes in 2004. Correspondingly, the fuel consumption of newly registered passenger cars of German group brands decreased from 7.1 litres per 100 kilometres to 5.4 litres per 100 kilometres over the same period. According to the VDA (German Association of the Automotive Industry) both the fuel consumption and CO₂ emissions were thus reduced by almost a quarter within only ten years.

According to applicable legislation, the fleet average of newly registered passenger cars must no longer exceed the limit of 95 grammes per kilometre from 1 January 2021 onwards. Despite the average values already achieved today, this requirement faces car manufacturers with an enormous challenge. Because if they do not comply, a penalty of EUR 95 per gramme of excess CO₂

applies per vehicle sold. In the final analysis only increased investments in research and development will enable OEMs to fulfil this legal requirement. The CO₂ limit can only be met by considerably reducing vehicle weights in combination with progress in the hybridisation and electrification of vehicles as well as optimised petrol and diesel engines.

CONNECTED AND AUTOMATED DRIVING

This very important technology trend spans several disciplines whose impact will be unleashed by connecting vehicles with each other and with the surrounding infrastructure.

At the moment the most challenging field of technology is autonomous driving. Having a car drive itself without the driver's intervention is a feature that is already available today in the form of fully-automatic parking assistants. Depending on legal rules and regulations and technological progress, we will witness additional driving situations which cars will manage on their own without active intervention by the driver in the coming years. Also functions which further increase comfort in the vehicle will be improved continuously. Mobile access to social media or possibilities to use the car as mobile office, as well as Smartphone interfaces, WiFi or local area network hotspots, are just some examples.

In the field of safety, integrated systems in the vehicle will in future automatically warn the driver in case there are problems or dangers, so as to prevent an accident from occurring. There are systems that detect external factors, such as skidding conditions, but also driver-related criteria, such as the driver drowsiness detection systems already available today. In case of an accident it will continue to be possible to automatically send an emergency call. This so-called eCall will be a mandatory feature in the European Union to be included in all new passenger cars and light commercial vehicles from 31 March 2018 onwards. Mounted in the vehicle, these devices will then report car accidents automatically and with rescue measures initiated more swiftly, the number of road fatalities and the severity of injuries in road traffic can be reduced.

Vehicle management, too, is to be supported electronically, to reduce operating costs and increase comfort. Among other things, existing on-board diagnostics systems are further developed. Thus for example vehicle wear will be detected much more precisely, break-downs will be prevented and workshop stays shortened to a minimum thanks to optimum spare parts logistics. Last but not least the collected data will enable smarter ways of controlling traffic flows. For example, car drivers will benefit from real-time traffic information displays allowing them to plan faster, safer and more economical journeys.

INCREASING DIVERSITY OF MODELS AND VARIANTS

The OEMs aim to further increase their model ranges based on common parts as well as on module and platform strategies. Scale effects across several models and model series enable car makers to produce variants that are profitable even in small numbers. The ultimate goal of this strategy is to cover major portions of the global market including smaller niches. At the same time, the number of features and options available per vehicle has increased considerably; car buyers now have a much greater range of options and features available to configure a car according to their individual wishes.

The complexity is further increased as lifecycles of car models of European manufacturers are becoming much shorter. As a rule, a model's lifecycle today is only six years. Two decades ago, typical model lifecycles lasted ten years. The diversity of variants and models as well as the availability of numerous optional features do not only increase the required design effort – their functions will have to be validated correspondingly, too.

INDUSTRY 4.0

Industry 4.0 means connecting production with advanced information and communication technologies. The technical basis of industry 4.0 is provided by intelligent, digitally networked systems which enable almost completely self-organised production. Humans, machines, systems, logistics and products will interact directly with each other in future. It will be possible to coordinate production and logistics processes between companies participating in the same production processes much more intelligently to achieve an even higher efficiency and flexibility. This can lead up to the design of value chains which cover the entire lifecycle of a product with all its different phases. Starting with the idea for a product and spanning its development, manufacture, use, and maintenance right up to its recycling.

In this way customer wishes can be considered much more effectively and producers will be able to produce tailored products based on individual customer wishes much more easily. On the other hand, it will be possible to cut costs despite a much more individualised way of manufacturing. Where companies are networked along a value chain it becomes possible to optimise the manufacturing network in its completeness instead of just one step in the production.

RANGE OF SERVICES

Bertrandt's comprehensive range of services provides each customer with customized and all-in solutions throughout the entire product engineering process. As one of Europe's leading engineering specialists, Bertrandt is a reliable partner when it comes to meeting current and future challenges across all engineering project stages. The entire expertise of the whole Bertrandt Group is available to customers through their local Bertrandt subsidiary, because Bertrandt's Competence Centre structure is replicated throughout the Group. The wide range of services delivered by local subsidiaries includes specialist services, general services and the development of components, modules and vehicle derivatives.

— CHART 11

SPECIALIST SERVICES

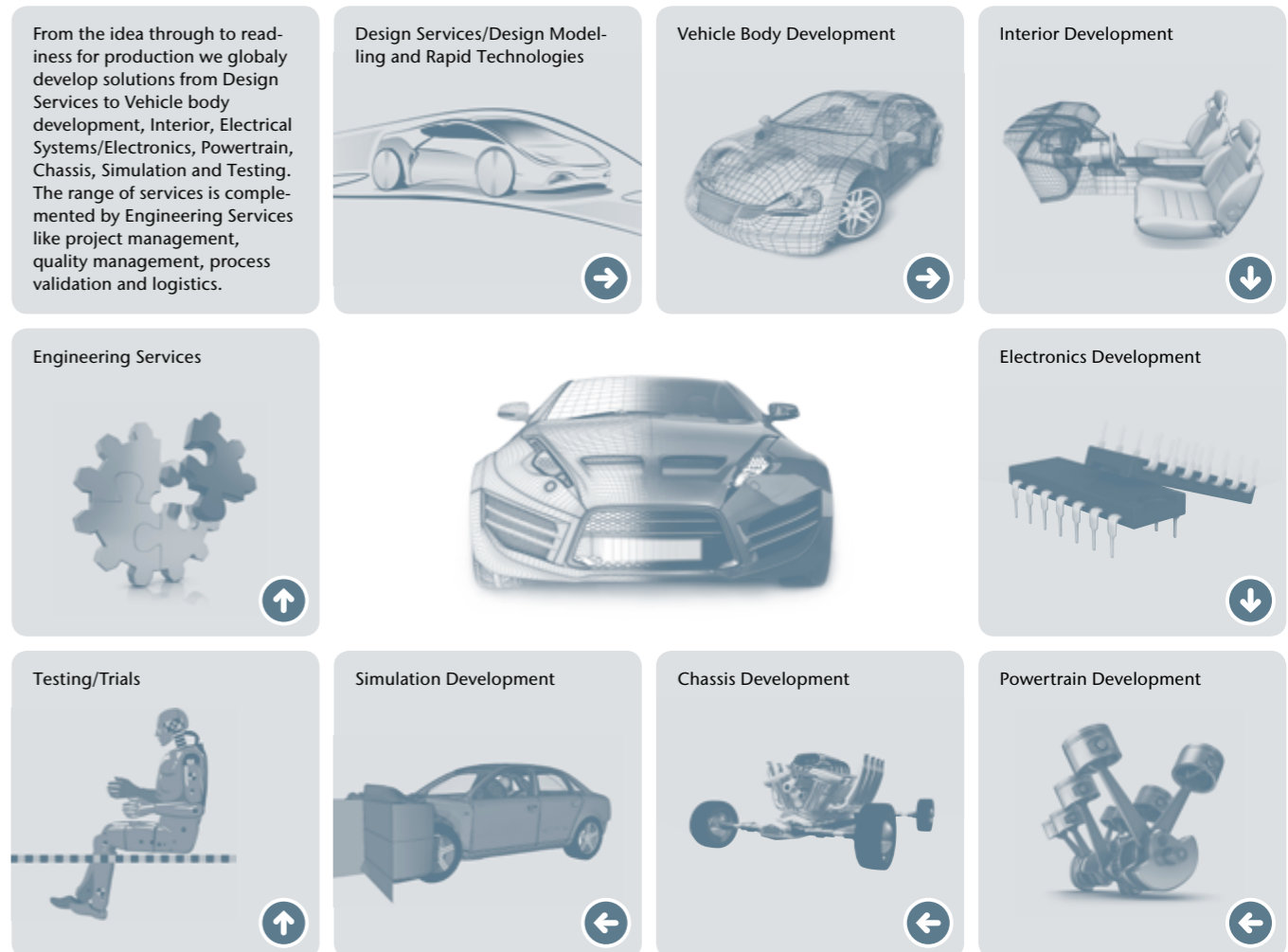
Specialist know-how relating to every step of the development process is key to our ability to deliver the best possible results to our customers. The high level of expertise of our specialists, their years of experience and the fact that we foster interdisciplinary cooperation at Bertrandt enable us to deliver optimum performance in each individual area. Our specialist services are available individually for very specific missions or are combined for the purpose of module and system development.

GENERAL SERVICES

In addition to the actual development process, many complementary tasks are managed along the development value chain. Whether project management, quality management, supply chain management, or the documentation of the entire project – Bertrandt has a comprehensive service offering for our customers. This is how we effectively support customers so that they can focus on their core business.

— GRAFIK 11

Bertrandt range of services



MODULE AND DERIVATIVE DEVELOPMENT

Bertrandt continually adjusts its range of services to meet the changing needs of its customers. OEMs are increasingly focusing on their core business, and therefore tend to contract out more complex development tasks. Because of our many years of experience in the industry and the specialists we employ, Bertrandt possesses the know-how required for component and module development through to complete derivative development.

When we take on project responsibility in development tasks, we will, for example, manage all the interfaces between the customer, the system suppliers and Bertrandt, and we will control quality, costs and deadlines.



Learn how we support our customers develop their products with our broad know-how and highly flexible approach.

COMPETENCE CENTRES AT BERTRANDT

Bertrandt's more than 40 years of collective, group-wide expertise is available to customers locally through Bertrandt's subsidiaries. Bertrandt's Competence Centres manage and coordinate key engineering areas. At the same time, the Competence Centres link up and further develop the host of expertise present at Bertrandt. In this way, we can cater to all the individual needs of our customers.

DESIGN SERVICES/DESIGN MODELLING AND RAPID TECHNOLOGIES

Design means linking up form and function with emotion. It plays a key role in the development process of cars and aircraft, and is a decisive factor in the customer's decision to buy a particular product. To ensure that the components interact perfectly, Bertrandt offers various types of Design Services – on paper, in a virtual environment or as a model. Our customers define the objectives, Bertrandt supports them in their active and creative implementation – and turns visions into reality. Always at the cutting edge of the very latest developments. After all, our engineers not only use conventional tools but also employ ground-breaking new technologies and work as research partners for universities.

VEHICLE BODY DEVELOPMENT

Vehicle body development is marked by future CO₂ emissions limits, weight reduction in modern cars and aircraft, material expertise in composite materials, high-strength steel and aluminium and the latest developments in lighting and visibility. Bertrandt offers its customers competent and successful solutions for future challenges at an early stage. Our deep and broad spectrum of services in vehicle body development is based on our three core areas: Body-in-White, Exterior and Interior.

INTERIOR DEVELOPMENT

The development of the interior plays a key role in the process of producing new cars and aircraft. Car manufacturers are increasingly using interior design elements and surface textures as differentiating features. In the aircraft industry, every individual plane has its own cabin design. Interior design is characterised by ergonomics, comfort, safety and functionality. Complex components and modules, such as the dashboard or complete seat units, are therefore designed and developed by Bertrandt from start to finish. As developments in the interior are closely linked to those on the body, we network interfaces to other development fields, such as body development, simulation and testing, at an early stage and develop them as modules.

ELECTRONICS DEVELOPMENT

Even today, software and electrical and electronic components contribute a high proportion of the added value in vehicle development. And this trend is continuing owing to the key role played by mechatronics and electronics with regard to functionality, safety and mobility. The car of the future will require even more technology and innovation, even more electrical systems and electronics. The complexity of the requirements in automotive and aviation development is increasing. This is a challenge that demands that we think in networks. As a development partner, Bertrandt combines different competence clusters throughout the Group in order to implement demanding and individual solutions for our customers. From the development, integration and validation of individual components, modules and systems right through to complete vehicles with many supporting services. Our many years of experience guarantee our level of expertise for individual solution as well as the efficient execution of projects for which we take overall responsibility.

POWERTRAIN DEVELOPMENT

Rising demands for driving dynamics accompanied by low exhaust emissions and lower fuel consumption – these are the challenges for engine and powertrain development. The main innovation drivers are new and alternative powertrain concepts, for example hybrid and electric drive systems, but also the further development of existing engine concepts. The technology for these powertrains is becoming increasingly complex. Bertrandt has comprehensive experience in component and module development for innovative engines and powertrains, and we make this experience available to our customers. New hybrid and electric vehicle technology requires development service providers to prove that they have interdisciplinary expertise. Effective interaction between an internal combustion engine and an electric motor can be achieved only by the systematic networking of different fields of knowledge and competence. Development is focused on reducing emissions, downsizing and the electrification of the powertrain. Key issues are component and assembly development, thermodynamics and emission control, control of engine and powertrain functions and thermal management. Bertrandt offers individual and tailored solutions – from the initial concept through to final testing, from simple components to complex modules and for the complete electrification of the powertrain.

CHASSIS DEVELOPMENT

The focus of many new developments in the automotive sector is shifting increasingly towards the chassis. Its influence on dynamic handling plays a key role in the characteristics of a vehicle. The increasing use of electronic control and driver assistance systems requires a strong integration of electronics development into the development process. Not least, energy efficiency and the minimisation of power losses in the chassis have a significant influence on the CO₂ reduction potentials in the vehicle. For this purpose, Bertrandt uses its comprehensive expertise to solve complex problems, demonstrating its proficiency as a “networked service provider”.

SIMULATION DEVELOPMENT

In order to be able to meet our customers' demands for shorter development periods and to achieve project objectives, the development process at Bertrandt takes the form of simultaneous engineering. The systematic application of virtual CAE methods allows our simulation specialists to set the direction even in the early development stages for achieving the functional objectives, such as crash performance, occupant protection, stiffness and comfort quality.

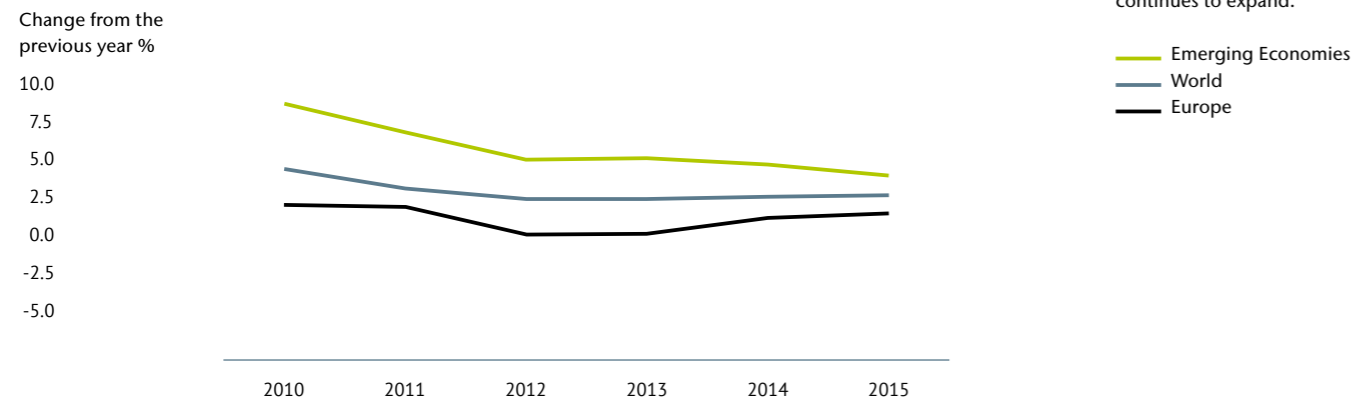
TESTING/TRIALS

Sustainability calls for the development of new realities and solutions. In order to ensure an optimum and ground-breaking result for our customers, Bertrandt examines and tests ideas and solutions in a manner that is close to reality and uncompromising – and extremely inventive when it comes to the development of new and extremely rigorous testing procedures and systems. This is the specialism of the experts at the Testing Competence Centre at Bertrandt. Exhaustive testing is the standard at Bertrandt. Experience is concentrated, synergies are used in a targeted way, and new standards are set. With the clear objective and promise to support customers with know-how and ground-breaking testing systems – from the initial concept right through to the testing of complete vehicles. At the Testing Competence Centre, one factor is decisive: the better and the earlier the product can be accurately and reproducibly tested, the shorter the development time becomes, thus minimising costs and optimising cost-effectiveness.

ENGINEERING SERVICES

Ever higher quality requirements and high process reliability play a major role for car manufacturers and automotive suppliers. Bertrandt's Supporting Services are designed to meet precisely these challenges. We support our customers by taking care of the interfaces outside the pure development process. Our range of services is divided into four main areas of expertise: project management, quality management, process validation and logistics.

Real gross domestic product



Source: Joint Economic Forecast Project Group, Joint Economic Forecast Autumn 2015.

ECONOMIC REPORT

ECONOMIC DEVELOPMENT

According to the expert members of the Joint Economic Forecast Project Group, the world economy was in an upswing at the beginning of Bertrandt's fiscal year 2014/2015 due to the dramatic fall in the price of oil. The business climate of the mature economies also benefited from the even more expansionary monetary policy pursued by their central banks. In contrast, the pace of growth in the emerging economies was rather slow. Growth in China continued to fall due to declining real estate prices. Production stagnated in Brazil, and Russia entered a recession due to embargoes. Only India experienced a recovery thanks to the continued dismantling of bureaucratic barriers.

For the US, the experts reported 2.4 percent growth in economic output in 2014. GDP in the eurozone grew by 1.4 percent in the same period. Growth in China slowed compared to the previous year to 7.4 percent. At 7.3 percent, growth in India was almost at the same level. Russia recorded a mere 0.3 percent growth while Brazil's gross domestic product increased by just 0.1 percent.

1.8

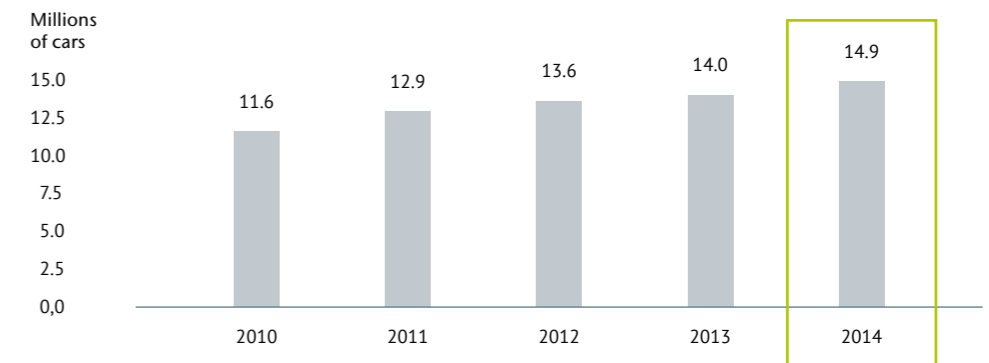
is the percentage of economic growth forecast for Germany for 2015.

The acceleration in worldwide economic development still anticipated in spring 2015 failed to materialise according to the autumn report published in October. The experts forecast that, as in the first half of the year, the pace of expansion in global production during the second half of 2015 will only be moderate. For the US, 2.5 percent growth in economic output is expected for the current year. During the same period, the gross domestic product of the Member States of the European Union is projected to grow by 1.8 percent. With regard to China the research institutes expect economic growth of 6.6 percent for the whole year. India, however, is expected to do better with GDP

CHART 13

In 2014, German manufacturers succeeded again in increasing production volumes over the previous year.

Global car production of German manufacturers



Source: On the basis of VDA.

growing more strongly at a rate of 7.4 percent. Russia will most probably suffer a recession with GDP contracting by 3.6 percent. This also applies to Brazil.

The German economy experienced a moderate upturn following the ambivalent macroeconomic environment in 2014. Despite low interest rates, a decline in raw material prices and a clear devaluation of the Euro, gross domestic product grew by only 1.6 percent. Growth was mainly driven by private consumption, which rose significantly thanks to a low unemployment rate and rising real wages. For the whole of 2015 the expert group anticipates a slight increase in growth over the previous year to 1.8 percent.

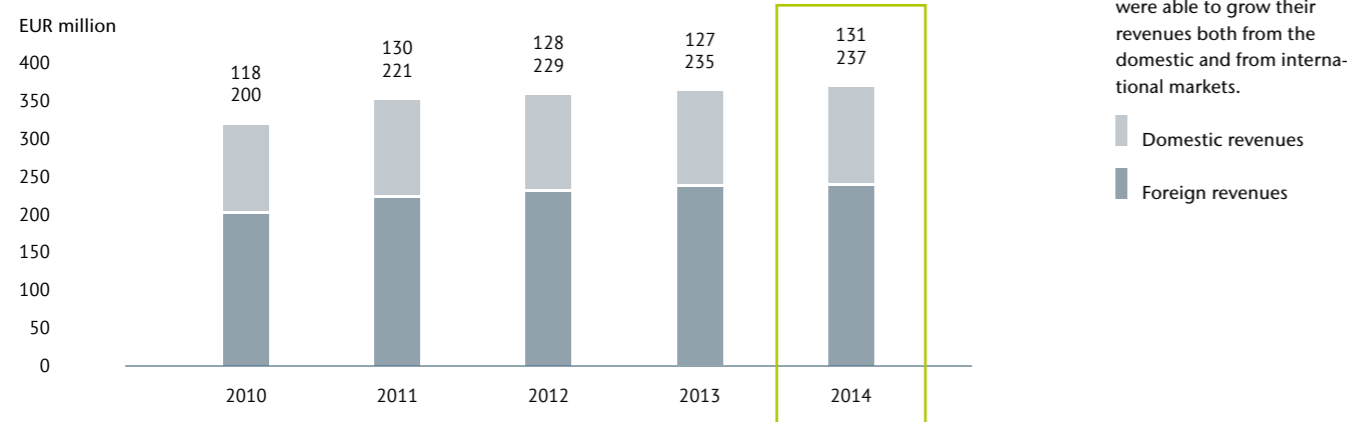
DEVELOPMENT IN THE AUTOMOTIVE INDUSTRY

Towards the middle of the year, the optimism still prevailing at the beginning of 2014 with regard to the development of the economy as a whole and the automotive sector in particular gave way to disillusionment. The emerging economies lost momentum, and the political crisis in Russia and the Ukraine caused uncertainty throughout the global economy and among consumers. Despite this challenging environment, global sales of new cars rose again in 2014 according to the German Association of the Automotive Industry (VDA).

In total, the worldwide passenger car market grew by 4.1 percent to 76.1 million units. In the United States, Light Vehicle sales rose to 16.4 million units, equal to a six-percent growth, almost achieving the pre-crisis level of 2006. The Western European passenger car market returned to growth again after four consecutive years of decline. The level of new registrations rose by nearly five percent to 12.1 million passenger cars. Nearly 18.4 million cars, equal to an increase of 13 percent compared to the previous year, were newly registered in China, which continues to be the largest single national market.

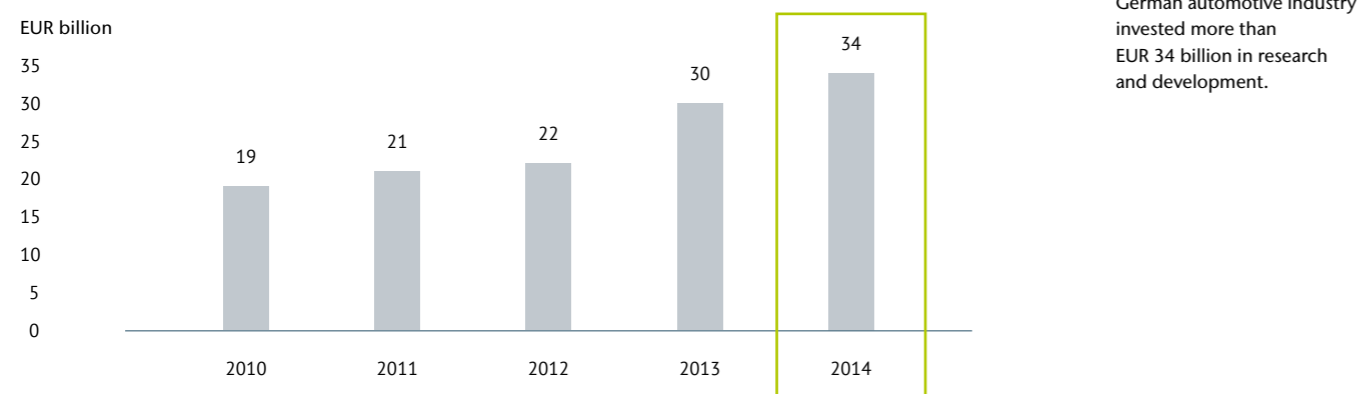
The worldwide positive trend in the automotive industry continued right up to the end of Bertrandt's fiscal year, which ends on 30 September. In the first three quarters of this year, sales of Light Vehicles in the US rose to more than 12.9 million units, equal to an increase of 5.1 percent. The positive development also continued in China. Passenger car sales reached a volume of over 13.7 million units – a plus of 4.7 percent over the previous year. The Western European market continued on the path of recovery and, with ten million new car registrations, previous-year figures were exceeded by 8.7 percent. Overall, the VDA expects global new car sales of approximately 76.6 million units which would correspond to a one-percent increase over the previous year.

Revenues in the German automotive industry



Source: On the basis of VDA.

R&D expenditures in the German automotive industry



Source: On the basis of VDA.

In 2014, German manufacturers succeeded again in increasing production volumes over the previous year. The number of cars produced in Germany grew by three percent to 5.6 million units. The production output of German carmakers outside Germany even rose by eight percent to 9.3 million passenger car units. Revenues increased accordingly – despite the difficult economic and political environment – to EUR 367.9 billion, reaching a new record high. This corresponds to year on year growth of two percent. Exports amounted to EUR 236.8 billion accounting for two thirds of the total revenues of the industry. German car

manufacturers maintained a stable 20 percent share of the world market.

CHART 13

In 2014, the automotive industry again excelled in research and development compared to other industries in Germany. On a worldwide basis, the German automotive industry invested more than EUR 34 billion in research and development, with half of its investments remaining in Germany. Investments are focused on two objectives: enhancing the efficiency of conventional combustion engines and reducing CO₂ emissions. The industry

CHART 14

German car manufacturers were able to grow their revenues both from the domestic and from international markets.

Domestic revenues
Foreign revenues

CHART 15

On a worldwide basis, the German automotive industry invested more than EUR 34 billion in research and development.

is also investing in the development of automated driving through the further development of assistance systems, as well as alternative drive systems, increased vehicle safety and connected vehicles.

CHART 15

DEVELOPMENT IN AEROSPACE

The German aviation and aerospace industry developed positively in 2014 according to the German Aerospace Industries Association (BDLI). Total sales revenues reached an all-time high of EUR 32.1 billion, with revenue growth of 4.9 percent. The total number of employees in the industry rose to 105,700, a slight plus of 0.2 percent compared to 2013. As in previous years, exports contributed 60 percent of total revenues.

DEVELOPMENTS IN OTHER SECTORS

After the start of production of the Airbus models A350 XWB and A400M, however, research and development expenditures shrunk by seven percent. They amounted to EUR 4.3 billion in total, which corresponds to 13.3 percent of total sales revenues of the industry. Research and development spending is currently targeted at the optimisation of existing models. On the one hand, future-oriented technical solutions are being devised with the aim of reducing noise, air pollution and greenhouse gases. On the other, a great deal of work is going into numerous measures designed to increase resource- and cost efficiency as well as improve safety.

4.3

billion euros were invested by the German aviation and aerospace industry in research and development in 2014.

The main driving forces behind the growth of the industry are global economic growth, environmental regulation at the national level and the recent decline in fuel prices. The two big aerospace groups, Boeing and Airbus, regard the global growth trend in civil aviation as unbroken. According to the rolling annual long-term forecast of the Boeing group the requirement for new aircraft for civil aviation will rise to 38,050 units in the period between 2015 and 2034. This is equal to a present market value of more than EUR 4.9 trillion. The aerospace group Airbus expects a slightly lower level of new aircraft demand in its long-term forecast for the same period and predicts 32,585 new units by 2034. Airbus estimates the market value of new aircraft to be procured at more than EUR 4.3 trillion.

DEVELOPMENTS IN OTHER SECTORS

Ongoing geopolitical tensions in Eastern Ukraine and in the Middle East are placing a burden on the German economy as is the slackening growth in the emerging economies and the recurrence of sovereign debt and confidence crises in the eurozone. The development of the four key industries in which Bertrandt operates apart from the automotive and aerospace sectors is outlined as follows:

The revised annual projection for 2014 of the German Engineering Federation (VDMA) was met despite the challenging economic environment. Production output rose by more than two percent compared to the previous year. Revenues in the industry grew by 2.9 percent to EUR 211.9 billion. At 76 percent, German machine exports maintained a high level and reached a total of EUR 152 billion in 2014. However, for the year 2015 the industry association anticipates production stagnating due to the prevailing difficult market environment.

The German Electrical and Electronic Manufacturers Association (ZVEI) reported an increase in sales revenues across the industry of 2.9 percent to EUR 171.8 billion for 2014. This means the industry is recovering from last year's downturn, as anticipated earlier by the ZVEI. ZVEI anticipates for 2015 that output in the German electrical and electronic industry will increase by 1.5 percent on a price-adjusted basis, with sales revenues totalling approximately EUR 175 billion.

The trade association Medical Technology, a division of the German Hightech Industry Association (SPECTARIS) reported total sales revenues of EUR 25.2 billion for the year 2014. The increase in sales revenues of 2.3 percent over the previous year is driven mainly by growth in the domestic business. As an industry that is relatively insensitive to business cycles it has experienced uninterrupted growth in revenues since 2009 and, with the positive economic environment remaining unchanged, the industry association expects further growth in the medium term. Thus, revenues in the German medical technology sector are expected to grow at an average rate of 3.8 percent year on year up to 2018.

Revenues in the energy sector stagnated at previous-year levels in 2014, as the Power Engineering division of the ZVEI reported. The surge in orders expected due to the energy transition has thus still not materialised. However, a positive sign was the fact that exports in this sector grew by three percent over the previous year, with continued growth anticipated for the world market. For 2015 the association expects growth of the global power engineering market of five percent.

4.5

percent is the market growth expected in 2015 for engineering services in Germany.

DEVELOPMENT IN THE ENGINEERING MARKET

The general industry trend towards the external sourcing of engineering services continues undiminished. According to a long-term study of the Stifterverband für die Deutsche Wissenschaft (an association of businesses and foundations for the promotion of science and research), internal expenditure on research and development across all German companies and industries has doubled in the last 20 years. In contrast, external expenditures on research and development, i.e. externally sourced research and development volumes, have quadrupled during the same period.

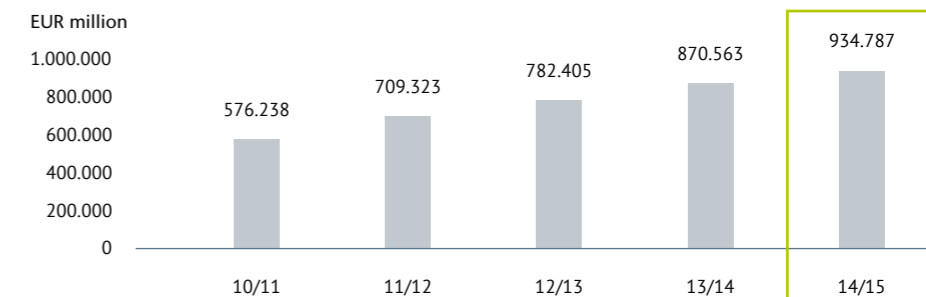
According to estimates by the market research and consulting firm Lünendonk, the market for technology consulting and engineering services in Germany has grown by five percent to EUR 9.3 billion in 2014 across all industries. The 25 leading engineering providers were thus able to increase their revenues by 7.4 percent on average. This trend is expected to continue in 2015 with the market growing by 4.5 percent to EUR 9.7 billion in 2015.

According to the findings of a study undertaken by the consultancy Berylls Strategy Advisors, the German market for engineering services for the automotive industry alone is worth approximately EUR 3.5 billion at present with the trend pointing upwards. The consultancy anticipates the market to grow at a rate of 5.8 percent to a volume of more than EUR 3.7 billion by 2015.

CHART 16

Bertrandt generated a year-on-year increase in its revenues in the past fiscal year, despite mixed economic and industry conditions.

Consolidated revenues



BUSINESS PERFORMANCE

EARNINGS SITUATION

Bertrandt generated a year-on-year increase in its revenues and earnings in the past fiscal year, despite mixed economic and industry conditions. This growth was based, among other factors, on increased customer demand, the development and expansion of capacity as well as a high capacity utilisation, the Bertrandt Group's strategic focus and customer-oriented marketing with competence centres that span all operations. Optimum capacity management, targeted cost management as well as programmes aimed at raising efficiency also contributed to Bertrandt's good earnings situation.

REVENUE GROWTH

Revenues rose by 7.4 percent year on year to EUR 934.787 million (previous year EUR 870.563 million). All of the Group's divisions contributed to this growth. Bertrandt's foreign subsidiaries performed better than in the previous year, generating revenues of EUR 90.889 million, which is equivalent to an increase of 32.1 percent (previous year EUR 68.822 million). This was mainly due to the positive development of the US business and improved market conditions in France.

Thus in the year here under review the increase in sales revenues was similar to that of the previous year, staying in the range between seven and ten percent which had been indicated by management.

CHART 16

KEY EXPENDITURE FIGURES

The key expenditure figures in the 2014/2015 fiscal year compared with the previous year were as follows: Project-related cost of materials amounted to EUR 88.089 million (previous year EUR 71.444 million). Since the Group continued to recruit new employees, personnel expenses rose by 5.8 percent to EUR 660.357 million (previous year EUR 624.141 million). The staff cost ratio was 70.6 percent (previous year 71.7 percent). Due to the high level of capital spending, which again increased over the previous year, depreciation/amortisation expense rose from EUR 22.234 million to EUR 25.193 million. The ratio of depreciation/amortisation to total revenues was 2.7 percent (previous year 2.6 percent). Other operating expenses were EUR 83.306 million (previous year EUR 77.041 million). They increased 8.1 percent in the period under review. In relation to total revenues they rose from 8.8 percent to 8.9 percent.

7.4

percent year-on-year revenue growth reported by Bertrandt.

Operating profit

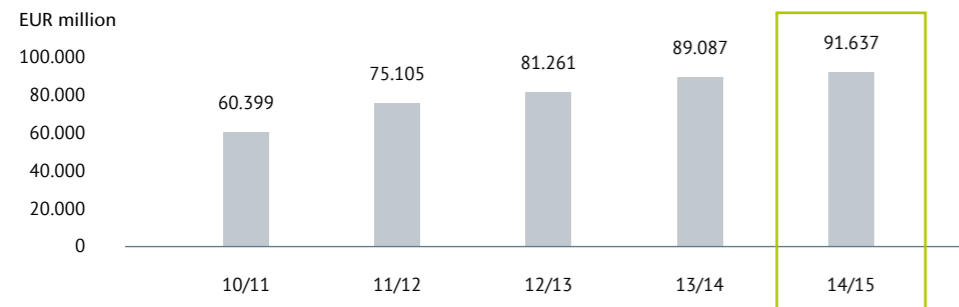


CHART 17

Bertrandt generated a year-on-year increase in its operating profit in the 2014/2015 financial year.

91.637

million euros operating profit generated in the 2014/2015 financial year.

IMPROVED OPERATING PROFIT

Bertrandt generated an operating profit of EUR 91.637 million in fiscal 2014/2015 (previous year EUR 89.087 million) and a 9.8 percent margin (previous year 10.2 percent). The increased operating profit is attributable primarily to the greater volume of business combined with strict cost management. Bertrandt's foreign subsidiaries generated an operating profit of EUR 4.753 million (previous year EUR 5.393 million). The decline in profit is due to the discontinuation of research funding made available outside of Germany. In the previous fiscal year research funding provided amounted to EUR 1.065 million.

CHART 17

The momentum of growth of the previous year was not fully maintained in earnings for fiscal 2014/2015 as had been forecast in the prior year annual report, which was primarily due to a higher sickness rate. However, the ratio of earnings to revenues was in the range between eight to 10.5 percent as projected by management in the report on the third quarter of the financial year 2014/2015.

NET FINANCE INCOME

Net other finance income amounted to EUR 0.245 million (previous year EUR 0.474 million). At EUR 0.033 million (previous year EUR 0.432 million), net finance income was again positive.

POST-TAX EARNINGS

In the period under review profit from ordinary activities rose to EUR 91.670 million (previous year EUR 89.519 million), translating into a growth of 2.4 percent. With income tax expense of EUR 27.784 million (previous year EUR 25.956 million), the tax rate for the period under review rose to 30.7 percent (previous year 29.4 percent). Post-tax earnings were EUR 62.636 million (previous year EUR 62.343 million). This works out to earnings per share of EUR 6.21 (EUR 6.19 in the previous year).

CHART 18

PERFORMANCE BY SEGMENTS

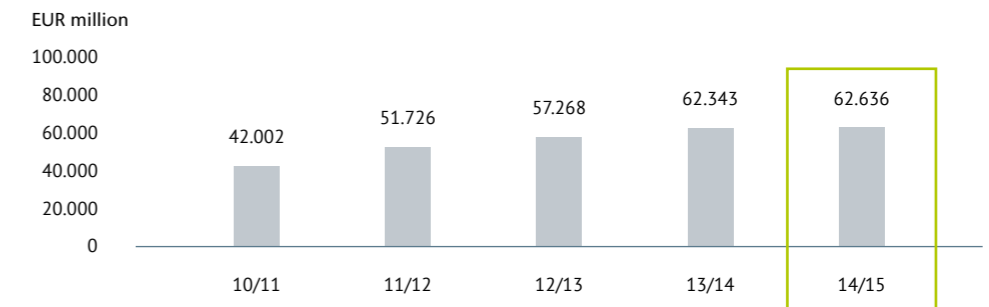
Bertrandt organises its business activities according to the Digital Engineering, Physical Engineering and Electrical Systems/Electronics segments, all of which recorded positive developments in revenues and earnings in fiscal 2014/2015.

In the Digital Engineering segment, which mainly covers the design of modules and components, revenues increased to EUR 556.327 million compared to EUR 511.654 million in the previous year. This corresponds to an 8.7 percent increase in revenues. Operating profit in this segment accounts for a large proportion of total operating profit, amounting to EUR 48.071 million in the period under review (previous year EUR 46.961 million).

CHART 18

Post-tax earnings remained on a high level.

Post-tax earnings



The design modelling, testing, vehicle construction and rapid prototyping activities are bundled in the Physical Engineering segment. In the 2014/2015 financial year the segment's revenues climbed by 4.9 percent to EUR 192.163 million (previous year EUR 183.249 million). Operating profit rose year on year by EUR 0.657 million to EUR 22.561 million (previous year EUR 21.904 million).

The Electrical Systems/Electronics segment generated revenues of EUR 186.297 million (previous year EUR 175.660 million). Operating profit was also up, rising to EUR 21.005 million (previous year EUR 20.222 million).

The segments' performance thus did not fully coincide with the expectations in the forecast of the previous year's annual report. While revenues exceeded the anticipated increase in the field of Digital Engineering due to higher customer demands, the Physical Engineering segment fell short of expectations and did not show the most dynamic performance in terms of revenues and earnings due to the delayed start of operations of a test centre. However, the Electrical Systems/Electronics segment performed to plan.

FINANCIAL POSITION

The Group's balance sheet structure is based on the principle of matching maturities. The greater volume of business has, to some extent, an impact on total assets which increased by 19.3 percent year on year to EUR 563.009 million (previous year EUR 471.800 million). This growth was chiefly underpinned by the following items: Non-current assets rose year on year by EUR 55.863 million to EUR 222.177 million as a result of increased capital spending. Current assets climbed to EUR 340.832 million as compared to EUR 305.486 million in the previous year, due to the greater volume of business and the additional temporary tying up of funds specifically related to a customer. By contrast, cash and cash equivalents were down from EUR 41.543 million to EUR 13.068 million. Current trade receivables and other assets also decreased and were at EUR 186.339 million after EUR 188.016 million. On the liabilities side, current liabilities increased to EUR 205.218 million (previous year EUR 161.488 million) as a result of investment activities and increased operating growth.

Equity ratio

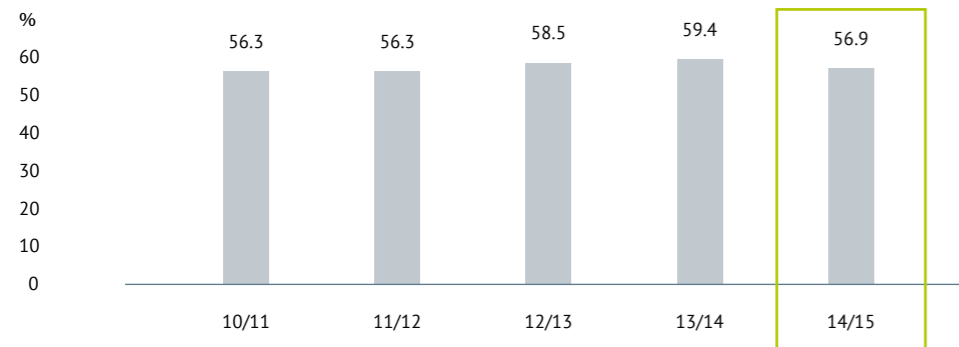


CHART 19

This equity ratio is making Bertrandt a financially strong company in the automotive sector.

Free cash flow

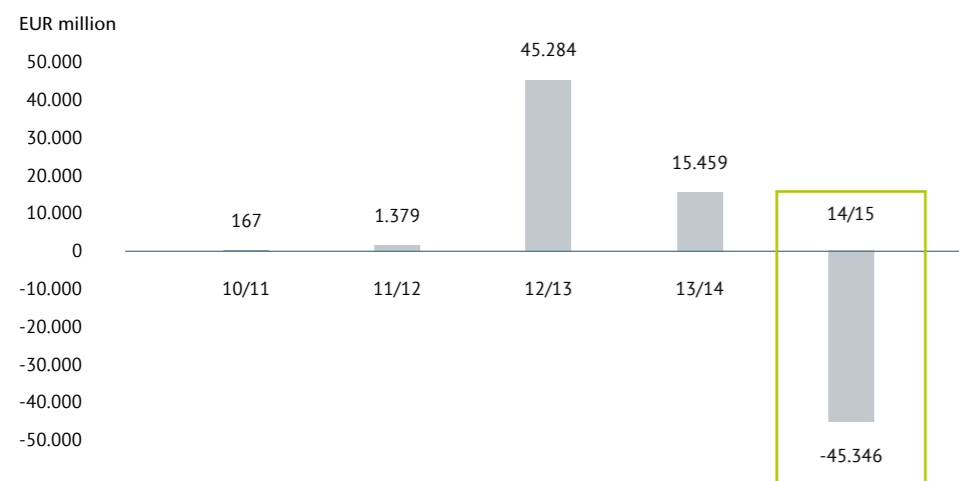


CHART 20

Free cash flow effected by capital expenditure remaining at a high level.

56.9

percent equity ratio as at 30 September 2015.

SOLID EQUITY BASE

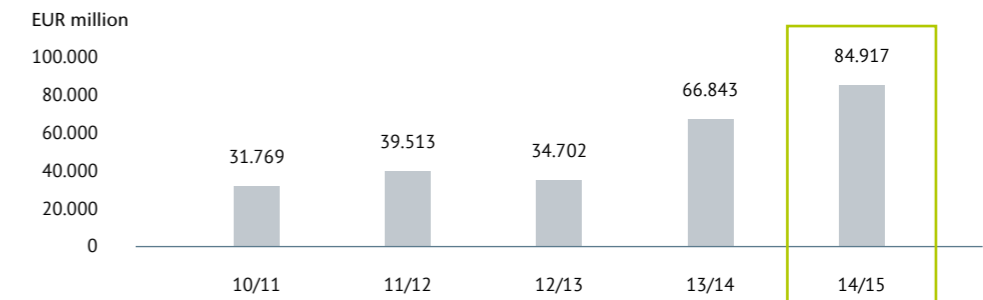
The positive earnings situation and the systematic pro-rata retention of earnings led to an increase of equity by EUR 39.982 million to EUR 320.306 million. The equity ratio therefore is 56.9 percent (compared to 59.4 percent in the previous year), making Bertrandt a financially strong company in the automotive sector.

CHART 19

CHART 21

Future-oriented investments achieved a new record level.

Capital expenditure



FINANCIAL POSITION

The fundamental objective of Bertrandt's financial management policy is to safeguard the Company's liquidity at all times. The financial management activities cover capital structure management as well as cash and liquidity management.

84.917

million euros invested by Bertrandt in the 2014/2015 financial year.

FREE CASH FLOW

In fiscal 2014/2015 more funds were tied up in current assets as a result of increased operating activities and due to the tying up of funds specifically related to a customer. This had the effect that, in contrast to forecasts, cash flow from operating activities did not increase in parallel to revenues. With capital expenditure remaining at a high level, cash flow from investing activities also rose compared with the previous year. As a result a negative free cash flow of EUR -45.346 million (previous year EUR 15.459 million) was generated. Compared with the previous year, the Company anticipates a further increase in the volume of investment yet again for fiscal 2014/2015 which will probably lead to a negative free cash flow also in the next fiscal year.

CHART 20

CAPITAL EXPENDITURE

Spending on property, plant and equipment was high in 2014/2015, reaching a record level of EUR 73.909 million in total (previous year EUR 36.619 million). Spending on intangible assets increased by EUR 1.235 million to EUR 6.219 million. Spending on financial assets amounted to EUR 4.789 million (previous year EUR 1.232 million).

By investing in infrastructure and facilities the Company seeks to complete its scope of products and services with a focus on its customers' needs. State-of-the-art technical equipment will enhance the range of competencies offered at Bertrandt's locations. Moreover, new capital expenditure is also intended to promote innovation, for example in the fields of acoustics, safety or drive technology. This growth in new and existing fields of competencies across the entire Bertrandt Group enables us to penetrate additional areas of the automotive development process and further expand and secure our market position as a technology group. More investing activities are planned for the next financial year, for which internal financing will be available due to the solid financial position of the Bertrandt Group. In addition to this internal financing capacity Bertrandt issued a bonded loan in fiscal 2015/2016 to lay the foundations for further investing activities. Moreover, the Company has available credit facilities of EUR 180.000 million which are secured in the long term and of which only EUR 39.642 million have been used to date.

CHART 21

Development of employees

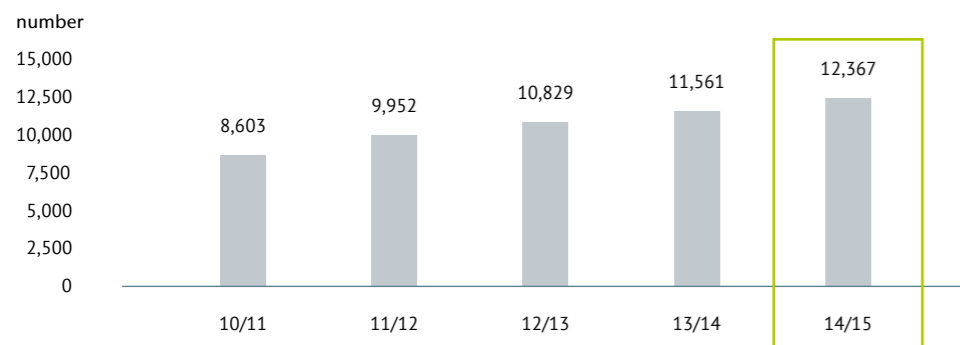


CHART 22

Bertrandt generated more than 800 new jobs on a year-on-year basis.

GENERAL STATEMENT ON BUSINESS PERFORMANCE

Bertrandt had a successful 2014/2015 financial year. The Management Board judges the Company's business situation and prospects to be good. Bertrandt's revenues and earnings situation both improved again in this fiscal year. With an equity ratio of 56.9 percent the Company stands on a firm financial footing. Its good capital base and its investment activities have paved the way for lasting success in the future.

Thus more than 12,300 people devise top-level customised development solutions for customers in Germany and abroad. Bertrandt's corporate culture is guided by the core principles of teamwork, flat hierarchies, providing an employee-friendly environment and a flexible, dynamic and performance-oriented approach to work. Following these principles the Company is able to grow and make progress and thereby to achieve successes which cannot be measured in figures alone. At Bertrandt, interaction and cooperation are based on values such as loyalty, trust and entrepreneurial spirit. At the same time, living these values is key to achieving a good corporate climate. This is the responsibility which must be assumed by each and every employee in the Company, every day, from the first day of employment.

Bertrandt's competitiveness as an employer was also confirmed in 2015 by an independent body: the Company was again ranked among the 100 most popular employers in Germany in the trendence Graduate Barometer 2015 – Engineering Edition.

RECRUITMENT

Staff recruitment plays a key role at Bertrandt. Recruiting and inspiring qualified employees to work for and stay with Bertrandt both play a key role in the Company. In addition to specialist know-how social skills and personality play a

HUMAN RESOURCES MANAGEMENT

With 12,367 employees worldwide (previous year 11,561) Bertrandt reported its highest ever number of employees at the reporting date. On 30 September 2015 the Company had 11,057 employees (previous year 10,396) in Germany and 1,310 (previous year 1,165) in other countries. The headcount grew across all segments and locations.

CHART 22



Can you see yourself working with us on innovative development projects? Information on vacancies can be found here.

REPORT ON SUBSEQUENT EVENTS

Major transactions or events occurring after the balance sheet day have to be accounted for in the Report on Subsequent Events.

To safeguard the Company's liquidity in the long term Bertrandt AG has issued a bonded loan of EUR 200 million which will exclusively affect non-current financial liabilities and net finance income. This paves the way for further long-term investment decisions.

Apart from the transaction referred to above there were no material events after the reporting period of 1 October 2014 to 30 September 2015.

GROUP ORGANISATION AND CONTROLLING

INTERNATIONAL GROUP STRUCTURE

Bertrandt AG is the parent company within the Bertrandt Group, which operates with domestic or foreign independent legal entities or permanent establishments in Germany, China, France, Hungary, Spain, Turkey, the United Kingdom and the United States. The Management Board of Bertrandt AG is responsible for managing the Company. The Supervisory Board appoints the members of the Management Board and monitors and advises them and, in particular, is consulted on decisions of fundamental importance for the Company.

The subsidiaries of Bertrandt AG are run independently by their own management. The interests of the Group and of its subsidiaries are coordinated at regular management meetings between the Group Management Board and the management of the respective subsidiaries. Cyclical and sector-specific changes are constantly monitored and incorporated in the operative control of the business segments in a timely manner.

major role. As a future-proof company Bertrandt seizes the opportunities offered by a large variety of events to address potential employees with a targeted employer branding campaign. The aim is not just to elicit passing interest but to make a lasting and convincing impression on potential employees. Bertrandt offers committed and qualified applicants a wide variety of entry options. Highly-sophisticated projects and the breadth and depth of the Company's range of services offer university graduates and specialists, experienced professional engineers and technicians alike attractive challenges in key technology industries. In the year under review, Bertrandt very successfully expanded its social media activities.

FURTHER TRAINING

Numerous technological innovations and our customers' high quality expectations call for continuous further training of our employees. Bertrandt is aware of this challenge. To be able to meet these high demands in the best possible way, the Company develops the know-how of its staff on an ongoing basis and ensures individual support for each staff member. The further training schemes continuously carried out by the Company provide the basis for lifelong learning: a broad range of technical and methodological trainings, management programmes and specific project management courses are offered in the Bertrandt knowledge portal, the Company's own training programme. Overall, Bertrandt spent EUR 11.9 million (previous year EUR 12.4 million) on further training for staff and managers in the year under review.

ADDITIONAL TRAINING

Training young talent has always been of key significance at Bertrandt. The Company develops its own pool of talent by running and applying numerous training programmes and methods as well by cooperating closely with universities. For example, we also train postgraduates in the field of electromobility. As at 30 September 2015, 364 employees were participating in a training or study programme in technical or commercial disciplines.

ENHANCING ENTERPRISE VALUE AS A PRIORITY

To enhance enterprise value in a sustainable way while considering economic, social and ecological factors is always the focus of our activities. The Bertrandt Group has a controlling system aimed at increasing the value of the entire Group. On this basis, targets are defined for the different segments and subsidiaries. Bertrandt is managed on a top-down basis from the Group, via the segments and subsidiaries down to individual profit centre levels. The periodic management is conducted in the light of the recognition and measurement policies defined by international accounting standards. Along with revenues, Bertrandt uses operating profit and cash flow from operating activities as ratios for controlling purposes.

CORPORATE GOVERNANCE DECLARATION PURSUANT TO SECTION 289a OF THE GERMAN COMMERCIAL CODE (HGB)

PERTINENT CORPORATE GOVERNANCE PRACTICES

Bertrandt conducts its business in line with the legal systems of the Federal Republic of Germany and of those countries in which the Company operates. In addition to responsible corporate governance in accordance with the law, the Company has also established internal regulations that reflect the Group's value system and leadership principles.

COMPLIANCE

Long term market success is only possible if a company is able to enduringly convince its customers by its innovation, quality, reliability and fairness. In our view, an essential aspect of this is to comply with statutory provisions as well as with the Company's own guidelines and ethical principles (compliance). Bertrandt's corporate culture is geared to these principles, while we have always felt bound by principles going beyond legal provisions. Obligations entered into voluntarily and ethical principles are integral parts of our corporate culture and simultaneously the guide on which our decisions are based. All this is founded on factors like, for example, the integrity of business dealings, protecting our leading-edge knowledge, adhering to antitrust law and all foreign trade-related regulations, proper record keeping and financial communication as well as equal opportunities and the principle of sustainability. Bertrandt continuously requires staff and business partners to adhere to these principles and monitors compliance.

OUR VALUE SYSTEM: BERTRANDT'S MISSION STATEMENT

Bertrandt is a forward-looking company defined by a clear and unambiguous system of values. Its cornerstones are honesty, credibility, dependability, transparency and trust in people. Based on this value system, Bertrandt's mission statement was created as early as 1996. This mission statement which was updated in 2004 is the guide for our corporate strategy, for our daily conduct and our social responsibility. The mission statement's aim is not only to govern teamwork within the Company, but also what we do for our customers and shareholders. Commitment and trust are values that Bertrandt emphasises afresh every day. Openness, trust and mutual appreciation are what characterises our day-to-day collaboration. Our mission statement illustrates to our shareholders, customers, employees and the general public what makes our business successful. Bertrandt is a long-standing, dependable partner to its customers, shareholders and employees. The Company's mission statement is available at the Bertrandt website (or on the internet): "http://www.bertrandt.com/fileadmin/data/downloads/00_Unternehmen/2013-04-23_Unternehmenspolitik_der_Bertrandt-Gruppe_en.pdf".

RISK MANAGEMENT

Dealing carefully with potential risks to the Company is accorded high priority in our day-to-day work. We have set up a risk management system that helps us to detect risks and optimise risk positions. This system is continuously adapted to changing circumstances. The Audit Committee set up by the Supervisory Board deals in particular with matters involving accounting, risk management, including the internal control system and compliance as well as the required independence of the auditor.

ACCOUNTING AND AUDIT OF THE FINANCIAL STATEMENTS

The financial statements of the Bertrandt Group are prepared in conformity with International Financial Reporting Standards (IFRS). The separate financial statements of Bertrandt AG are prepared according to the German Commercial Code (HGB). Pursuant to statutory provisions, the auditor is appointed by the annual general meeting. The Audit Committee prepares the Supervisory Board's proposal to the annual general meeting for the appointment of the auditor. The auditor is independent and audits both the Group's consolidated financial statements and the separate financial statements of Bertrandt AG.

The Supervisory Board has appointed Dr Klaus Bleyer as an independent Supervisory Board member with accounting and auditing expertise (so-called "financial expert") according to Section 100 (5) German Stock Corporation Act.

TRANSPARENCY

The Company's shareholders, all participants in the capital market, financial analysts, investors, shareholders' associations and the media are regularly informed and kept up to date on the Company's situation and material changes in its business. The principal communication channel for this is the internet. All persons who work for the Company and have access to insider information as specified by the regulations are advised of their obligations arising from insider trading law. The situation and results of Bertrandt AG are reported in interim reports (quarterly and half-year) and annual reports, annual financial results conferences, the annual general meeting as well as conference calls and events involving international financial analysts and investors both in and outside Germany.

The dates of the regular financial reporting are listed on the Bertrandt's website under the financial calendar. In addition to regular reporting, information that concerns Bertrandt and which might have a considerable impact on the price of Bertrandt's share but is not publicly known is disclosed by means of ad-hoc announcements. Financial calendar: "<http://www.bertrandt.com/en/investor-relations/dates.html>".

WORKING PROCEDURES OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

The Management Board normally meets every two weeks and ad hoc if needed; the Supervisory Board usually meets four times a year and as required. The Management Board comprehensively informs the Supervisory Board in a timely manner and on a regular basis of all key matters concerning corporate strategy, planning, business performance, the financial position and earnings situation, the risk situation and risk management activities as well as compliance. It also presents to the Supervisory Board the Group's capital expenditure and financial planning as well as earnings projections for the upcoming fiscal year. The CEO advises the Chairman of the Supervisory Board without delay of any key events that might be of material significance in judging the Company's situation and performance and for its management. Transactions and measures that require the Supervisory Board's approval are submitted to it in good time.

The members of the Management Board are obliged to immediately disclose to the Supervisory Board any conflicts of interest and also to notify the other Management Board members. No side-line activities, in particular as supervisory board members outside the Group, may be exercised by members of the Management Board unless they have been approved by Supervisory Board.

The Management Board has not formed any committees.

COMPOSITION AND WORKING PROCEDURES OF THE SUPERVISORY BOARD

To perform its duties the Supervisory Board has formed a Human Resources and an Audit Committee. To increase efficiency, the Human Resources Committee also performs the duties of the Nomination Committee. These committees prepare specific subject areas for discussion and decision-making in plenary meetings. For certain subjects the decision-making powers have been delegated by the Supervisory Board to the Committees that hold meetings as required.

The Human Resources Committee consists of Dr Klaus Bleyer (Committee Chairman), Maximilian Wöfle (Deputy Chairman) and Prof. Dr-Ing. Wilfried Sihl. The Audit Committee is composed of Dr Klaus Bleyer (Committee Chairman), Maximilian Wöfle (Deputy Chairman) and Horst Binnig.

A list of all of the members of the Supervisory Board is available at: "<http://www.bertrandt.com/en/company/supervisory-board.html>". Information on the professions of the Supervisory Board members and disclosures on other offices held in supervisory boards and other monitoring bodies can be found in the 2014/2015 Annual Report (section "Consolidated Financial Statements/Notes") which is available at "<http://www.bertrandt.com/en/investor-relations/financial-reports.html>" upon its publication on 11 December 2014.

DECLARATION OF CONFORMITY PURSUANT TO SECTION 161 OF THE GERMAN STOCK CORPORATION ACT (AKTG) DATED 21 SEPTEMBER 2015

"Declaration of conformity to the German Corporate Governance Code pursuant to Section 161 AktG

The Management Board and Supervisory Board of Bertrandt AG declare in accordance with Section 161 of the German Stock Corporation Act (AktG) that the recommendations of the Government Commission on the German Corporate Governance Code (GCGC), as amended on 13 May 2013 and published in the electronic Federal Gazette on 10 June 2013, and as amended on 24 June 2014 and published in the electronic Federal Gazette on 30 September 2014 have been complied with, with the following exceptions: Sections 3.8 (3), 4.1.5, 4.2.2 (2) sent. 3, 4.2.3 (2) sent. 6, sub-sent. 1 and (3), 5.2 (2), 5.3.2 sent. 3, 5.4.1 (2) and (3), 5.4.2 sent. 1, 5.5.2, 5.5.3 sent. 1 and 7.1.2 sent. 4 of the German Corporate Governance Code.

The Recommendations pursuant to Section 4.2.5 (3) and (4) GCGC applicable as from 1 October 2014 onward were also not applied.

The recommendations of the Government Commission on the German Corporate Governance Code (GCGC), as amended on 5 May 2015 and published in the electronic Federal Gazette on 12 June 2015 have been and are being complied with, with the following exceptions: Since 12 June 2015 the recommendations in Sections 3.8 (3), 4.1.5, 4.2.2 (2) sent. 3, 4.2.3 (3) 4.2.5 (3) and (4), 5.2 (2), 5.3.2 sent. 3, 5.4.1 (2) and (3), 5.4.2 sent. 1, 5.5.2, 5.5.3 sent. 1 and 7.1.2 sent. 4 GCGC have not been applied. Until 1 October 2015, the Company also deviated from Section 4.2.3 (2) sent. 6 sub-sent. 1 GCGC.

These deviations from individual recommendations were and are based on the following considerations:

Section 3.8 (3) GCGC

Bertrandt AG has taken out a pecuniary damage liability insurance policy (a so-called directors and officers liability insurance). In deviation from Section 3.8 (3) GCGC the policy includes no deductible for Supervisory Board members. Bertrandt AG has taken out the policy to protect its interests in the hypothetical event of a claim for damages.

Section 4.2.2 (2) sent. 3 GCGC

The system for Management Board compensation is oriented towards a sustainable growth of the Company within the meaning of Section 87 (1) sent. 2 AktG. When assessing whether remuneration of the members of the Management Board is appropriate, the Supervisory Board shall also consider vertical comparability as recommended in Section 4.2.2 (2) sent. 3 GCGC. However, since the details of said recommendation are still controversially discussed in the legal literature and in practice, a deviation is declared as a precautionary measure.

Section 4.2.3 (2) sent. 6, sub-sent. 1 and (3) GCGC

Pursuant to the recommendations in Section 4.2.3 (2) sent. 6 sub-sent. 2 the variable portions of the compensation of the members of the Management Board are capped. However, Section 4.2.3 (2) sent. 6 sub-sent. 1 additionally provides that the amount of compensation shall be capped "overall". As the remuneration of the members of the Management Board is fixed and not variable, the Company holds the view that by capping variable compensation this recommendation has already been implemented. However, as a precautionary measure a deviation from the GCGC for the period up to 30 September 2015 has also been and is also being declared in respect of this recommendation. With effect from 1 October 2015 the remuneration of all the members of the Management Board was also overall limited to a maximum amount

by way of amendment of their employment contracts; a declaration of conformity in this respect is therefore not required.

The Company continues to deviate from Section 4.2.3 (3) GCGC. It is not the Supervisory Board's intention to guarantee a specific pension level for the retired members of the Management Board but to ensure that compensation for their current activity is in line with the market and the situation of the Company. Hence, pension commitments are generally not made. Such commitments exist, as has been stated in the Company's annual reports for many years, exclusively with regard to one active and one former member of the Management Board.

Section 4.2.5 (3) and (4) GCGC

The compensation of the members of the Management Board shall be disclosed to the extent required by law. On 18 February 2009 the annual general meeting had decided to continue with the Company's long-standing reporting practice until the end of the 2014/2015 fiscal year, adopting again a resolution on the non-disclosure of Management Board compensation in accordance with the German Disclosure of Management Board Compensation Act (Vorstandsvergütungs-Offenlegungsgesetz) of 10 August 2005. The Company will continue to deviate from the recommendation under Section 4.2.5 (3) and (4) GCGC in the fiscal year beginning on 1 October 2015. Sufficient transparency will be ensured by full application of the provisions governing the disclosure of Management Board compensation.

Section 5.2 (2) GCGC

The Chairman of the Supervisory Board has for many years simultaneously been Chairman of the Audit Committee. Since this has proven effective, the Company will continue to deviate from Section 5.2 (2) GCGC in this respect.

Section 5.3.2 sent. 3, Section 5.4.1 (2) and (3), Section 5.4.2 sent. 1 and Section 4.1.5 GCGC

The Company will continue to deviate from Sections 5.3.2 sent. 3, 5.4.1 (2) and (3), 5.4.2 sent. 1 and 4.1.5 GCGC. It is in the interest of Bertrandt AG to give priority to the professional experience, capabilities and knowledge of the individual persons when appointing members to the Management Board and the Supervisory Board or appointing other executives.

The Company believes that its Supervisory Board has an appropriate number of independent members. However, since the term "independent members" has not been finally clarified, the Company as a precautionary measure declares a deviation from Sections 5.3.2 sent. 3, 5.4.2 sent. 1 and 5.4.1 (2) GCGC based on the fact that three of the four members appointed by the shareholders, including the Chairman of the Supervisory Board, have already served three or more terms in the Supervisory Board. Taking this into

account, the Company has also decided not to fix a maximum period of office in the Supervisory Board within the meaning of Section 5.4.1 (2) GCGC.

Section 5.5.2 and Section 5.5.3 sent. 1 GCGC

In its Rules of Procedure the Supervisory Board has provided for the handling of conflicts of interests independently and in deviation from the recommendations stipulated by Sections 5.5.2 and 5.5.3 sent. 1 GCGC. The Rules of Procedure require each Supervisory Board member to disclose any conflicts of interest to the Chairman of the Supervisory Board; it is mandatory for the Chairman of the Supervisory Board to disclose this information to his or her deputy. These provisions exceed the stipulations of Section 5.5.3 sent. 1 GCGC by applying to all conflicts of interest and not distinguishing between matters which are of material or temporary nature. The right to waive public disclosure of such information enables the members of the Supervisory Board to discuss in confidence with the Chairman cases which merely appear to be conflicts of interests.

Section 7.1.2 sent. 4 GCGC

Bertrandt AG published its report on the first quarter of fiscal 2014/2015 on 16 February 2015 and the report for the second quarter 2015 on 20 May 2015. In all of its reports, Bertrandt AG conforms to the strict quarterly reporting requirements in the Prime Standard of Frankfurt Stock Exchange. As long as the German Corporate Governance Code is not synchronised with the provisions of the Prime Standard, Bertrandt AG reserves the right to deviate from Section 7.1.2 sent. 4 GCGC.

Ehningen, 21 September 2015

The Management Board	The Supervisory Board
Dietmar Bichler Chairman	Dr Klaus Bleyer Chairman"

Ehningen, 07 December 2015

The Management Board	The Supervisory Board
Dietmar Bichler Chairman/ Markus Ruf Member of the Management Board	Dr Klaus Bleyer Chairman/ Maximilian Wöfle Deputy Chairman

REMUNERATION REPORT

COMPENSATION STRUCTURE FOR THE MEMBERS OF THE MANAGEMENT BOARD

Compensation of Management Board members comprises fixed/non-performance-related and variable components. The fixed/non-performance-related compensation consists of a fixed remuneration and fringe benefits. Each member of the Management Board is entitled to a fixed annual salary payable in twelve equal instalments at the end of each month. Bertrandt provides company cars to all members of the Management Board for business and private use. Furthermore, all Management Board members are insured under a group accident insurance policy. In the year under review, fixed/non-performance-related compensation paid to the Management Board members was EUR 0.636 million for Dietmar Bichler, EUR 0.284 million for Hans-Gerd Claus, EUR 0.292 million for Michael Lücke and EUR 0.284 million for Markus Ruf. The variable component is adjusted to the Bertrandt Group's earnings situation in the year under review. In the year under review, the variable component of compensation paid to the Management Board members was EUR 2.291 million for Dietmar Bichler, EUR 1.145 million for Hans-Gerd Claus, EUR 1.145 million for Michael Lücke and EUR 1.145 million for Markus Ruf. The system for Management Board compensation is oriented towards the sustainable growth of the Company within the meaning of Section 87 (1) sent. 1 AktG. Correspondingly, the smaller portion of the variable component is paid in the following fiscal year while the major share is paid at a later point in time depending on the performance of the business (bonus/malus system). In the year under review 2014/2015 compensation paid to the active members of the Management Board amounted to EUR 2.927 million in total for Dietmar Bichler, EUR 1.429 million in total for Hans-Gerd Claus, EUR 1.437 million in total for Michael Lücke, EUR 1.429 million in total for Markus Ruf. In total, EUR 7.222 million were paid in compensation to all active members of the Management Board (previous year EUR 7.049 million).

No share options have been granted to members of the Management Board, and there is currently no plan to do so.

The compensation structure implemented by the Supervisory Board does not generally provide for pension commitments to members of the Management Board. Correspondingly, such commitments which date back to the time before the Company adopted the legal form of a stock corporation only exist for one active and one former member of the Management Board. CEO Dietmar Bichler is entitled to a benefit with a present value of EUR 3.225 million. The Company has recorded a provision of EUR 0.163 million in the year under review for this purpose.

A legacy contract concluded on 31 July 2009, prior to the entry into force of the German Act on the Appropriateness of Management Board Remuneration (VorstAG), provides for compensation to be paid to Dietmar Bichler in the amount of half of the fixed and variable components of the remuneration he received in the preceding fiscal year ended in the event of his leaving the Company for reasons which do not constitute good cause for termination without notice by the Company, and if the non-renewal of the contract or the withdrawal of the appointment is not due to Dietmar Bichler's own wish.

COMPENSATION STRUCTURE FOR THE MEMBERS OF THE SUPERVISORY BOARD

The compensation structure for the members of the Supervisory Board was amended by shareholder resolution during the annual general meeting on 19 February 2014. Compensation of Supervisory Board members is defined in Article 12 of the Articles of Association of Bertrandt AG whereby each member of the Supervisory Board is entitled to a fixed remuneration of EUR 0.032 million paid after the end of the fiscal year in addition to the reimbursement of expenses. The Chairman of the Supervisory Board receives two and a half times the amount and his deputy one and a half times the amount. Supervisory Board members who are also members of a committee additionally receive an amount equal to 25 percent of their fixed remuneration while members acting as committee chairmen receive another 25 percent of their fixed remuneration. However, the maximum amount received by Supervisory Board members in total is four times the fixed remuneration. Payment of the compensation is due after adoption by the annual general meeting of the resolution on the appropriation of profits. In total, compensation of the Supervisory Board members amounted to EUR 0.320 million in fiscal 2014/2015 (previous year EUR 0.320 million). Since the 2013/2014 financial year the Company has ceased to pay performance-based compensation to Supervisory Board members.

DISCLOSURES ON SUBSCRIBED CAPITAL

DISCLOSURES ON SUBSCRIBED CAPITAL AND POSSIBLE TAKEOVER RESTRICTIONS (SECTION 315 (4) GERMAN COMMERCIAL CODE)

The share capital is EUR 10,143,240.00 and is divided into 10,143,240 bearer shares. Each share has one vote. The Management Board is not aware of any restrictions concerning voting rights or the transfer of shares apart from Bertrandt's treasury shares and the shares issued under the employee share scheme, which are subject to a contractually defined lock-up period.

The following shareholders hold more than ten percent of the voting rights:

- Dr Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart, Germany: 29 percent of voting rights as last reported on 3 July 2014;
- Friedrich Boysen Holding GmbH, Altensteig, Germany: 14.90 percent of voting rights as last reported on 21 February 2011.

Refer to Note [46] in the Notes to the Consolidated Financial Statements for further disclosure. The owners of shares do not have any special rights establishing a power of control.

The appointment and removal of members of the Management Board is governed by Sections 84 and 85 of the German Stock Corporation Act (AktG) in conjunction with Article 6 of the Articles of Association.

Pursuant to Section 179 AktG in conjunction with Article 18 (1) of the Articles of Association, any amendments to the Articles of Association require a resolution by the annual general meeting adopted by a simple majority.

At the annual general meeting of 16 February 2011, the shareholders authorised the Management Board to buy back the Company's own shares up to a proportion of share capital equivalent to the amount of EUR 1,000,000 until 31 January 2016. At the annual general meeting of 20 February 2013 the shareholders additionally authorised the Management Board to increase the share capital of

Bertrandt AG pursuant to the Articles of Association with the approval of the Supervisory Board by issuing, in the period leading to 31 January 2018, new bearer shares on a cash or non-cash basis (including in the form of so-called mixed non-cash contributions), either once or several times, however by a maximum amount of EUR 4,000,000.

Bertrandt has entered into the following agreement of material significance which provides for the event of a change of control by the following provisions: Lending agreements provide for an extraordinary right of termination of the lender when credit facilities are not used. There are no agreements with either members of the Management Board or employees on compensation payments in the event of a change of control.

OPPORTUNITIES AND RISKS REPORT

Bertrandt's accounting and controlling functions maintain an accounting-related internal control and risk management system that ensures complete, accurate and timely provision of information. This chapter first describes the accounting-related internal control system and the risk management system. Thereafter it sets out the relevant risks and opportunities that may influence Bertrandt's operating activities.

DESCRIPTION OF THE PRINCIPAL CHARACTERISTICS OF THE INTERNAL CONTROL SYSTEM

The separate financial statements of Bertrandt AG and its subsidiaries are prepared according to the applicable law in the respective jurisdiction and are then reconciled to prepare the consolidated financial statements according to IFRS. The corporate policies contained in the accounting manual ensure consistent accounting and measurement. The separate financial statements of the subsidiaries are audited or subjected to an auditor's review. In addition, they are tested for plausibility based on the report submitted by the auditors. A clear delineation of areas of responsibility, the use of the four eyes principle, the use of numerous IT authorisation concepts, encrypted transmission of information as well as the performance of plausibility checks are also important control elements which are applied in the course of the preparation of the annual financial statements. Staff are continually

The Bertrandt risk management system

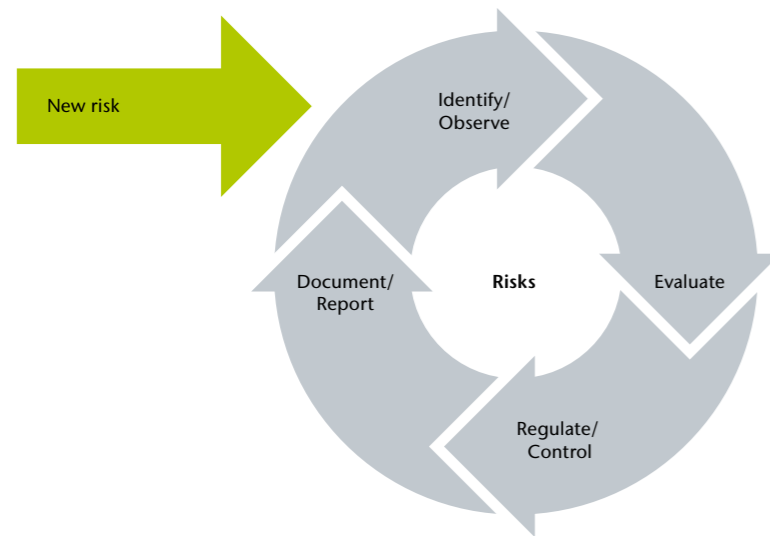


CHART 23

Our risk management system seeks to identify risks as early as possible, as well as to minimise or completely avoid them.

advised and trained in all the relevant aspects and issues of accounting law.

DESCRIPTION OF THE PRINCIPAL CHARACTERISTICS OF THE RISK MANAGEMENT SYSTEM

Our risk management system seeks to identify risks as early as possible, as well as to minimise or completely avoid them. This is aimed at averting possible harm to the Company and any potential threat to it as a going concern. Bertrandt Group's four-tier internal control and risk management system identifies and documents risks to the Company's financial performance and continuing existence.

It is applicable to all Bertrandt Group companies, both domestic and foreign. The Management Board, the Managing Directors of the respective subsidiary and corporate functions such as Group Controlling work closely together in identifying risks and devising countermeasures. Both regular and ad-hoc risk reviews are carried out to assess all the identified risks that could affect our business performance with regard to amount of loss, probability of occurrence and importance. For this purpose, similar or identical risks affecting domestic and/or foreign Group companies are aggregated and their importance to the Group analysed at Group level.

Depending on the results, appropriate countermeasures are devised with top priority and compared with best practices, and the corresponding strategy is implemented without delay by the responsible Managing Directors in cooperation with supporting corporate functions.

CHART 23

The assessment and identification of risks for the subsidiaries is based on the maximum amount of loss and the probability of occurrence. The amount of loss describes the impact on the operating result of the respective subsidiary.

Amount of loss is described by the following categories:

- Low is an amount of loss between EUR 0.050 million and 0.250 million.
- Medium is an amount of loss between EUR 0.250 million and 0.500 million.
- High is an amount of loss between EUR 0.500 million and 1.500 million.
- Very high is an amount of loss exceeding EUR 1.500 million.

Probability of occurrence is expressed in the following categories:

- Low is a probability of between zero and 25 percent
- Medium is a probability of between 25 and 50 percent
- High is a probability of between 50 and 75 percent
- Very high is a probability of between 75 and 100 percent

Risks are assessed on this basis in gross and net terms. The gross assessment assesses the risk event without accounting for the effects of mitigating countermeasures that may already have been taken. The net assessment accounts for countermeasures already taken and thus enables an appraisal of the effectiveness of any mitigating countermeasures taken. Amount of loss multiplied by the probability of occurrence equals risk magnitude. The risk magnitude is expressed in three categories A, B and C:

- A risk corresponds to a risk magnitude of > EUR 3.0 million
- B risk corresponds to a risk magnitude of > EUR 1.5 million
- C risk corresponds to a risk magnitude of < EUR 1.5 million

The identified risks are updated several times a year and an aggregated risk report is prepared to enable the Management Board to receive an overview of the exposure of the Group. New risks arising between regular updates are described in ad-hoc risk reports and submitted to the Management Board.

Bertrandt's risk profile is updated constantly and shows the following potential individual risks. These identified risks are also subject to an evaluation to determine whether they are essential risks. Apart from this, risks of lesser importance were checked for plausibility but are not separately stated here because of a low probability of occurrence, expected amount of loss and lack of importance.

FINANCIAL RISKS

As an engineering service provider operating on an international scale, the Bertrandt Group is exposed to a variety of financial risks: Default risks on trade receivables, liquidity risks as well as interest rate and currency fluctuation risks. Financial risk management is carried out by the central Treasury department. A liquidity forecast covering a fixed

period into the future, credit facilities available to the Bertrandt Group but not utilised, as well as alternative financial instruments guarantee liquidity at all times. The Company uses derivative financial instruments as appropriate for managing individual fixed-interest periods and currency segments. The risk of possible defaults has decreased compared to the previous year. Preventive checks for creditworthiness continue to be carried out. Individual risks are addressed by means of credit guarantee insurance cover as required in individual cases. This risk is therefore classified as an B risk with a medium probability of occurrence.

CHANGE IN OEMS' OUTSOURCING STRATEGY AND SIZE OF THE AWARDED PROJECTS

In recent years, the automotive industry has intensified the external sourcing of engineering services because of the rising number of different drive technologies, an increasing diversity of models and ever shorter model lifecycles. Currently there is also a trend towards more contracts for work and larger project scopes. At the same time, the scope of projects and thus the responsibility for Bertrandt increases. The impact of the legislative changes governing employee leasing or the contents of contracts for work cannot be conclusively assessed at this moment. In addition it is conceivable that OEMs will render engineering services themselves in some areas. This would result in a reduction of Bertrandt's current and future business volume, which may adversely affect the Company's revenue and earnings situation. The public debate on emission values measured in passenger cars which began in late September and the potential law on an adaptation of the measurement method used is an issue which is relevant to all players in the German automotive industry. Based on our current state of knowledge it is impossible for us to assess which decisions will eventually be taken. We are closely following the development of this process and, based on the general situation described above, we currently see no need to adjust our present risk assessment. Therefore, this is considered an A risk. Due to high demand for skilled labour, the numerous technology challenges and the fact that many OEMs plan an extension of their model range, the probability of occurrence is classified as medium.

PRICING

Our customers are constantly aware of their own efficiency so that the price of externally sourced engineering services is also in the focus of their attention. Moreover, changes in the law have made matters considerably more complex in the field of contracts for work. Furthermore our customers are intensifying their efforts to source some of their engineering services from countries with lower wage levels. Bertrandt Group is responding to these circumstances by optimising its cost structure, working to high levels of quality and, depending on the project in question, diversifying its locations outside Germany. Price will therefore continue to be subject to competitive pressures. Bertrandt classifies this risk as an A risk in conjunction with a medium probability of occurrence.

IMPLEMENTATION OF NEW PROCESSES

The ongoing alignment with the technical demands of customers is an integral part of the business model of an engineering provider such as Bertrandt. This results in the continuous implementation of new processes, software tools and systems. Flawless introduction in each case is necessary in order to maintain the obligatory certifications. Flawed implementation of new processes may cause disorganisation in the utilisation of our resources.

In order to address this risk, Bertrandt installed a comprehensive management system applicable throughout the Group in order to measure and assess non-financial performance indicators on a regular basis. The management system's purpose is to ensure that customer requirements are satisfied and that internal processes are optimised and refined. It supports Bertrandt's employees' endeavours to work effectively and without making mistakes, and to identify potential for optimisation.

The management system is reviewed on an annual basis by an external accredited body. The review is based on the requirements of the following standards:

- DIN EN ISO 9001 Quality Management
- DIN EN ISO 14001 Environmental Management
- DIN ISO/IEC 27001 Information security with prototype protection as specified by the German Association of the Automotive Industry (VDA)
- OHSAS 18001 Occupational health and safety management
- DIN EN ISO/IEC 17025 for accredited test laboratories

The business processes of the subsidiaries are aggregated for purposes of the assessment within the internal management system of the Bertrandt Group. The aggregated assessment represents the condition of the business processes according to five assessment categories which are derived from the high level structure of the new management system standards:

- I. **Performance of the management system** (for example: target process of the management system and its accomplishment, outcomes of external audits and reviews, controlling of resources, dealing with changes in the environment of the enterprise).
- II. **Service delivery** (for example: feedback from customers, complaint management, supplier relationships, project management).
- III. **Continuous improvement** (for example: status of actions for sustainable correction of defects, for the prevention of potential future defects and for the response to predictable changes, for efficiency increase and innovation management).
- IV. **Risk management** (for example: status of and dealing with process, security and environmental risks, particularly their prevention and avoidance, corporate security as well as occupational health and safety).
- V. **Personnel and human resources** (for example: survey of employee satisfaction, fluctuation, occupational health management).

The business processes are assessed along a 100 point scale and the values of the scale are associated with the following findings:

< 50	Deviations from the target process were found. The cause for the deviation must be determined and sustainable corrective action must be initiated. Effectiveness must be ensured.
50 - 75	The analysed business process is stable and controlled. However, changes and potential deviations have to be expected. Preventive action must be initiated. Effectiveness must be ensured.
> 75	The analysed business process is stable and controlled, sustainability and effectiveness are ensured. Activities are focused on maintaining the process as is or on increasing efficiency and performance.

The assessment procedure was carried out for the Bertrandt Group's business processes and the outcome for the fiscal year 2014/2015 is as follows for our non-financial performance indicators:

Assessment areas	Points
I. Performance of the management system	80
II. Service delivery	93
III. Continuous improvement	85
IV. Risk management	82
V. Employees and human resources	89

The results can be regarded as indicators of the stability and sustainability of the business processes covered by the integrated management system of Bertrandt. As projected in the the previous year, Bertrandt was able to maintain the high level of the non-financial performance indicators. As in the previous year, the results for all assessment areas clearly exceed 75 points, the threshold which characterises the business processes as stable and controlled and ensures sustainability. The continuous improvement of the processes generated positive effects in the core business of service delivery.

The market conditions and a changing project environment in terms of scope, complexity and responsibility to be assumed by Bertrandt call for modifications in risk management and individual control processes which, indeed, have already been identified and introduced. Management's attention continues to be dedicated to maintaining and increasing efficiency and optimising the performance of the processes in the Group. In this context, activities must mainly focus on the continuous improvement of the processes and the core business of service delivery.

Bertrandt considers this a category B risk. Based on this management methodology and many years of experience in managing new processes the probability of occurrence is to be assessed as low.

IT SECURITY

As an engineering service provider, Bertrandt is highly reliant on well-functioning and secure data processing. We must be ready at all times to provide solutions quickly to constantly changing business processes and cost pressure. The challenge here consists in the ability to optimise overall IT costs and, at the same time, enhance functionality and security. Since 2005, internal Security Circles have been established that define and monitor uniform security standards. Since 2006, several of our locations have been certified to ISO 27001 and have implemented internal IT security procedures according to uniform specifications that exceed the standard and that are coordinated continuously with our customers. Bertrandt is continuously applying several different solutions for identifying vulnerabilities, such as the latest firewalls, intrusion detection systems or so-called content scanners. In order to enhance security even more, additional actions have also been taken such as 2-factor authentication or strong cryptography for transmissions from and to customers. Aggregated for the entire Group, this risk is considered a category C risk. In view of the comprehensive preventive action, the probability of occurrence is assessed as low.

HUMAN RESOURCES

Inadequate availability as well as fluctuation of qualified staff could have an inhibiting effect on the business performance. This category therefore includes the shortage of qualified personnel and the risk arising from this situation. Recruitment of qualified staff as well as ongoing further training for employees ensure that the Company has the necessary skills and is able to grow. Bertrandt consistently aims to offer its employees attractive working conditions with interesting, varied and challenging activities. The fact that Bertrandt received an award as top employer once again in 2015 demonstrates that effective measures are being taken in this field. Nonetheless, loss of staff to our customers, for example, can never be ruled out completely, since they are able to offer attractive career prospects as well. From our point of view, this risk is to be considered a category A risk, in conjunction with a medium probability of occurrence.

OVERALL RISK

The early warning system described enables management to detect existing risks at an early stage and to initiate countermeasures. As every year, the system of early risk detection and monitoring was subjected to a compulsory review as part of the audit of this year's annual financial statements. The conclusion is that the risk analysis based on the information currently at hand produces a satisfactory result. According to this, there is no evidence at the moment of any going-concern risks with a loss or hazard potential for the Company's operating results or financial position. Although the actual amount of overall risk has increased, this can be more than offset by the Company's growth. It is not yet possible, however, to conclusively estimate the fallout from the fading European financial crisis. It is equally difficult to predict how current global crises will develop. Nor is it possible, on the basis of the information currently available, to predict with certainty what impact potential changes in the law on employee leasing and contracts for work will have.

OPPORTUNITIES

Bertrandt is a fast-growing technology company which provides skilled support as a partner to its customers. The Company's objective is to manage its business sustainably to position itself successfully on the market and to further expand its leading position with a broad and integrated range of services. The most important drivers of the Bertrandt business model are the following three trends: growing model diversity, technology progress and the external sourcing of engineering services. In the following we describe the possible development of these three influencing factors from our point of view and the opportunities that they offer to Bertrandt Group.

The "probability of occurrence" categories for these trends are as follows:

- Low is a probability of between zero and 25 percent
- Medium is a probability of between 25 and 50 percent
- High is a probability of between 50 and 75 percent
- Very high is a probability of between 75 and 100 percent

With regard to the possible financial impacts of the opportunities, Bertrandt applies the following categories:

- Insignificant corresponds to a positive influence on total revenues of up to two percent
- Moderate corresponds to a positive influence on total revenues of two to five percent
- Significant corresponds to a positive influence on total revenues of more than five percent

GROWING MODEL DIVERSITY

Bertrandt is constantly analysing trends in the development of models of its existing and potential OEM customers. The market volume consists, on the one hand, of models of our customers already on the market, which receive facelifts or refinements, and successor models in regular intervals. In addition there are new models that are brought to the market without a predecessor. We expect our existing customers to launch 38 new models on the market by 2019. We assess the probability of occurrence for this scenario to be high in conjunction with a significant influence on total revenues. Our assessment of this has not changed compared to the previous fiscal year.

TECHNOLOGY PROGRESS

In 2014 alone, German manufacturers and suppliers are reported by the VDA to have invested around EUR 34 billion in research and development – more than any other industry in Germany. Expectations with regard to the technology standard in the German automotive industry therefore continue to be high. This is triggered by the worldwide rules and regulations on CO₂ emissions as well as on safety and comfort. The connectivity of cars is becoming increasingly important, too. In this context, factors such as quality, optimised fuel consumption, safety, comfort and design are of considerable importance for the success of German carmakers on global markets.

In the field of aircraft construction for civil aviation, the forecasts of the two big aircraft manufacturers, Airbus and Boeing, anticipate stable growth up to 2034. This growth is primarily due to growing internationalisation and tourist travel. Technology development trends are driven by demand for sustainability and comfort. Alternative materials and new engine technologies will help reduce both weight and fuel consumption. Modern cabins will make passengers' stay on board as comfortable as possible.

The key industries in which Bertrandt Services GmbH operates are currently benefiting from their strong focus on exports. Trends in the energy, medical technology and electrical engineering industries as well as the machinery and plant engineering sectors offer huge potential for external development partners like Bertrandt. „Made in Germany“ is associated with top quality products and high technological standards in areas from the energy transition, through to the ageing society, the smart grid or Industry 4.0. The two most important industry associations for these sectors, the

German Engineering Federation and the German Electrical and Electronic Manufacturers Association do not anticipate any deterioration in business in the coming year.

Based on our current state of knowledge we assess the probability of occurrence of a continued increase in demand for high-technology in the target industries of the Bertrandt Group to be high in conjunction with a significant influence on total revenues. This assessment is the same as in the previous year.

EXTERNAL SOURCING OF ENGINEERING SERVICES

The VDA conducted a study in cooperation with the consultancy Berrylls which was specifically designed to examine the market for external sourcing of engineering services in the automotive industry. According to the study, global market volume in the year 2014 amounted to around EUR 8.8 billion and rising. The study also showed that the market volume more than doubled between 2000 and 2014, outperforming growth of the automotive supplier industry by around fifty percent. The experts who designed the study expect the market to grow at an average rate of 5.8 percent per year to reach a volume of EUR 12.3 billion by 2020. Thus the engineering services market in the automotive sector will grow by around 40 percent over the next six years.

The study also shows that from a global perspective Germany will continue to be a core market for engineering services provided to car makers. Starting from EUR 3.5 billion in 2014 the market will expand to EUR 4.5 billion by 2020 according to forecasts. This is mainly due to the good growth prospects of the Germany automotive sector.

Based on our current state of knowledge, we assess the probability of occurrence of a continued increase in the external sourcing of engineering services in core industries of the Bertrandt Group to be high in conjunction with a significant influence on total revenues. This assessment has not changed since the last fiscal year.

FORECAST

ECONOMIC ENVIRONMENT

In their autumn report the leading German economic research institutes forecast continued global economic growth. According to the experts world output is set to grow by 2.6 percent this year and by 2.9 percent in the coming year. Economic development is even more heterogeneous than already observed in 2014: while in most developed economies the economic situation has been quite robust in 2015, despite a volatile market environment, it has deteriorated in a number of emerging markets.

In the US, growth of economic output is expected to accelerate by 2.7 percent in the course of the coming year. Both businesses and private households are benefitting from the currency's devaluation and from low raw material prices. Experts also expect economic output in Europe to increase by 1.8 percent in 2016. Positive momentum will still come from export activities, as the continuing growth of world trade and a slightly lower external value of the Euro should have a positive impact on exports.

The experts project a continuing slowdown in the pace of growth of the Chinese economy, resulting in a 6.3 percent increase in China's real gross domestic product in the coming year. The remaining BRIC countries will show a somewhat mixed picture. The forecasts for India continue to be positive with growth of 7.4 percent projected for 2016. Developments in Russia will mainly depend on whether the sanctions imposed in connection with the Ukraine conflict are loosened. Brazil's economy is likely to emerge from recession during the coming year according to experts. For these reasons the experts also expect gross domestic product in the emerging markets as a whole to grow by 4.5 percent in 2016.

In the light of the increasing unpredictability of global developments the positive trend for the German economy, which was anticipated in the expert commission's spring report, was revised downwards in the autumn. However, Germany's economy still continues to experience a moderate upswing. The experts consequently forecast GDP growing by 1.8 percent in 2016.

SITUATION IN THE INDUSTRY

The VDA expects the market situation to remain positive in 2016 and anticipates global sales of new cars to increase by two percent to 77,7 million units. For the US the experts foresee an increase of one percent to 17 million newly registered cars. Western Europe, too, should further stabilise and grow by one percent to 13 million units. Car sales in China, an important market, are likely to rise to another record high despite the slowdown in the market. Experts estimate the number of new car sales at more than 19,5 million, which would translate into a plus of two percent.

From a technology point of view, our customers face multifaceted challenges also in the future. In their study "2020 Vision of the Global Automotive Industry" the market research institute Frost & Sullivan forecast that car manufacturers' research and development spending will rise from its current five percent of total revenue on average to six or seven percent. Ambitious climate protection targets of numerous governments around the globe require the development of more fuel-efficient and environmentally friendly vehicles. The actions which will need to be taken to accomplish these targets affect the complete vehicle, ranging from the optimisation of conventional engine concepts or the use of alternative drive technologies to weight reduction achieved by the use of new materials. The trends towards increased communication, connectivity, safety and comfort will also continue. In addition, OEMs will constantly increase the number of models in their ranges so as to be able to respond even more effectively to country-specific or individual customer needs.

The aeronautics industry has been on a growth path for several years, but the challenges facing aircraft manufacturers are significant. Against the backdrop of the ongoing CO₂ and climate protection debates the market is demanding efficient and environmentally friendly solutions. The use of new technologies and materials plays a major role here, too. Aircraft will also need to fulfil numerous individual requirements relating to reach, equipment and passenger volumes. Against this background demand for engineering in this market segment can be expected to increase, because the existing model range must be adjusted to live up to these requirements.

In its production forecast, the VDMA anticipates stagnation at the previous year's level for 2016. According to the VDMA this is due to global political crises, the declining dynamism in emerging markets and the repeated flare-up in the debt and confidence crisis in the eurozone. The German electrical and electronic industry is expected to grow by three percent in 2016, according to the ZVEI experts. The figures provided by the ZVEI for the energy engineering industry only refer to the development of the global market, which is expected to grow by five percent in the coming year. Revenues in the German medical technology sector are expected to grow at a rate of 3.8 percent year on year up to 2018 according to the Germany Hightech Industry Association SPECTARIS.

The engineering market in general would still appear to be benefitting from a high and lasting demand from across the industry for new products and increased individual customer requirements. As a result there is great demand for engineers and specialists. Apart from the automotive and aviation sectors, industries such as energy and electrical engineering, medical technology, as well as machinery and plant engineering are in need of specialists and qualified engineering services. The Lünendonk study of "Leading providers of technology consulting and engineering services in Germany" thus forecasts the industry growing by 5.3 percent in 2016. Above all the Germany Automotive industry, which is of particular importance for Bertrandt, will continue in the long term to contract out engineering services to external partners according to the experts of Berylls Strategy Advisors consulting firm. The forecast anticipates the German market growing at an annual rate of 4.4 percent, which is equivalent to euro 1 billion, to reach the euro 4.5 billion mark by 2020.

POTENTIALS

Bertrandt is a fast-growing technology company which provides skilled support as a partner to its customers. The Company's objective is to manage its business sustainably and position itself successfully on the market and to further expand its leading position with a broad and integrated range of services. Bertrandt's range of services for the automotive industry covers the entire value chain of product engineering. The Company is positioned as an engineering service provider for complete vehicle development and regards itself as a driver of innovation in key disciplines such as electronics. Bertrandt deliberately serves a rather diverse customer base. The Company assumes the role of an expert consultant to the automotive and aerospace industries while embracing the development of technological future trends with a can-do attitude. Bertrandt is confident that the increasingly demanding mobility needs of consumers, ever more stringent legislation and a growing diversity of variants and models will continue to offer potential for the Company to secure and enhance its market position as an engineering service provider and technology group also in the years to come. This is also reflected in actual and planned capital expenditure in infrastructure and technical equipment of our technology centres.

Moreover, there are promising opportunities for the Company to establish a market position and to bring its expertise to bear in sectors beyond the mobility industry, such as the energy and electrical engineering and medical technology industries as well as the electronics sector or machinery and plant engineering. Thanks to our decentralised structure, we are a trusted partner in the immediate vicinity of our customers. Thus we can take on board their wishes immediately and implement them in projects worldwide.

Well-targeted capital expenditure enables Bertrandt to continually optimise its range of services. Based on solid business foundations this will permanently and sustainably enhance the Company's enterprise value. The key factors for success are: greatest possible customer focus, committed employees and efficient cost and capacity management.

GENERAL STATEMENT ON THE EXPECTED DEVELOPMENT

Depending on the turn the influencing factors described here take, they may result in opportunities or risks for the Bertrandt Group in the next fiscal year. Assuming that underlying economic conditions do not deteriorate, that OEMs invest on a sustained basis in R&D for new technologies and models, that engineering work continues to be contracted out and that qualified staff is available, Bertrandt essentially expects its revenues and earnings to keep rising in fiscal 2015/2016 similar to the two preceding years.

The public debate on emission values measured in passenger cars which began in late September and the potential law on an adaptation of the measurement method used is an issue which is relevant to all players in the German automotive industry. Based on our current state of knowledge it is impossible for us to assess which decisions will eventually be taken. We are closely following the development of this process and, based on the general situation described above, we currently see no need to adjust our present risk assessment.

As described in the report on the third quarter of the financial year 2014/2015 it is the opinion of management that the market continues to offer real business opportunities and potential for short- and medium-term revenue growth of seven to ten percent and an operating profit of between eight and 10.5 percent as a percentage of revenue per year. Management therefore confirms the outlook regarding the development of revenues and operating profit for the next fiscal year.

According to our forecasts, the revenue and operating profit performance of the segments Digital Engineering, Physical Engineering and Electrical Systems/Electronics respectively will develop as in the year under review.

It is our intention to sustain the high non-financial performance indicators also in the fiscal year 2015/2016.

The market continues to offer real business opportunities in 2016. As a result, Bertrandt will continue to focus its investment activities in building up and expanding its infrastructure with the aim of continually optimising its range of services bearing in mind that the technological developments of tomorrow will require state-of-the-art technology. We therefore expect capital expenditure to remain at a sustained high level. Bertrandt anticipates positive cash flow from operating activities for the next year overall, which will rise in parallel to our revenue and earnings performance.

Ehningen, 25 November 2015

The Management Board



Dietmar Bichler
Chairman of the Management Board



Michael Lücke
Member of the Management Board
Sales



Hans-Gerd Claus
Member of the Management Board
Engineering



Markus Ruf
Member of the Management Board
Finance

C

CONSOLIDATED FINANCIAL STATEMENTS

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IN THE LAST FISCAL YEAR year we were able to increase some of our major key performance indicators: group earnings rose year on year by 7.4 percent to EUR 934.787 million with no compromise on the quality of the return on earnings.

9.8 %

EBIT MARGIN

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

TABLE 24

Consolidated income statement and statement of comprehensive income			
EUR million			
01/10 until 30/09	Notes	2014/2015	2013/2014
I. Income statement			
Revenues	[6]	934.787	870.563
Other internally generated assets	[7]	0.472	0.176
Total revenues		935.259	870.739
Other operating income	[8]	13.323	13.208
Raw materials and consumables used	[9]	-88.089	-71.444
Personnel expenses	[10]	-660.357	-624.141
Depreciation	[11]	-25.193	-22.234
Other operating expenses	[12]	-83.306	-77.041
Operating profit		91.637	89.087
Share of profit in associates		0.027	0.013
Interest income/expense		-0.239	-0.055
Other net financial result		0.245	0.474
Net finance income	[13]	0.033	0.432
Profit from ordinary activities		91.670	89.519
Other taxes	[14]	-1.250	-1.220
Earnings before tax		90.420	88.299
Income taxes	[15]	-27.784	-25.956
Post-tax earnings		62.636	62.343
– attributable to minority interest		0.017	0.004
– attributable to shareholders of Bertrandt AG		62.619	62.339
Number of shares (million) – diluted/basic, average weighting		10.083	10.076
Earnings per share (EUR) – diluted/basic	[16]	6.21	6.19
II. Statement of comprehensive income			
Post-tax earnings		62.636	62.343
Exchange rate differences ¹		0.677	0.474
Revaluation of pension obligations		-0.014	-1.097
Tax effects of revaluation of pension obligations		0.004	0.329
Other earnings after taxes		0.667	-0.294
Total comprehensive income		63.303	62.049
– attributable to minority interest		0.017	0.004
– attributable to shareholders of Bertrandt AG		63.286	62.045

¹Components of Other earnings after taxes which will be recycled in the Income statements of the future quarterly and annual reports.

CONSOLIDATED BALANCE SHEET

TABLE 25

Consolidated balance sheet			
EUR million			
	Notes	30/09/2015	30/09/2014
Assets			
Intangible assets	[18]	17.455	15.548
Property, plant and equipment	[19]	184.823	132.365
Investment properties	[20]	1.608	1.672
Investments accounted for using the equity method	[21]	4.367	0.090
Other financial assets	[21]	3.724	4.795
Receivables and other assets	[22]	6.838	7.826
Income tax assets	[23]	0.150	0.301
Deferred taxes	[24]	3.212	3.717
Non-current assets		222.177	166.314
Inventories	[25]	0.558	0.614
Future receivables from construction contracts	[26]	139.342	75.081
Receivables and other assets	[22]	186.339	188.016
Income tax assets	[23]	1.525	0.232
Cash and cash equivalents	[27]	13.068	41.543
Current assets		340.832	305.486
Total assets		563.009	471.800
Equity and liabilities			
Issued capital	[28]	10.143	10.143
Capital reserves	[29]	28.595	27.734
Retained earnings	[30]	246.799	206.323
Consolidated distributable profit		34.083	35.455
Equity attributable to shareholders of Bertrandt AG		319.620	279.655
Minority interests	[31]	0.686	0.669
Capital and reserves		320.306	280.324
Provisions	[32] / [33]	13.039	12.374
Other liabilities	[34]	0.278	0.400
Deferred taxes	[24]	24.168	17.214
Non-current liabilities		37.485	29.988
Tax provisions	[35]	4.171	14.806
Other provisions	[33]	54.594	61.210
Borrowings	[36]	39.642	0.092
Trade payables	[37]	20.444	12.289
Other liabilities	[34]	86.367	73.091
Current liabilities		205.218	161.488
Total equity and liabilities		563.009	471.800

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TABLE 26

Consolidated statement of changes in equity										
EUR million										
	Issued capital	Capital reserves	Retained earnings			Consolidated distributable profit	Equity attributable to shareholders of Bertrandt AG	Minority interests	Total	
			Non-distributed earnings	Currency translation reserve	Hedging instruments	Total retained earnings				
Value on 01/10/2014	10.143	27.734	209.335	-1.231	-1.781	206.323	35.455	279.655	669	280.324
Post-tax earnings							62.619	62.619	0.017	62.636
Other earnings				0.677 ¹	-0.010	0.667		0.667		0.667
Total comprehensive income				0.677	-0.010	0.667	62.619	63.286	0.017	63.303
Dividend payment							-24.182	-24.182		-24.182
Other non-operating changes			39.809			39.809	-39.809	0		0
Change in treasury shares		0.861						0.861		0.861
Value on 30/09/2015	10.143	28.595	249.144	-0.554	-1.791	246.799	34.083	319.620	0.686	320.306
Previous year										
Value on 01/10/2013	10.143	26.984	173.937	-1.705	-1.013	171.219	30.666	239.012	0.001	239.013
Post-tax earnings							62.339	62.339	0.004	62.343
Other earnings				0.474 ¹	-0.768	-0.294		-0.294		-0.294
Total comprehensive income				0.474	-0.768	-0.294	62.339	62.045	0.004	62.049
Dividend payment							-22.152	-22.152		-22.152
Other non-operating changes			35.398			35.398	-35.398	0		0
Changes in minority interests									0.664	0.664
Change in treasury shares		0.750						0.750		0.750
Value on 30/09/2014	10.143	27.734	209.335	-1.231	-1.781	206.323	35.455	279.655	0.669	280.324

¹Components of Other earnings after taxes which will be recycled in the Income statements of the future quarterly and annual reports.

CONSOLIDATED CASH FLOW STATEMENT

TABLE 27

Consolidated cash flow statement		
EUR million		
01/10 until 30/09	2014/2015	2013/2014
1. Net profit for the period (including minority interests) before exceptionals	62.636	62.343
2. Income taxes	27.784	25.956
3. Interest income/expense	0.239	0.055
4. Other net financial result	-0.245	-0.474
5. Share of profit in associates	-0.027	-0.013
6. Depreciation of non-current assets	25.193	22.234
7. Increase/decrease in provisions	-5.951	11.320
8. Other non-cash expenses/income	0.061	-0.714
9. Profit/loss from disposal of non-current assets	-0.118	-0.223
10. Increase/decrease in inventories, future receivables from construction contracts, receivables and other assets as well as other assets not assigned to investing or financing activities	-61.637	-24.280
11. Increase/decrease in trade payables and other liabilities not assigned to investing or financing activities	21.309	7.425
12. Income tax received/paid	-32.248	-24.327
13. Interest paid	-0.239	-0.035
14. Interest received	0.210	0.403
15. Cash flow from operating activities (1.-14.)	36.967	79.670
16. Payments received from disposal of property, plant and equipment	0.994	0.926
17. Payments received from the disposal of financial assets	1.610	1.706
18. Payments made for investments in property, plant and equipment	-73.909	-36.619
19. Payments made for investments in intangible assets	-6.219	-4.984
20. Payments made for investments in financial assets	-4.789	-1.232
21. Payouts stemming from the purchase or the disposal of consolidated companies and other business units	0	-24.008
22. Cash flow from investing activities (16.-21.)	-82.313	-64.211
23. Payment received from the sale of treasury shares	0.861	0.750
24. Payments made to shareholders and minority shareholders	-24.182	-22.152
25. Payments made for acquisition of treasury shares	0	0
26. Payments received from issue of debt instruments and raising of loans	39.550	0
27. Payments made for discharging debt instruments and repaying loans	0	0
28. Cash flow from financing activities (23.-27.)	16.229	-21.402
29. Changes in cash and cash equivalents (15.+22.+28.)	-29.117	-5.943
30. Effect of exchange rate changes on cash and cash equivalents	0.642	0.233
31. Cash and cash equivalents at beginning of period	41.543	47.253
32. Cash and cash equivalents at end of period (29.-31.)	13.068	41.543

Die Konzern-Kapitalflussrechnung ist unter der Anhangsangabe [38] erläutert.

CONSOLIDATED NOTES

[1] BASIS OF PREPARATION

Bertrandt AG is a listed joint stock company (Aktiengesellschaft) incorporated under the law of the Federal Republic of Germany with registered offices at Birkensee 1, 71139 Ehningen, Germany (commercial register number HRB 245259, local court of Stuttgart). The consolidated financial statements are published in the electronic Federal Gazette. The business purpose of Bertrandt AG and its subsidiaries is to provide engineering and related services including but not limited to designing, developing, engineering, producing and fabricating prototypes and parts of prototypes, testing, planning and project management as well as CAD activities of all kinds for industries like the automotive, aerospace, transportation, energy, mechanical, electrical and medical engineering sectors.

As stipulated by EU Regulation (EC) No. 1606/2002 the consolidated financial statements of Bertrandt AG for the year ending 30 September 2015 have been prepared in accordance with the accounting standards issued by the International Accounting Standards Board (IASB), the International Financial Reporting Standards (IFRS) and IFRIC Interpretations, as adopted by the European Union. In addition, the requirements of Section 315a (1) of the German Commercial Code were observed.

All standards effective in the 2014/2015 fiscal year were applied. The consolidated financial statements have been prepared on the basis of historical cost with the exception of certain financial assets which are measured at fair value.

The consolidated financial statements were compiled in euros. Unless stated otherwise, all amounts are shown in millions of euros (EUR million).

Presentation of financial statements

The income statement is prepared using the nature of expense method. Pursuant to International Accounting Standard (IAS) 1, current and non-current assets and liabilities are separately classified in the balance sheet. There are no changes as compared to the previous year.

Assets and liabilities are considered to be current if the respective amount is expected to be recovered or settled no more than twelve months after the reporting period. Likewise, they are considered to be non-current if they are expected to remain in the Group's balance sheet for more than one year. Trade receivables and trade payables are generally recognised as current items. Provisions for pensions are carried under non-current liabilities to reflect their long-term nature. Deferred tax assets and liabilities are classified as non-current.

International Financial Reporting Standards and IFRIC Interpretations applicable as of fiscal 2014/2015

The following table sets out the International Financial Reporting Standards and IFRIC Interpretations that are applicable as of fiscal 2014/2015.

TABLE 28

Standard/ Interpretation		Compulsory application ¹	Expected effects
IFRS 10	Consolidated Financial Statements	01/01/2014	None
IFRS 11	Joint Arrangements	01/01/2014	None
IFRS 12	Disclosure of Interests in Other Entities	01/01/2014	Disclosures in the Notes
IFRS 10, IFRS 11 and IFRS 12	Amendments to IFRS 10, IFRS 11 and IFRS 12 – Transition Guidance	01/01/2014	None
IFRS 10, IFRS 12 and IAS 27	Amendments to 10, IFRS 12 and IAS 27 – Investment Entities	01/01/2014	None
IAS 27	Separate Financial Statements	01/01/2014	None
IAS 28	Investments in Associates and Joint Ventures	01/01/2014	None
IAS 32	Amendments to IAS 32: Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities	01/01/2014	None
IAS 36	Amendments to IAS 36: Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets	01/01/2014	None
IAS 39	Amendments to IAS 39: Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting	01/01/2014	None
IFRIC 21	Levies	17/06/2014	None

¹Fiscal years beginning on or after the specified date.

International Financial Reporting Standards and Interpretations that have been published but are not yet effective

The following standards and interpretations have already been adopted by the IASB and to some degree endorsed by the European Union but were not yet effective in fiscal 2014/2015. Bertrandt will apply them for the accounting period for which they become effective.

TABLE 29

Standard/ Interpretation		Compulsory application ¹	Expected effects
IFRS 9 ²	Financial Instruments	01/01/2018	Classification/ Measurement ³ / Disclosures in the Notes
IFRS 11 ²	Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations	01/01/2016	None
IFRS 10, IFRS 12 and IAS 28 ²	Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception	01/01/2016	None
IFRS 10 and IAS 28 ²	Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	not specified	None
IFRS 14 ²	Regulatory Deferral Accounts	01/01/2016	None
IFRS 15 ²	Revenue from Contracts with Customers	01/01/2018	Currently under examination
IAS 1 ²	Amendments to IAS 1: Presentation of Financial Statements – Disclosure Initiative	01/01/2016	None
IAS 16 and IAS 38 ²	Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation	01/01/2016	None
IAS 16 and IAS 41 ²	Amendments to IAS 16 and IAS 41 – Agriculture: Bearer Plants	01/01/2016	None
IAS 19	Amendments to IAS 19: Employee Benefits – Defined Benefit Plans: Employee Contributions	01/02/2015	None
IAS 27 ²	Amendments to IAS 27: Separate Financial Statements: Equity Method in Separate Financial Statements	01/01/2016	None
Improvements to IFRS ²	Individual amendments	01/01/2015 -01/01/2016	Single-case audit

¹Fiscal years beginning on or after the specified date.

²Not yet endorsed by the EU.

³It is impossible to make a reliable estimate of the impact at the moment.

[2] PRINCIPLES OF CONSOLIDATION

Subsidiaries are all entities over which Bertrandt AG has direct or indirect control pursuant to the criteria provided in IFRS 10. The subsidiaries are included in the financial statements by applying the principle of full consolidation. The financial statements of the fully consolidated companies are prepared pursuant to IFRS 10 using uniform accounting policies. Entities are consolidated for the first time on the date on which control is transferred to Bertrandt AG and deconsolidated when such control ceases. The balance sheet date of the separate financial statements of the consolidated group companies corresponds to the fiscal year of Bertrandt AG, an exception being the entity in China and Inmuebles Baviera GmbH whose fiscal year is the calendar year.

The acquisition method is used for consolidation, i.e. the acquisition costs are offset with the pro-rata share of the remeasured equity which is attributable to the parent company on the acquisition date. To the extent that the purchase price of the investment exceeds the fair value of the identifiable assets net of liabilities the resulting difference is classified as goodwill and recognised as an asset on initial consolidation.

Investments are consolidated using the equity method if the Company has significant influence or if the investment is jointly controlled (IAS 28). This is generally the case with a shareholding of between 20 and 50 percent of the voting rights. The carrying amounts of investments accounted for under the equity method are increased or reduced every year by the amount equivalent to the proportion of changes in equity of the associates or joint ventures attributable to the Bertrandt Group. The principles for full consolidation are also applied to the allocation and measurement of any difference between the acquisition costs of the investment and the Group's proportionate share in its equity identified when recognising the investment.

Receivables and liabilities as well as revenues, expenses and income arising from transactions between consolidated entities are offset.

[3] GROUP OF CONSOLIDATED COMPANIES

The group of consolidated companies includes all operating subsidiaries under the control of Bertrandt AG. This specifically entails the following German companies: Bertrandt Ingenieurbüro GmbHs in Gaimersheim, Ginsheim-Gustavsburg, Hamburg, Cologne, Munich, Neckarsulm and Tappenbeck as well as Bertrandt Technikum GmbH, Bertrandt Projektgesellschaft mbH, Bertrandt Services GmbH and Bertrandt Ehningen GmbH in Ehningen, Bertrandt Fahrerprobung Süd GmbH in Nufringen, Bertrandt GmbH in Hamburg, Bertrandt Automotive GmbH & Co. KG, Bertrandt Immobilien GmbH & Co. KG and Inmuebles Baviera GmbH in Pullach i. Isartal as well as Bertrandt Munich GmbH in Munich and Bertrandt Tappenbeck GmbH in Tappenbeck. Moreover, the entities newly incorporated in the year under review, Bertrandt Technologie GmbH, Sassenburg (formerly Bertrandt Birkensee GmbH, Ehningen), Bertrandt Technologie GmbH, Mönshheim, and Bertrandt Südwest GmbH, Ehningen, were included for the first time in the consolidated financial statements.

The consolidated companies additionally include the foreign entities Bertrandt France S.A. in Paris/Bièvres, Bertrandt S.A.S. in Paris/Bièvres, Bertrandt UK Limited in Dunton, Bertrandt US Inc. in Detroit, Bertrandt Otomotiv Mühendislik Hizmetleri Ticaret Limited Sirketi in Istanbul and Bertrandt Engineering Shanghai Co., Ltd. in Shanghai.

Associates, i.e. entities which are not controlled by Bertrandt but over which the Company has significant influence are accounted for in the consolidated financial statements using the equity method. The following companies are associates: Bertrandt Entwicklungen AG & Co. OHG, Pullach i. Isartal, aucip. automotive cluster investment platform GmbH & Co. KG, Pullach i. Isartal, aucip. automotive cluster investment platform Beteiligungs GmbH, Pullach i. Isartal, and MOLLIS automotive GmbH (formerly MOLLIS Beteiligungsgesellschaft mbH), Pullach i. Isartal. In addition, the newly incorporated Bertrandt Campus GmbH, Ehningen, a joint venture of which Bertrandt has joint control, was initially accounted for in the consolidated financial statements under the equity method.

Refer to Note [50] for more disclosures on the shareholdings of Bertrandt AG.

[4] FOREIGN CURRENCY TRANSLATION

The consolidated financial statements of subsidiaries using a functional currency other than the euro are translated according to IAS 21 based on the concept of a functional currency. The subsidiaries carry out their business independently for financial, commercial and organisational purposes. The functional currency is therefore identical to the currency of the country in which they are based.

Accordingly, these companies' assets and liabilities were translated at the mean closing rate as of the balance sheet date, and income and expenses were translated at the average exchange rate for the financial year. All resulting exchange differences including differences resulting from the translation of amounts brought forward from the previous year are recognised directly in equity.

Foreign currency transactions are recorded by translating the foreign currency amount into the functional currency amount at the exchange rate prevailing on the date of the transaction. Gains and losses arising from the settlement of such transactions as well as from the translation as of the reporting date of monetary assets and liabilities held in foreign currencies are recognised in profit or loss.

The parities of the key currencies relative to one euro were as follows:

TABLE 30

relative to one euro		Average rate on balance sheet date		Annual average rate	
		30.09.2015	30.09.2014	2014/2015	2013/2014
China	CNY	7.1344	7.7483	7.0813	8.3442
United Kingdom	GBP	0.7380	0.7783	0.7429	0.8193
Turkey	TRY	3.4002	2.8723	2.9321	2.8889
Hungary	HUF	313.3000	310.3300	308.8000	305.8600
United States	USD	1.1216	1.2594	1.1489	1.3571

[5] SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements requires to some degree the use of assumptions and estimates that affect the assets and liabilities recognised as well as the income, expenses and contingent liabilities reported. The assumptions and estimates primarily relate to an assessment as to whether assets and liabilities are impaired, the uniform group-wide definition of the useful lives of items of property, plant and equipment and investment properties, the recoverability of receivables, the recognition and measurement of provisions and parameters for calculating percentage of completion values and the resulting recognition of revenues. The assumptions and estimates have been selected in such a way as to provide a fair view of the Company's operating results and financial position. They are based on premises which in turn reflect the knowledge available at that point in time. In particular, estimates concerning the Company's expected future business performance are based on the circumstances known at the time when the consolidated financial statements were prepared and on expectations regarding the future economic environment which are assumed to be realistic. This applies, amongst other things, to the discount rates used.

The amounts actually arising may vary from the original estimates as a result of unforeseeable developments beyond management's influence. In this case, the underlying assumptions and, if necessary, the carrying amounts of the assets and liabilities are restated.

Recognition of income and expenses

Revenues and other operating income are recognised upon performance of the service or when the risks pass to the customer. In the case of construction contracts for individual customers, revenues are recognised according to the percentage-of-completion method (PoC method). Contingent losses are recognised when they become known. Operating expenses are charged to the income statement at the time when the service is rendered or at the time when the expense is caused. Provisions for warranties are made at the time of recognition of the related revenues. Government grants are recognised only where it is reasonably certain that the applicable conditions have been met and the grants will be disbursed. They are charged to the periods in which the expenses that the grants are to cover are incurred. Interest income and expense and all other income and expenses are recognised in the period in which they arise.

Intangible Assets

Acquired or internally generated intangible assets are recognised as assets according to IAS 38 if a future economic benefit can be expected from using the asset and it is possible to measure the cost of the asset reliably.

Intangible assets are recognised at historical cost and amortised on a straight-line basis over their useful lives. Intangible assets, with the exception of goodwill, are amortised over a useful life of three to five years, starting with the commencement of the asset's commercial use.

Goodwill is tested for impairment annually in accordance with IAS 36 and IFRS 3. The assessment is carried out at least once a year; however it is always carried out whenever an impairment indicator arises. The impairment tests are based on the corporate forecast for a three-year period, which is considered sufficient to test goodwill for impairment. To determine the values in use, a WACC of 10.6 percent (previous year 10.5 percent) and a terminal growth rate of 9.6 percent (previous year 9.5 percent) are applied in the Digital Engineering segment. In the Physical Engineering segment, the WACC is 9.3 percent (previous year 10.1 percent) and the terminal growth rate is 8.3 percent (previous year 9.1 percent). The terminal growth rate is based on a growth factor of one percent (previous year also one percent). Adjusting the WACC by +/- five percent has no influence on the results of the impairment tests for goodwill.

Corporate forecasts take account of current knowledge as well as historical performance. The discounted cash flow method is used to calculate the value in use from the derived future cash flows of the cash generating units. The segments Digital Engineering, Physical Engineering and Electronics are the cash generating units. Where the carrying amount exceeds the recoverable amount, a corresponding impairment loss is recognised.

The main assumptions for the forecasts relating to the Digital Engineering, Physical Engineering and Electrical Systems/Electronics segments are based on sector forecasts concerning global research and engineering requirements underlying the Company's marketing and capacity planning as well as specific customer commitments regarding individual projects and specific internal adjustments, which also take projected cost adjustments into account.

Property, plant and equipment

Property, plant and equipment used in business operations for more than one year are recorded at historical cost less accumulated depreciation. Historical cost includes all the costs attributable to the production process as well as an appropriate proportion of production-related overheads. Depreciation is based on useful lives which are standardised within the Group.

The useful lives are assumed to be between 17 and 40 years for buildings, ten years for outdoor installations – and between three and 20 years for technical equipment and machinery. Assuming normal use, furniture, fixtures and equipment are written off over a period of three to 19 years. The useful lives of property, plant and equipment are reviewed as at each balance sheet date and adjusted if necessary. Additions are written down pro rata temporis using the straight-line method.

Investment properties

Investment properties include property which Bertrandt does not use for business or administration purposes. They are recorded at historical cost less accumulated straight-line depreciation. Buildings are assumed to have useful lives of 40 years.

Impairment losses

Impairment losses (write-downs) in respect of intangible assets, property, plant and equipment and investment property are calculated in accordance with IAS 36 if the value in use or the net realisable value of the respective asset has fallen below its carrying amount. If the reasons for the impairment loss recognised in previous periods no longer apply, such loss is reversed with the exception of goodwill.

Financial Instruments

Financial instruments comprise both primary financial instruments (e.g. trade receivables and trade payables) and derivative financial instruments (e.g. interest rate hedges).

Pursuant to IAS 39 Bertrandt classifies its financial instruments in the following categories:

- Financial assets and financial liabilities at fair value through profit or loss
- Loans and receivables
- Financial liabilities measured at amortised cost.

Categorisation depends on the purpose for which the financial asset has been acquired or the financial liability accepted.

The classification of financial instruments according to these categories is shown in the reconciliation statement in Note [43].

Financial instruments are recorded for the first time upon settlement and measured at their fair value including transaction costs, if any. They are then subsequently measured at amortised cost or at their fair value. Financial instruments are derecognised when the rights to payments from the investment have extinguished or have been transferred and the Group has transferred materially all of the risks and rewards of ownership.

Investments accounted for using the equity method

Investments in associates which are not controlled by Bertrandt but over which the Company has significant influence, and joint ventures of which Bertrandt has joint control are accounted for using the equity method.

Other investments

Loans are recorded at amortised cost.

Other receivables and financial assets

Other receivables and financial assets (with the exception of derivatives) are recognised at amortised cost on the basis of the effective interest method. Appropriate provisions for impairment are made to allow for discernible individual risks and general credit risks.

Future receivables from construction contracts

Future receivables from construction contracts that comprise work in progress as well as finished work not yet accepted are measured at cost plus a markup for profit proportionate to the percentage of completion, less any losses incurred, provided that the outcome of the construction contract can be estimated reliably. The percentage of completion is determined according to the ratio of costs incurred to total costs (cost-to-cost method). Finished work which has not yet been accepted is measured at its contract value. Advance payments received are netted against receivables from construction contracts.

Trade Receivables

Trade receivables are measured at amortised cost using the effective interest method with appropriate provisions for impairment for all discernible risks.

Cash and cash equivalents

Cash and cash equivalents comprise bank balances, cheques received but not yet credited and cash in hand, all of which are measured at amortised cost.

Liabilities

Liabilities are measured at amortised cost using the effective interest method.

Derivative financial instruments

As an engineering service provider operating on an international scale, the Bertrandt Group is mainly exposed to interest rate and currency risks. The Company uses derivative financial instruments as appropriate for managing these risks. Interest derivatives are used to control and optimise the financial results for current floating-rate debt of the Group and are classified as financial instruments held for trading pursuant to IAS 39. Any changes in fair value are recognised in profit or loss. Their subsequent measurement is based on fair value.

Foreign-currency forwards used to hedge future foreign-currency cash flows as well as other derivatives are measured at their fair value, with any changes recorded in profit or loss.

The fair values are determined with generally accepted methods of financial mathematics, using mid-market pricing. All derivatives with a positive fair value are disclosed as derivative assets, while all derivatives with a negative fair value are disclosed as derivative liabilities.

Inventories

Inventories are assets in the form of materials or supplies which are recognised at cost or their net realisable value, whichever is lower.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognised in accordance with IAS 12 for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts pursuant to IFRS as well as for consolidation measures taken to the income statement. Deferred tax assets also include future tax reduction claims resulting from the expected use of loss carry-forwards in future periods provided that their recovery is reasonably probable. Deferred taxes are calculated on the basis of the tax rates applicable or expected in the individual countries in accordance with prevailing law on the date of recognition. Deferred tax assets and liabilities are not discounted.

Minority interests

Minority interests are measured according to their share in the equity of the investee.

Provisions

Provisions for pensions

Provisions for post-retirement benefits are set aside for obligations arising from pension plans. The Group operates both defined contribution plans and defined benefit plans.

Provisions for pensions are calculated using the projected unit credit method as defined in IAS 19. Actuarial gains and losses are recognised in other comprehensive income.

The defined contribution obligations apply towards government or private pension funds in accordance with contractual or statutory provisions. The Company has no further obligations once the contributions have been paid.

Tax provisions

Tax provisions are set aside for current income tax obligations which are calculated according to applicable national tax laws.

Other provisions

Other provisions are recognised if there is any legal or constructive present obligation towards a third party as a result of a past event, an outflow of resources to settle the obligation is probable and a reliable estimate of the amount of the obligation can be made.

Other provisions which do not result in an outflow of resources in the following period are recognised at the present value of the settlement amount as of the balance sheet date using market interest rates for discounting.

Government grants

Government grants for investments are recorded under other liabilities and are released to the income statement on a straight-line basis over the expected useful life of the assets concerned.

Grants related to income are either presented as other operating income or deducted in reporting the related expense, provided that the grant is received in the same accounting year (net basis).

Leases

Under IAS 17, leases are to be classified according to the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee.

The Bertrandt Group leases certain items of property, plant and equipment including buildings. Under these leases, the risks and rewards incidental to ownership remain, to a large extent, exclusively with the lessor (operating lease). The lease and/or rental payments are expensed as incurred.

NOTES ON ITEMS OF THE INCOME STATEMENT

[6] REVENUES

Revenues are recognised upon performance of the service or when the risks pass to the customer. Further, work in progress measured using the PoC method are recognised under revenues, net of value added tax and all discounts and bonuses claimed.

Of the consolidated revenues of EUR 934.787 million (previous year EUR 870.563 million), EUR 843.898 million (previous year EUR 801.741 million) were contributed by the domestic entities and EUR 90.889 million (previous year EUR 68.822 million) by the foreign companies. This breakdown reflects the regional segmentation of Bertrandt's operations.

The proportion of revenues calculated using the PoC method is EUR 587.400 million (previous year EUR 415.295 million). Overall, Bertrandt generated more than ten percent of its total revenues across all segments with two customers.

[7] OTHER OWN WORK CAPITALISED

This item comprises internally generated tangible and intangible assets which are capitalised pursuant to IAS 16 and 38 and written down over their expected useful lives on a straight-line basis.

[8] OTHER OPERATING INCOME

Other operating income for fiscal 2014/2015 is comprised of the following:

TABLE 31

Other operating income		
EUR million	2014/2015	2013/2014
Work-related income	7.008	6.865
of which non-cash benefits to employees	3.798	3.418
of which rental income	3.210	3.447
Non-work-related income	3.759	2.590
of which income from disposal of assets	0.271	0.338
of which income from reversal of provisions	3.221	1.834
of which income from reversal of impairment losses	0.267	0.418
Miscellaneous other operating income	2.556	3.753
of which payments for damages received	0.108	0.125
of which income from exchange-rate differences	0.974	0.677
of which miscellaneous	1.474	2.951
Total	13.323	13.208

Rental income of EUR 2.558 million (previous year EUR 2.531 million) is expected for the coming fiscal years. Of this, rental income of EUR 1.688 million (previous year EUR 1.732 million) arises from leases with a term of up to one year, EUR 0.838 million (previous year EUR 0.799 million) from leases with a term between one and five years and EUR 0.032 million (previous year EUR 0) from leases with a term of more than five years. In the period under review, no grants for innovative projects are included in other operating income (previous year EUR 1.066 million).

[9] COST OF MATERIALS

The cost of materials breaks down as follows:

TABLE 32

Raw materials and consumables used		
EUR million	2014/2015	2013/2014
Expenditure on raw materials and consumables used	12.261	10.018
Expenditure on work purchased	75.828	61.426
of which CAD costs	12.853	11.449
of which external work	62.800	49.748
of which incoming freight	0.175	0.229
Total	88.089	71.444

In the year under review, the cost of materials increased by EUR 16.645 million.

[10] PERSONNEL EXPENSES

Overall, the group employed an average of 11,577 people in the period under review (previous year 11,252).

TABLE 33

Employees in average		
number	2014/2015	2013/2014
Technical employees	0.733	0.760
Office employees	9.980	9.685
Trainees/undergraduates	0.341	0.317
Interns/post-graduates	0.259	0.253
Temporary staff	0.264	0.237
Total	11.577	11.252

Personnel expenses include expenditure on wages and salaries in the amount of EUR 553.003 million (previous year EUR 523.858 million) as well as expenditure on social security of EUR 107.354 million (previous year EUR 100.283 million) including the employer contribution to the statutory pension system presented under expenses for post-employment benefits and further defined contribution expense of EUR 50.591 million (previous year EUR 47.756 million):

TABLE 34

Personnel expenses		
EUR million	2014/2015	2013/2014
Wages and salaries	553.003	523.858
Expenditure on social security	107.354	100.283
of which employer contribution to social security	56.565	52.329
of which expenditure on post-employment benefits	50.789	47.954
Total	660.357	624.141

Personnel expenses include government grants of EUR 1.022 million (previous year EUR 1.014 million) received under government economic stimulus packages.

Under an employee share scheme, Bertrandt AG provides a grant for the purchase of Bertrandt shares by staff (Notes [29] and [30]). A lock-up period of two years applies to the sale of these shares. This resulted in personnel expenses of EUR 0.430 million in fiscal 2014/2015 (previous year EUR 0.375 million). In addition, expenses were incurred in relation to a management share scheme amounting to EUR 0.676 million (previous year EUR 0.778 million).

[11] DEPRECIATION/AMORTISATION

Depreciation/amortisation expense is comprised of the following:

TABLE 35

Depreciation/amortisation		
EUR million	2014/2015	2013/2014
Depreciation/amortisation on		
intangible assets	4.346	3.704
property, plant and equipment	20.783	18.465
investment properties	0.064	0.065
Total	25.193	22.234

Refer to Notes [18] - [20] for the changes in non-current assets and a detailed breakdown of depreciation/amortisation expense for individual items.

[12] OTHER OPERATING EXPENSES

Other operating expenses are comprised of the following:

TABLE 36

Other operating expenses		
EUR million	2014/2015	2013/2014
Miscellaneous manufacturing expenses	4.883	4.509
Office premises, furnishings and fittings	33.785	30.288
Miscellaneous personnel expenses	16.160	14.994
General administrative expenses	2.614	2.463
Distribution expenses	14.074	12.876
Expenditure on exchange-rate differences	0.289	0.174
Non-work-related expenses	1.239	1.551
Other expenses	10.262	10.186
Total	83.306	77.041

Miscellaneous other operating items primarily comprise fleet costs as well as legal and consulting fees. Expenditure on premises and inventory includes rental expenses of EUR 18.435 million (previous year EUR 17.388 million). Expenses for changes in personnel structure in fiscal 2014/2015 amounted to EUR 0.919 million (previous year EUR 0.913 million).

[13] NET FINANCE INCOME

Net finance income was EUR 0.033 million (previous year EUR 0.432 million) and breaks down as follows:

TABLE 37

Net finance income		
EUR million	2014/2015	2013/2014
Share of profits in associates	0.027	0.013
Finance costs	-0.239	-0.055
Other net financial result	0.245	0.474
Net finance income	0.033	0.432

The finance costs of EUR 0.239 million (previous year EUR 0.055 million) include interest expense resulting from the use of credit facilities available in the amount of EUR 0.239 million (previous year EUR 0.035 million). In the previous year, finance costs included interest expense on unwinding discounts on provisions of EUR 0.020 million.

Other net finance income/finance costs for the period under review were comprised of interest income of EUR 0.210 million (previous year EUR 0.403 million) and interest in the amount of EUR 0.035 million arising from unwinding discounts on provisions and receivables and from discounting of provisions and receivables (previous year EUR 0.071 million).

No interest expense was incurred on non-current bank borrowings in fiscal 2014/2015 (previous year EUR 0).

[14] OTHER TAXES

Foreign tax expenditure primarily involves the subsidiaries in France.

TABLE 38

Other taxes		
EUR million	2014/2015	2013/2014
Domestic tax expense	0.357	0.359
Foreign tax expense	0.893	0.861
Other taxes	1.250	1.220

[15] INCOME TAXES

As in the previous year, income taxes comprise corporate income tax of 15 percent plus the solidarity surcharge of 5.5 percent as well as trade tax of 14 percent and comparable income taxes in other countries. In addition, this item includes deferred income tax on the temporary differences between the carrying amounts recognised pursuant to IFRS and corresponding tax bases as well as consolidation measures and loss carry-forwards which are expected to be usable in accordance with IAS 12.

Income taxes thus break down as follows:

TABLE 39

Income taxes		
EUR million	2014/2015	2013/2014
Actual domestic tax expense	19.124	22.884
Actual foreign tax expense	1.136	1.049
Actual tax expense	20.260	23.933
Deferred tax expense	7.524	2.023
Income taxes	27.784	25.956

The income tax expense in the amount of EUR 27.784 million calculated for fiscal 2014/2015 was EUR 0.658 million more than the expected income tax expense of EUR 27.126 million that would have arisen had a tax rate of 30 percent (previous year 30 percent) been applied to consolidated pre-tax earnings.

Reconciliation of expected and actual income tax expense is as follows:

TABLE 40

Reconciliation of income tax		
EUR million	2014/2015	2013/2014
Earnings before income tax	90.420	88.299
Expected tax rate	30.0%	30.0%
Expected income tax expense	27.126	26.490
Taxation differences affecting foreign subsidiaries	0.559	0.174
Tax effects of payouts and pre-year tax assessments	-0.112	-0.278
Tax effect of non-deductible operating expenses and other tax modifications	0.224	-0.472
Consolidation effects	-0.014	0.051
Other effects	0.001	-0.009
Actual income tax expense	27.784	25.956
Effective tax rate	30.7%	29.4%

The item "taxation differences affecting foreign subsidiaries" includes, among other things, additions in the amount of EUR 0.019 million (previous year EUR 0.298 million) and impairment of deferred tax assets from loss carry-forwards of EUR 0.097 million (previous year EUR 0). The item "tax effects of non-deductible operating expenses and other tax modifications" in the previous year included tax effects resulting from a tax-free grant of EUR 0.516 million and the impairment of deferred tax assets from loss carry-forwards in the amount of EUR 0.057 million. The deferred tax assets from loss carry-forwards utilised amounted to EUR 0.167 million (previous year EUR 0.273 million).

[16] EARNINGS PER SHARE

Earnings per share as defined in IAS 33 are as follows:

TABLE 41

Calculation earnings per share		
according to IAS 33		
	2014/2015	2013/2014
Post-tax earnings (EUR million)	62.636	62.343
Minority interests (EUR million)	-0.017	-0.004
Profit attributable to the shareholders of Bertrandt AG (EUR million)	62.619	62.339
– Number of shares (million)	10.143	10.143
– Number of treasury shares (million)	-0.060	-0.067
Number of shares which are entitled to dividend (million) – diluted / basic, average weighting	10.083	10.076
Earnings per share (EUR) – diluted / basic	6.21	6.19

[17] FURTHER NOTES ON THE EFFECTS OF FINANCIAL INSTRUMENTS ON THE INCOME STATEMENT

Net gains or net losses on financial instruments comprise interest, changes in the fair value of financial instruments, the results of foreign currency translation as well as adjustments and any changes resulting from their subsequent measurement.

TABLE 42

Net gains or net losses on financial instrument by category as defined in IAS 39		
EUR million		
	2014/2015	2013/2014
Loans and receivables	0.846	0.845
Financial liabilities measured at amortised cost	-0.243	-0.044
Financial assets at fair value through profit and loss	0	0
Total	0.603	0.801

The “loans and receivables” category comprises all other loans, trade receivables, other assets and cash and cash equivalents. Financial liabilities measured at amortised cost include liabilities to banks, trade payables and other liabilities.

The financial instruments at fair value through profit or loss comprised derivatives used for interest rate hedging and, in the period under review, foreign exchange forward contracts.

TABLE 43

Total interest income and expense for financial assets or liabilities that are not at fair value through profit and loss		
EUR million		
	2014/2015	2013/2014
Interest income	0.232	0.449
Interest expenses	-0.235	-0.035
Total	-0.003	0.414

Due to the short maturities, the application of the effective interest method to trade receivables did not result in any interest expense or income in fiscal 2014/2015 as was also the case in the previous year.

Impairment losses on loans and receivables came to EUR 0.076 million in the period under review (previous year EUR 0.438 million).

NOTES ON ITEMS OF THE BALANCE SHEET**ASSETS****NON-CURRENT ASSETS****[18] INTANGIBLE ASSETS**

Additions to intangible assets primarily comprised CAD software licenses and other technical software licenses.

Goodwill is subjected to regular impairment testing in accordance with IAS 36. In fiscal 2014/2015, as in the previous year, this did not result in any impairment losses.

Goodwill breaks down by segment as follows: Digital Engineering EUR 6.093 million (previous year EUR 6.093 million) and Physical Engineering EUR 2.909 million (previous year EUR 2.909 million).

TABLE 44

Intangible assets					
EUR million	Concessions and licences	Internally generated software	Goodwill	Advance payments	Total intangible assets
Historical costs					
Value on 01/10/2014	34.647	0.841	9.002	0.030	44.520
Currency differences	0.021	0	0	0	0.021
Additions	6.219	0	0	0	6.219
Disposals	0.070	0	0	0	0.070
Reclassifications	0.057	0	0	-0.030	0.027
Value on 30/09/2015	40.874	0.841	9.002	0	50.717
Amortisation					
Value on 01/10/2014	28.211	0.761	0	0	28.972
Currency differences	0.012	0	0	0	0.012
Additions	4.288	0.058	0	0	4.346
Disposals	0.068	0	0	0	0.068
Reclassifications	0	0	0	0	0
Value on 30/09/2015	32.443	0.819	0	0	33.262
Residual carrying amount 30/09/2015	8.431	0.022	9.002	0	17.455
Residual carrying amount 30/09/2014	6.436	0.080	9.002	0.030	15.548
Previous year					
Historical costs					
Value on 01/10/2013	29.932	0.841	9.002	0	39.775
Currency differences	0.006	0	0	0	0.006
Additions	4.954	0	0	0.030	4.984
Disposals	0.262	0	0	0	0.262
Reclassifications	0.017	0	0	0	0.017
Value on 30/09/2014	34.647	0.841	9.002	0.030	44.520
Abschreibungen					
Value on 01/10/2013	24.835	0.678	0	0	25.513
Currency differences	0.005	0	0	0	0.005
Additions	3.621	0.083	0	0	3.704
Disposals	0.250	0	0	0	0.250
Reclassifications	0	0	0	0	0
Value on 30/09/2014	28.211	0.761	0	0	28.972
Residual carrying amount 30/09/2014	6.436	0.080	9.002	0.030	15.548
Residual carrying amount 30/09/2013	5.097	0.163	9.002	0	14.262

[19] PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are recognised at cost less depreciation in accordance with their respective useful lives. As in the previous year, impairment testing pursuant to IAS 36 did not result in any impairment loss. No collateral has been provided for land and buildings.

Technical equipment and machinery as well as other furniture, fixtures and equipment primarily consist of CAD machines, machinery and equipment for prototype construction as well as testing facilities.

TABLE 45

Property, plant and equipment					
EUR million	Property and plant	Technical equipment and machinery	Other facilities, factory and office equipment	Advance payments and work in progress	Total PPE
Historical costs					
Value on 01/10/2014	70.606	65.477	83.732	16.236	236.051
Currency differences	0	0	0.030	0	0.030
Additions	14.461	5.477	15.693	38.642	74.273
Disposals	0.001	0.851	5.649	0.045	6.546
Reclassifications	6.137	6.099	0.105	-12.368	-0.027
Value on 30/09/2015	91.203	76.202	93.911	42.465	303.781
Depreciation					
Value on 01/10/2014	8.355	38.025	57.306	0	103.686
Currency differences	0	0	0.024	0	0.024
Additions	2.534	6.624	11.625	0	20.783
Disposals	0	0.749	4.786	0	5.535
Reclassifications	-0.044	0.046	-0.002	0	0
Value on 30/09/2015	10.845	43.946	64.167	0	118.958
Residual carrying amount 30/09/2015	80.358	32.256	29.744	42.465	184.823
Residual carrying amount 30/09/2014	62.251	27.452	26.426	16.236	132.365
Previous year					
Historical costs					
Value on 01/10/2013	39.184	57.884	74.555	7.053	178.676
Currency differences	0	0	0.018	0	0.018
Additions upon initial consolidation	25.112	0	0	0	25.112
Additions	3.315	5.846	13.401	14.382	36.944
Disposals	0.020	0.313	4.349	0	4.682
Reclassifications	3.015	2.060	0.107	-5.199	-0.017
Value on 30/09/2014	70.606	65.477	83.732	16.236	236.051
Depreciation					
Value on 01/10/2013	6.826	32.734	49.628	0	89.188
Currency differences	0	0	0.013	0	0.013
Additions	1.532	5.580	11.353	0	18.465
Disposals	3	0.289	3.688	0	3.980
Reclassifications	0	0	0	0	0
Value on 30/09/2014	8.355	38.025	57.306	0	103.686
Residual carrying amount 30/09/2014	62.251	27.452	26.426	16.236	132.365
Residual carrying amount 30/09/2013	32.358	25.150	24.927	7.053	89.488

[20] INVESTMENT PROPERTIES

As of 30 September 2015, the fair values of the investment properties approximated their carrying amounts. Fair value is measured using the same method as that applied to goodwill (Note [5]) subject to a WACC of 9.3 percent (previous year 9.1 percent) and a terminal growth rate of 8.3 percent (previous year 8.1 percent). The terminal growth rate is based on a growth factor of one percent (previous year also one percent). No external independent expert's valuation was used for this purpose. In the period under review rental income of EUR 0.233 million (previous year EUR 0.233 million) recorded. Maintenance expense came to EUR 0.003 million (previous year EUR 0.004 million).

TABLE 46

Investment properties	
EUR million	Investment properties
Historical costs	
Value on 01/10/2014	4.626
Additions	0
Disposals	0
Reclassifications	0
Value on 30/09/2015	4.626
Depreciation	
Value on 01/10/2014	2.954
Additions	0.064
Disposals	0
Reclassifications	0
Value on 30/09/2015	3.018
Residual carrying amount 30/09/2015	1.608
Residual carrying amount 30/09/2014	1.672
Previous year	
Historical costs	
Value on 01/10/2013	4.626
Additions	0
Disposals	0
Reclassifications	0
Value on 30/09/2014	4.626
Depreciation	
Value on 01/10/2013	2.889
Additions	0.065
Disposals	0
Reclassifications	0
Value on 30/09/2014	2.954
Residual carrying amount 30/09/2014	1.672
Residual carrying amount 30/09/2013	1.737

[21] INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD AND OTHER INVESTMENTS

The equity method is used for all investments in associates and joint ventures.

The share of the Bertrand Group of the profit/loss of these associates amounted to a profit of EUR 0.027 million (in the previous year EUR 0.013 million) and is recorded under additions and disposals.

The long-term loans are mainly employer loans which bear interest of three to five percent. The loans are due for settlement in two to eight years. Their carrying amounts approximate their fair values.

TABLE 47

Investments accounted for using the equity method and other investments			
EUR million	Investments accounted for using the equity method	Non-current loans granted	Total financial assets
Historical costs			
Value on 01/10/2014	0.090	4.795	4.885
Additions	4.277	0.539	4.816
Disposals	0	0	0
Reclassifications	0	1.610	1.610
Value on 30/09/2015	4.367	3.724	8.091
Depreciation			
Value on 01/10/2014	0	0	0
Additions	0	0	0
Disposals	0	0	0
Value on 30/09/2015	0	0	0
Residual carrying amount 30/09/2015	4.367	3.724	8.091
Residual carrying amount 30/09/2014	0.090	4.795	4.885
Previous year			
Historical costs			
Value on 01/10/2013	0.086	5.269	5.355
Additions	0.025	1.232	1.257
Disposals	0	0	0
Reclassifications	0.021	1.706	1.727
Value on 30/09/2014	0.090	4.795	4.885
Abschreibungen			
Value on 01/10/2013	0	0	0
Additions	0	0	0
Disposals	0	0	0
Value on 30/09/2014	0	0	0
Residual carrying amount 30/09/2014	0.090	4.795	4.885
Residual carrying amount 30/09/2013	0.086	5.269	5.355

[22] CURRENT AND NON-CURRENT RECEIVABLES AND OTHER ASSETS

Receivables and other assets were broken down as follows according to their maturities:

TABLE 48

Receivables and other assets				
EUR million				
	30/09/2015	< 1 year	1-5 years	> 5 years
Trade receivables	167.630	167.630	0	0
Other assets	25.547	18.709	4.194	2.644
Total	193.177	186.339	4.194	2.644
Previous year				
	30/09/2014	< 1 year	1-5 years	> 5 years
Trade receivables	174.262	174.262	0	0
Other assets	21.580	13.754	5.433	2.393
Total	195.842	188.016	5.433	2.393

Other current assets include, among others, receivables from employees, tax refund claims, refund claims against social security funds, other current receivables and advance payments made for services the corresponding expense for which is to be allocated to future periods.

Other non-current assets comprise, amongst other items, reinsurance amounting to EUR 2.644 million (previous year EUR 2.393 million). In the previous year the Company recorded a derivative financial instrument at a carrying amount of EUR 0, which represents the maximum default risk.

Provisions for impairment amounted to EUR 3.685 million (previous year EUR 3.867 million).

[23] CURRENT AND NON-CURRENT INCOME TAX ASSETS

Of the corporate income tax credit in accordance with the Act on Accompanying Tax Measures for the Introduction of the European Company and the Modification of Further Tax Law Provisions (SEStEG), an amount of EUR 0.150 million (previous year EUR 0.301 million) is recorded under non-current income tax assets and an amount of EUR 0.170 million (previous year EUR 0.170 million) within current income tax assets. Current income tax assets also comprise tax refund claims in the amount of EUR 1.355 million (previous year EUR 0.062 million).

[24] DEFERRED TAX BALANCES

Deferred taxes result from the temporary differences between the carrying amounts recognised pursuant to IFRS and corresponding tax bases as well as loss carryforwards which are expected to be usable. Deferred taxes were calculated in accordance with the rules laid down in IAS 12, according to which deferred taxes are determined on the basis of the tax rates applicable or expected in the individual countries according to prevailing law on the date of recognition.

Deferred tax assets and liabilities were comprised of the following:

TABLE 49

Aktive und passive latente Steuern				
In TEUR				
	30/09/2015		30/09/2014	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Non-current assets	0.115	2.395	0.012	2.525
Inventories	0	21.489	0	14.617
Post-retirements benefit provisions	0.784	0	0.778	0
Other provisions	1.719	0	2.022	0
Unused tax losses	0.422	0	0.708	0
Other items	0.172	0.284	0.197	0.072
Total	3.212	24.168	3.717	17.214

Of the deferred tax assets, EUR 1.952 million (previous year EUR 1.850 million) have a residual maturity of more than one year. Of the deferred tax liabilities, EUR 21.718 million (previous year EUR 14.620 million) are current and EUR 2.450 million (previous year EUR 2.594 million) are non-current liabilities.

For companies that in the previous year or the current year generated a negative taxable income no deferred tax asset was capitalised (previous year EUR 0.097 million) as, based on projected future taxable profit/loss, the realisation of the related tax benefit is unlikely.

In addition to the deferred tax assets arising from tax losses carried forward, there are unused tax losses in the amount of EUR 8.749 million (previous year EUR 6.875 million), which as a rule will be available for an unlimited time period. In individual countries, utilisation is restricted to between five and 15 years.

No deferred tax liabilities have been recognised on the temporary differences in the carrying amounts of investments which amounted to EUR 19.283 million (previous year EUR 17.556 million) because these will not reverse in the foreseeable future.

CURRENT ASSETS

[25] INVENTORIES

On the balance sheet date the inventories of the Bertrandt Group were as follows:

TABLE 50

Inventories		
EUR million		
	30/09/2015	30/09/2014
Raw materials and consumables used	0.558	0.614

[26] FUTURE RECEIVABLES FROM CONSTRUCTION CONTRACTS

Future receivables from construction contracts were comprised of the following:

TABLE 51

Future receivables from construction contracts		
EUR million	30/09/2015	30/09/2014
Construction contracts before advance payments	244.648	155.429
Advance payments received on construction contracts	-105.306	-80.348
Total	139.342	75.081

There are no provisions for construction contracts where the losses to be expected exceed the costs incurred. In the previous year provisions for construction contracts accounted for EUR 0.333 million and were included in other current provisions (Note [33]). No advance payments for these construction contracts were received in the previous year.

[27] CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances and cheques. Foreign currency balances were translated into the Group currency at the mean closing rate prevailing on the balance sheet date, 30 September 2015. The changes of cash and cash equivalents are stated in the cash flow statement.

EQUITY AND LIABILITIES**EQUITY****[28] SHARE CAPITAL**

On 30 September 2015 the share capital of Bertrandt AG was EUR 10,143,240.00 as in the previous year and was paid in full. It is thus divided into 10,143,240 no-par-value shares with an arithmetic par value of EUR 1.00.

Authorised capital

At the annual general meeting on 20 February 2013 the shareholders authorised the Management Board to increase the share capital of Bertrandt AG with the consent of the Supervisory Board by issuing, in the period leading to 31 January 2018, new bearer shares on a cash or non-cash basis (including in the form of so-called mixed non-cash contributions), either once or several times, however by a maximum amount of EUR 4,000,000.00 (authorised capital 2013). The Management Board was also authorised to exclude subscription rights for shareholders under certain conditions and within defined limits with the consent of the Supervisory Board. No use has been made of the authorised capital to date.

[29] CAPITAL RESERVES

The capital reserves contain the premium on the issue of new shares as well as the proceeds from the sale of treasury shares that exceeds the original cost (Note [30]).

As of the balance sheet date, treasury stock comprised 59,995 shares (previous year 67,543 shares), equivalent to 0.6 percent (previous year 0.7 percent) of the Company's share capital. This change is due to a staff share scheme implemented in fiscal 2014/2015 under which a grant was provided for 3,774 shares (previous year 3,316 shares), with a weighted average fair value of EUR 114.00 (previous year EUR 113.05).

[30] RETAINED EARNINGS

Exchange differences of EUR 0.677 million (previous year EUR 0.474 million) resulting from the consolidation of the subsidiaries' equity are offset with retained earnings.

The change in provisions for pensions of EUR -0.014 million (previous year EUR -1.097 million) due to actuarial gains/losses in the fiscal year was offset with the tax effects allocable thereto according to IAS 19 and recognised under retained earnings in the amount of EUR 0.004 million (previous year EUR 0.329 million).

Treasury stock is measured at cost as of the date of purchase and offset with retained earnings. Offsetting will be applied in the event of a disposal to the extent that the proceeds are equivalent to the cost. Any excess amount is recognised in capital reserves.

[31] MINORITY INTERESTS

Shares held by other parties are recognised as an equity component and are assigned to minority interests.

NON-CURRENT LIABILITIES**[32] PROVISIONS FOR PENSIONS**

Provisions for post-employment benefits are calculated using the internationally established projected unit credit method according to IAS 19 and in the light of foreseeable future trends on the basis of the following assumptions:

TABLE 52

Assumptions for determining pension obligations		
diverse information	30/09/2015	30/09/2014
Interest rate	2.10%	2.10%
Assumed rate of salary increase	0% / 2.50%	0% / 2.50%
Assumed rate of pension increase	1.75% / 2.50%	1.75% / 2.50%
Probability of mortality and invalidity according to Heubeck	2005 G	2005 G
Valuation of widow (pension) entitlement	Collective	Collective
Retirement age	65 years	65 years
Average remaining life expectancy of persons with active entitlement	7 years	8 years

As of 30 September 2015 the provisions for pensions increased EUR 0.211 million (previous year EUR 1.295 million) to EUR 5.518 million (previous year EUR 5.307 million). Of this increase in pensions provisions, EUR 0.197 million (previous year EUR 0.198 million) are recognised in personnel expenses and EUR 0.014 million (previous year EUR 1.097 million) are recognised in other comprehensive income. As of the balance sheet date the weighted average duration of the retirement benefit obligations was 19.3 years (previous year 20.3 years).

The actuarial present value of the retirement benefit obligations changed as follows:

TABLE 53

Actuarial present value of pension obligations		
EUR million	2014/2015	2013/2014
Present value on 01/10	5.307	4.012
Service cost	0.086	0.065
Interest expense	0.111	0.133
Actuarial gains (-)/losses (+) from changes in financial assumptions	0	1.108
Actuarial gains (-)/losses (+) from historical adjustments	0.014	-0.011
Present value on 30/09	5.518	5.307

From the point of view of the Bertrandt Group there are no material risks arising from the retirement benefit obligations.

The effects that changes of actuarial parameters may have on the present value of the retirement benefit obligations are determined with sensitivity analyses. If interest rates had been 25 basis points higher (lower), the present value of the retirement benefit obligations would have decreased by EUR 0.259 million (previous year EUR 0.260 million) or increased by EUR 0.276 million (previous year EUR 0.278 million). If life expectancy is increased (decreased) by one year, the present value would increase by EUR 0.226 million (previous year EUR 0.219 million) or decrease by EUR 0.231 million (previous year EUR 0.223 million). The greater part of the pension provisions is not affected by variable salary increases or pension increases.

[33] CURRENT AND NON-CURRENT OTHER PROVISIONS

Other provisions are comprised of the following:

TABLE 54

Current and non-current other provisions						
EUR million	Personnel provisions	Provisions for ongoing business operations	Other provisions	Total of other provisions	of which less than 1 year	of which more than 1 year
Value on 01/10/2014	49.539	3.392	15.346	68.277	61.210	7.067
Currency difference	0.073	0	0.185	0.258		
Utilisation	42.981	3.392	6.984	53.357		
Reversal	0.474	0	2.747	3.221		
Addition	39.617	3.037	7.504	50.158		
Value on 30/09/2015	45.774	3.037	13.304	62.115	54.594	7.521

Personnel provisions primarily comprise amounts for profit sharing arrangements and bonuses as well as levies for failure to meet the required quota of severely handicapped employees and contributions for employer liability insurance associations.

Provisions for obligations related to ongoing business operations essentially comprise provisions for guarantee obligations and contingent losses from pending transactions in the previous year. As of the balance sheet date there were no provisions for construction contracts where the losses to be expected exceed the costs incurred (previous year EUR 0.333 million). Other provisions have been set aside for numerous discernible individual risks. Of the non-current other provisions EUR 5.365 million (previous year EUR 5.315 million) account for provisions for personnel expenses and EUR 2.156 million (previous year EUR 1.752 million) for other provisions. Non-current provisions comprise interest expense totaling EUR 0.129 million (previous year EUR 0.111 million), of which a sum of EUR 0.011 million (previous year EUR 0.020 million) is reported within net finance income/costs. Moreover, the provisions for personnel expenses include provisions for obligations arising from a management retention scheme in the amount of EUR 2.717 million (previous year EUR 2.966 million).

[34] CURRENT AND NON-CURRENT OTHER LIABILITIES

The carrying amounts of other liabilities approximate their fair values and were comprised of the following:

TABLE 55

Current and non-current other liabilities				
EUR million	30/09/2015	< 1 year	1-5 years	> 5 years
Taxes	17.445	17.445	0	0
Payroll and church tax	8.030	8.030	0	0
Social security	1.900	1.900	0	0
Wages and salaries	0.779	0.779	0	0
Personnel obligations	34.589	34.589	0	0
Advance payments received for outstanding	13.832	13.832	0	0
Miscellaneous other	10.070	9.792	0.278	0
Other liabilities	86.645	86.367	0.278	0
Previous year				
	30/09/2014	< 1 year	1-5 years	> 5 years
Taxes	15.501	15.501	0	0
Payroll and church tax	7.389	7.389	0	0
Social security	2.137	2.137	0	0
Wages and salaries	0.723	0.723	0	0
Personnel obligations	32.402	32.402	0	0
Advance payments received for outstanding	11.373	11.373	0	0
Miscellaneous other	3.966	3.566	0.400	0
Other liabilities	73.491	73.091	0.400	0

Miscellaneous other liabilities include an investment grant of EUR 0.309 million (previous year EUR 0.432 million) which was received as a government grant for a realised investment. In accordance with IAS 20, an amount of EUR 0.123 million (previous year EUR 0.032 million) was released to the income statement in the period under review based on the useful lives of the assets concerned. Progress billings came to a total of EUR 119.138 million (previous year EUR 91.721 million), of which EUR 105.306 million (previous year EUR 80.348 million) were offset with receivables from construction contracts (Note [26]).

CURRENT LIABILITIES**[35] TAX PROVISIONS**

Tax provisions relate to income taxes calculated for the current and the previous fiscal year.

[36] CURRENT FINANCIAL LIABILITIES

The current financial liabilities of EUR 39.642 million (previous year EUR 0.092 million) result from the partial use of credit facilities available.

As of 30 September 2015 the domestic and non-domestic interest rates on current financial liabilities were in the range between 0.7 percent and 6.25 percent (previous year 0.7 and six percent). The carrying amounts reported for current financial liabilities equal their fair values.

In the previous year the current financial liabilities essentially comprised issued cheques that had not yet been presented for payment. As of the balance sheet date no non-current financial liabilities were recorded by the Company.

[37] TRADE PAYABLES

The carrying amounts largely approximate their fair values and are due for settlement in less than one year.

TABLE 56

Trade payables		
EUR million	30/09/2015	30/09/2014
Trade payables	20.444	12.289

[38] NOTES ON THE CASH FLOW STATEMENT

The cash flow statement shows how the Bertrandt Group's liquidity position has changed in the course of the year under review as a result of cash inflows and outflows regardless of the structure of the balance sheet. In accordance with IAS 7, cash flows are distinguished according to operating, investing and financing activities. The item cash and cash equivalents comprises solely the cash and cash equivalents recognised in the balance sheet.

The changes in the individual items are derived from the consolidated balance sheet and the consolidated income statement.

Using post-tax earnings as a basis, the cash flow statement was prepared using the indirect method whereby profit or loss is adjusted for the effects of transactions of a non-cash nature. Allowing for changes in working capital, cash flow from operating activities is EUR 36.967 million (previous year EUR 79.670 million). There was a net cash outflow from investing activities of EUR -82.313 million (previous year EUR -64.211 million), which primarily comprised cash outflows for additions to assets. With EUR -45.346 million (previous year EUR 15.459 million) free cash flow is negative due to the Company's increased investing activities and the additional tying up of funds in current assets. Cash used in financing activities amounted to EUR 16.229 million (previous year EUR -21.402 million) and mainly comprised cash outflows for dividend payments and inflows from borrowings. Cash and cash equivalents are at EUR 13.068 million (previous year EUR 41.543 million).

[39] NOTES ON SEGMENT REPORTING

The Group uses the operating segments Digital Engineering, Physical Engineering and Electrical Systems/Electronics as a basis for controlling the Group's activities. Non-current assets within the meaning of IFRS 8 are measured at EUR 203.886 million (previous year EUR 149.585 million). Of this total, domestic non-current assets account for EUR 199.031 million (previous year EUR 144.802 million), while foreign non-current assets account for EUR 4.855 million (previous year EUR 4.783 million).

The Digital Engineering segment comprises the design of vehicle components such as powertrains, chassis or body as well as the development of complete vehicles including simulation and design engineering with CAD. This segment also includes the Company's aerospace business and Bertrandt Services GmbH.

The Physical Engineering segment covers activities related to design modelling, testing, vehicle construction, rapid prototyping and rapid tooling. It also comprises the construction of sheet metal prototypes and plastics engineering.

Activities related to conventional automotive electrical systems together with modern automotive electronics are bundled in the Electrical Systems/Electronics segment, including the development of electronic modules such as onboard networks, software development and simulated deployment.

Segment information is based on the same recognition and measurement principles as the consolidated financial statements. Internal revenues are invoiced at normal market prices in compliance with the arm's length principle. Income and expenses as well as inter-segment results have been eliminated.

TABLE 57

Segments								
EUR million	Digital Engineering		Physical Engineering		Electrical Systems/ Electronics		Total for all divisions	
01/10 until 30/09	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014
Revenues	562.572	519.243	196.099	185.782	189.564	178.916	948.235	883.941
Transfer between segments	6.245	7.589	3.936	2.533	3.267	3.256	13.448	13.378
Consolidated revenues	556.327	511.654	192.163	183.249	186.297	175.660	934.787	870.563
Operating profit	48.071	46.961	22.561	21.904	21.005	20.222	91.637	89.087
Scheduled depreciation	7.272	7.378	16.019	12.853	1.902	2.003	25.193	22.234

Segment reporting is not required for assets and liabilities since they are not included in internal reporting at segment level.

OTHER DISCLOSURES

[40] COLLATERAL PROVIDED

As in the previous year, no collateral has been provided as of the balance sheet date.

[41] CONTINGENT LIABILITIES

As of the balance sheet date, the Company recorded contingent liabilities from land purchase agreements amounting to EUR 2.320 million. In the previous year, a contingent liability of EUR 0.516 million was recorded pertaining to ongoing appeal proceedings against a tax authority outside Germany.

[42] OTHER FINANCIAL OBLIGATIONS

Future financial obligations resulting from rental, maintenance and leasing contracts, which are carried at their nominal values, fall due as follows:

TABLE 58

Other financial obligations		
EUR million	30/09/2015	30/09/2014
< 1 year	76.416	52.429
1-5 years	35.157	30.756
> 5 years	3.819	5.338
Total	115.392	88.523

Other financial obligations of EUR 53.462 million (previous year EUR 38.017 million) arise from real estate rental contracts and leases. In addition, there are other financial obligations under supplier contracts for intangible assets of EUR 0.572 million (previous year EUR 1.121 million) and items of property, plant and equipment in the amount of EUR 39.113 million (previous year EUR 15.408 million).

[43] FURTHER NOTES ON THE EFFECTS OF FINANCIAL INSTRUMENTS ON THE BALANCE SHEET

The following table reconciles the line items of the balance sheet with the categories of financial instruments broken down by the carrying amounts and fair values of the financial instruments.

TABLE 59

Reconciliation of the line items of the balance sheet with the categories of financial instruments				
EUR million	Measured at fair value through profit and loss	Measured at amortised cost	Outside the scope of IFRS 7/ No measurement category under IAS 39	Balance sheet item 30/09/2015
	Carrying amount	Carrying amount	Fair value	Carrying amount
Non-current assets				
Shares in associates				4.367
Other financial assets		3.724	3.724	
Receivables and other assets		2.949	2.949	3.889
Current assets				
Receivable from construction contracts		139.342	139.342	
Receivables and other assets		170.418	170.418	15.921
Cash and cash equivalents		13.068	13.068	
Non-current liabilities				
Other liabilities				0.278
Current liabilities				
Borrowings		39.642	39.642	
Trade payables		20.444	20.444	
Other liabilities		24.318	24.318	62.049
Previous year				
	Carrying amount	Carrying amount	Fair value	Carrying amount
Non-current assets				
Shares in associates				0.090
Other financial assets		4.795	4.795	
Receivables and other assets		2.572	2.572	5.254
Current assets				
Receivable from construction contracts		75.081	75.081	
Receivables and other assets		177.920	177.920	10.096
Cash and cash equivalents		41.543	41.543	
Non-current liabilities				
Other liabilities				0.400
Current liabilities				
Borrowings		0.092	0.092	
Trade payables		12.289	12.289	
Other liabilities		15.570	15.570	57.521

Pursuant to IFRS 13, financial instruments must be assigned to the three levels of the fair value hierarchy. The assignment to a particular level depends on the availability of observable market prices in an active market. Level one input is input available for financial instruments that are measured at quoted prices in active markets for identical assets or liabilities. Financial instruments that are measured using Level two inputs are measured on the basis of information other than quoted prices included within Level one, which are observable either directly or indirectly. Level three refers to market data for the measurement of financial instruments that are unobservable. Interest rate derivatives are categorised as Level two, other derivatives as Level three. Financial Instruments measured at amortised cost are assigned to Level three. The fair values of the derivatives are determined applying methods normally used in the market. Because of short maturities of the financial instruments, it is assumed that the fair values obtained by measuring them at amortised cost are equal to their carrying amounts. As in the previous year, there were no transfers between the three levels of the fair value hierarchy. A sensitivity analysis is performed every year, analysing and evaluating internal and external information and conditions for their probability of occurrence and the resulting financial burdens. As in the previous year, the sensitivity analysis did not lead to any change in the carrying amount.

[44] MANAGEMENT OF FINANCIAL RISKS

Hedging policies and principles of financial risk management

As an engineering service provider operating on an international scale, the Bertrandt Group is exposed to a variety of financial risks: Bertrandt primarily distinguishes the following types of risks:

- Liquidity Risk
- Default and credit risk
- Market price risk

The controlling, monitoring and management of financial risks is carried out by the Group's central Treasury department under policies approved by the Management Board. The aim is to recognise risks in good time and take suitable countermeasures to minimise potential adverse effects.

Liquidity risks can arise from deterioration in operating business or as a result of credit and market price risks. The Bertrandt Group manages liquidity risks by means of short- and long-term liquidity planning in the light of existing credit facilities. These plans are monitored and updated on an ongoing basis. As a matter of principle, Bertrandt AG maintains cash pooling arrangements with its German subsidiaries via banks. The foreign subsidiaries are provided with funds by means of loans from banks or Group entities. Moreover, the Bertrandt Group has sufficient unused credit facilities and also has access to alternative financing instruments. A material part of the facilities agreements is secured on a medium-term basis. Under the terms of an option agreement, the Group may face a maximum theoretical liquidity and credit risk involving a gross liability of EUR 2.000 million (previous year EUR 2.000 million) in the event of immediate exercise of the option. We do not expect the option to be exercised and, moreover, collateral is available for immediate liquidation, hence a net liability of close to EUR 0 is recorded, as in the previous year.

The following table sets out the agreed (undiscounted) capital payments on the original financial liabilities:

TABLE 60

Originated financial liabilities				
EUR million	Carrying amount	Payment obligations		
		30.09.2015	2015/2016	2016/2017 until 2018/2019
Borrowings	39.642	39.642	0	0
Trade payables	20.444	20.444	0	0
Other liabilities	24.318	24.318	0	0
Previous year	30.09.2014	2014/2015	2015/2016 until 2017/2018	2019/2020 ff.
Borrowings	0.092	0.092	0	0
Trade payables	12.289	12.289	0	0
Other liabilities	15.570	15.570	0	0

Financial instruments for which payments have already been agreed as of the balance sheet date are included in the portfolio. Payment obligations and floating-rate financial instruments were calculated using the interest rates last determined prior to the balance sheet date. These calculations do not include budgeted figures for future liabilities. Foreign-currency items were translated using the spot exchange rate prevailing on the balance sheet date. Financial liabilities repayable on demand were assigned to the shortest maturity band.

The Group has policies in place to ensure that its contractual parties fulfil certain creditworthiness criteria prior to the conclusion of a contract and during its term. The risk of default is limited to the greatest possible extent by means of preventive credit rating checks and ongoing monitoring of accounts receivable. There were no material payment defaults during the 2014/2015 financial year. The risk of default in the future is also rated as minor thanks to the mainly good creditworthiness of our customers and our proactive receivables management. Individual risks are addressed by means of credit guarantee insurance cover as required in individual cases. The default risk of trade receivables reported as of the balance sheet date is covered by the provisions for impairment. The carrying amounts of the future receivables under construction contracts, the other receivables, other assets, and other loans recorded in the balance sheet in the amount of EUR 336.243 million (previous year EUR 275.718 million) represent the maximum default risk.

Cash and cash equivalents are placed in short-term investments free of any risk exposure.

The following table shows the credit and default risks applicable to financial assets according to their gross carrying amounts:

TABLE 61

Credit and default risk of financial assets				
EUR million	Neither overdue nor impaired	Overdue but not impaired	Impaired	30/09/2015
Other loans	3.724	0	0	3.724
Future receivables from construction contracts	139.342	0	0	139.342
Trade receivables	132.470	34.410	4.283	171.163
Other assets	5.737	0	0.152	5.889
	281.273	34.410	4.435	320.118
Previous year	Neither overdue nor impaired	Overdue but not impaired	Impaired	30/09/2014
Other loans	4.795	0	0	4.795
Future receivables from construction contracts	75.081	0	0	75.081
Trade receivables	138.553	34.879	4.545	177.977
Other assets	6.230	0	152	6.382
	224.659	34.879	4.697	264.235

The following table breaks down the age of financial assets past due which were not impaired, as at the balance sheet date:

TABLE 62

Age of financial assets past due as the reporting date but not impaired				
EUR million	until 30 days	31 to 90 days	more than 90 days	30/09/2015
Trade receivables	17.787	11.534	5.089	34.410
Previous year	until 30 days	31 to 90 days	more than 90 days	30/09/2014
Trade receivables	15.595	10.921	8.363	34.879

There was no evidence of any impairment in the value of the assets which were overdue as of the balance sheet date but for which no impairment provisions have been made.

The provisions for impairment of trade receivables and other assets are as follows:

TABLE 63

Adjustments made to financial assets		
EUR million	2014/2015	2013/2014
Value on 01/10	3.867	3.847
Addition	0.076	0.438
Utilisation	0.024	0.012
Reversal	0.234	0.406
Value on 30/09	3.685	3.867

In the year under review, expense from derecognised receivables came to EUR 0.024 million (previous year EUR 0.012 million) and income from derecognised receivables was EUR 0.020 million (previous year EUR 0).

The Group is exposed to market price risks, i.e. primarily risks arising from changes in interest and exchange rates. The Group pursues a strategy of hedging such risks adequately. Group Treasury utilises suitable medium-term interest derivatives to hedge interest risk. Foreign currency risks are generally addressed by ensuring that transactions are mainly invoiced in the applicable functional currency (natural hedges). Failing this, foreign exchange forwards are used, as a rule, to hedge the risk. Such hedges are transacted centrally via Group Treasury.

The following table sets out the hedges outstanding as of the balance sheet date:

TABLE 64

Hedging instruments				
EUR million	Nominal volume		Fair value	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
Caps	0	3.000	0	0
< 1 year	0	3.000	0	0
1-5 years	0	0	0	0
5-10 years	0	0	0	0

In accordance with IFRS 7, sensitivity analyses are performed to present the interest risks to which the Company is exposed. These analyses show the effects of changes in market interest rates, interest payments as well as interest income and expense. If interest rates in the market had been 100 basis points higher, earnings would have been lower by EUR 0.266 million (or, in the previous year, higher by EUR 0.415 million). If interest rates in the market had been 100 basis points lower, earnings would have been lower by EUR 0.029 million (or, in the previous year, lower by EUR 0.473 million). Financial instruments measured at amortised cost and subject to a fixed rate of interest are not exposed to any interest risks as defined in IFRS 7. As of the balance sheet date no interest derivatives were used by the Company.

The Bertrandt Group is exposed to a rather insignificant currency translation risk as all business is invoiced in the local functional currency. Accordingly, a change in the value of the euro against the foreign currency in question has only a minor influence on profit or loss. Underlying transactions not denominated in the functional currency (receivables under construction contracts) are generally hedged by means of foreign exchange forwards. As in the previous year, there were no foreign exchange forwards as of the balance sheet date.

[45] DISCLOSURES ON CAPITAL MANAGEMENT

The Bertrandt Group pursues the goal of safeguarding its going concern status on a long-term basis and protecting the interests of its shareholders, employees and all other users of this annual report.

The capital structure is managed in the light of any changes in general economic conditions and risks arising from underlying assets.

The Group is committed to a strategy of steady and enduring growth in its enterprise value.

Its equity corresponds to the equity shown on the balance sheet. As of 30 September 2015, the ratio of equity to total assets (equity ratio) was 56.9 percent (previous year 59.4 percent).

For more detailed explanations see the management report and the statement of changes in equity.

[46] DISCLOSURES PURSUANT TO THE GERMAN SECURITIES TRADING ACT (WPHG)

Disclosure pursuant to Sections 21 (1), 22 (1) sent. 1 no. 1 and no. 6, sent. 2 WpHG

In a letter dated 15 December 2005, which we received on 23 December 2005, CSI Asset Management Establishment, Vaduz, Liechtenstein notified us pursuant to Section 21 (1) WpHG that its share of voting rights in Bertrandt AG had fallen below the 5 percent voting rights threshold on 12 December 2005 and now stood at 3.77 percent. Of this, 3.77 percent of the voting rights are attributable to CSI Asset Management Establishment according to Section 22 (1) no. 1 and no. 6 in conjunction with sent. 2 WpHG.

Disclosure pursuant to Sections 21 (1), 22 (1) sent. 1 no. 1 and no. 6 WpHG

In a letter dated 15 December 2005, which we received on 23 December 2005, Absolute Capital Management Holding Limited, Grand Cayman, Cayman Island, notified us pursuant to Section 21 (1) WpHG that its share of voting rights in Bertrandt AG had fallen below the 5 percent voting rights threshold on 12 December 2005 and now stood at 3.77 percent. Of this, 3.77 percent of the voting rights are attributable to Absolute Capital Management Holdings Limited according to Section 22 (1) no. 1 and no. 6 WpHG.

Disclosure pursuant to Sections 21 (1), sent. 1 and 22 (1) sent. 1 no. 1 WpHG

a) In accordance with Section 21 (1) sent. 1 WpHG, Porsche GmbH, Stuttgart, Porsche GmbH, Salzburg (Austria), Louise Daxer-Piëch GmbH, Stuttgart, Ferdinand Alexander Porsche GmbH, Stuttgart, Gerhard Porsche GmbH, Stuttgart, Wolfgang Porsche GmbH, Stuttgart, Hans-Peter Porsche GmbH, Stuttgart, Porsche Holding Gesellschaft m.b.H., Salzburg (Austria), Louise Daxer-Piëch GmbH, Salzburg (Austria), Prof. Ferdinand Alexander Porsche GmbH, Salzburg (Austria), Gerhard Anton Porsche GmbH, Salzburg (Austria), Ing. Hans-Peter Porsche GmbH, Salzburg (Austria), Louise Daxer-Piëch, Vienna (Austria), Mag. Josef Ahorner, Vienna (Austria), Mag. Louise Kiesling, Vienna (Austria), Prof. Ferdinand Alexander Porsche, Gries/Pinzgau (Austria), Dr. Oliver Porsche, Salzburg (Austria), Kai-Alexander Porsche, Innsbruck (Austria), Mark Philipp Porsche, Innsbruck (Austria), Gerhard Anton Porsche, Mondsee (Austria), Dr. Wolfgang Porsche, Munich, Hans-Peter Porsche, Salzburg (Austria) and Peter Daniell Porsche, Hallein/Rif (Austria) each informed us on 27 March 2006 that the share of voting rights in Bertrandt AG held by each of the aforementioned disclosing parties had exceeded the 25 percent threshold on

- 11 February 2002 and thereupon stood at 25.01 percent;
- had fallen below the 25 percent threshold on 26 February 2002 and thereupon stood at 24.998 percent;
- had exceeded the 25 percent threshold on 19 March 2003 and thereupon stood at 25.01 percent;
- had reached the threshold of 25 percent on 26 September 2003 and thereupon stood at 25.00 percent;
- had fallen below the 25 percent threshold on 29 September 2003 and thereupon stood at 24.99 percent;
- had exceeded the 25 percent threshold on 14 January 2004 and thereupon stood at 25.01 percent;
- had fallen below the 25 percent threshold on 1 September 2004 and thereupon stood at 24.998 percent;
- had exceeded the 25 percent threshold on 17 February 2005 and thereupon stood at 25.01 percent;
- had fallen below the 25 percent threshold on 11 March 2005 and thereupon stood at 24.998 percent;
- had exceeded the 25 percent threshold on 18 May 2005 and thereupon stood at 25.01 percent;
- had fallen below the 25 percent threshold on 28 September 2005 and thereupon stood at 24.99 percent;
- had exceeded the 25 percent threshold on 24 October 2005, thereupon standing at 25.01 percent and as of now stood at 25.14 percent and that the aforementioned shares of voting rights were or are attributable to the aforementioned parties in accordance with Section 22 (1) sent. 1 no. 1 WpHG.

b) In accordance with Section 21 (1) sent. 1 WpHG Familie Porsche Beteiligung GmbH, Stuttgart informed us on 27 March 2006 that the share of voting rights of Familie Porsche Beteiligung GmbH in Bertrandt AG

- had exceeded the 5 percent and 10 percent thresholds on 30 December 2002 and thereupon stood at 24.99 percent;
- had exceeded the 25 percent threshold on 19 March 2003 and thereupon stood at 25.01 percent;
- had reached the threshold of 25 percent on 26 September 2003 and thereupon stood at 25.00 percent;
- had fallen below the 25 percent threshold on 29 September 2003 and thereupon stood at 24.99 percent;
- had exceeded the 25 percent threshold on 14 January 2004 and thereupon stood at 25.01 percent;
- had fallen below the 25 percent threshold on 1 September 2004 and thereupon stood at 24.998 percent;
- had exceeded the 25 percent threshold on 17 February 2005 and thereupon stood at 25.01 percent;
- had fallen below the 25 percent threshold on 11 March 2005 and thereupon stood at 24.998 percent;
- had exceeded the 25 percent threshold on 18 May 2005 and thereupon stood at 25.01 percent;
- had fallen below the 25 percent threshold on 28 September 2005 and thereupon stood at 24.99 percent and
- had exceeded the 25 percent threshold on 24 October 2005, thereupon standing at 25.01 percent and as of now stood at 25.14 percent and that the aforementioned shares of voting rights were or are attributable to Familie Porsche Beteiligung GmbH in accordance with Section 22 (1) sent. 1 no. 1 WpHG.

c) In accordance with Section 21 (1) sent. 1 WpHG, Familie Porsche-Daxer-Piëch Beteiligung GmbH, Stuttgart informed us on 27 March 2006 that the share of voting rights of Familie Porsche-Daxer-Piëch Beteiligung GmbH in Bertrandt AG

- had exceeded the 5 percent and 10 percent thresholds on 19 December 2003 and thereupon stood at 24.99 percent;
- had exceeded the 25 percent threshold on 14 January 2004 and thereupon stood at 25.01 percent;
- had fallen below the 25 percent threshold on 1 September 2004 and thereupon stood at 24.998 percent;
- had exceeded the 25 percent threshold on 17 February 2005 and thereupon stood at 25.01 percent;
- had fallen below the 25 percent threshold on 11 March 2005 and thereupon stood at 24.998 percent;
- had exceeded the 25 percent threshold on 18 May 2005 and thereupon stood at 25.01 percent;
- had fallen below the 25 percent threshold on 28 September 2005 and thereupon stood at 24.99 percent and had exceeded the 25 percent threshold on 24 October 2005, thereupon standing at 25.01 percent and as of now stood at 25.14 percent and that the aforementioned shares of voting rights were or are attributable to Familie Porsche-Daxer-Piëch Beteiligung GmbH in accordance with Section 22 (1) sent. 1 no. 1 WpHG.

d) In accordance with Section 21 (1) sent. 1 WpHG, Ferdinand Piëch GmbH, Wiernsheim, Hans-Michel Piëch GmbH, Wiernsheim, Dipl.-Ing. Dr.h.c. Ferdinand Piëch GmbH, Salzburg (Austria), Dr. Hans Michel Piëch GmbH, Salzburg (Austria), Dr. Ferdinand Piëch, Salzburg (Austria), and Dr. Hans Michel Piëch, Salzburg (Austria), each informed us on 27 March 2006 that the share of voting rights in Bertrandt AG held by each of the aforementioned disclosing parties

- had exceeded the 25 percent threshold on 11 February 2002 and thereupon stood at 25.01 percent;
- had fallen below the 25 percent threshold on 26 February 2002 and thereupon stood at 24.998 percent;
- had exceeded the 25 percent threshold on 19 March 2003 and thereupon stood at 25.01 percent;
- had reached the threshold of 25 percent on 26 September 2003 and thereupon stood at 25.00 percent;
- had fallen below the 25 percent threshold on 29 September 2003 and thereupon stood at 24.99 percent;
- had exceeded the 25 percent threshold on 14 January 2004 and thereupon stood at 25.01 percent;
- had fallen below the 25 percent threshold on 1 September 2004 and thereupon stood at 24.998 percent;
- had exceeded the 25 percent threshold on 17 February 2005 and thereupon stood at 25.01 percent;
- had fallen below the 25 percent threshold on 11 March 2005 and thereupon stood at 24.998 percent;
- had exceeded the 25 percent threshold on 18 May 2005 and thereupon stood at 25.01 percent;
- had fallen below the 25 percent threshold on 28 September 2005 and thereupon stood at 24.99 percent;
- had exceeded the 25 percent threshold on 24 October 2005, thereupon standing at 25.01 percent and as of now stood at 25.14 percent and that the aforementioned shares of voting rights were or are attributable to the aforementioned parties in accordance with Section 22 (1) sent. 1 no. 1 WpHG.

Disclosure pursuant to Section 21 (1) WpHG

In a letter dated 17 November 2006, Familie Porsche Privatstiftung, domiciled in Salzburg, A-5020 Salzburg and Familie Porsche Holding GmbH, domiciled in Salzburg, A-5020 Salzburg informed us in accordance with Section 21 (1) sent. 1 WpHG that the share of voting rights in Bertrandt AG held by these two disclosing parties had exceeded the 5 percent, 10 percent and 25 percent thresholds respectively on 13 November 2006 and thereupon stood at 25.01 percent. Pursuant to Section 22 (1) sent. 1 no. 1 WpHG, these shares of voting rights are attributable to the disclosing parties.

Disclosure pursuant to Section 21 (1) WpHG

With a letter dated 11 December 2009, which was received on the same day, Dr. Ing. h.c. F. Porsche Aktiengesellschaft in Stuttgart notified us of the following:

This information is being provided on account of the restructuring of the Porsche group in preparation of the acquisition by Volkswagen AG of a share in Porsche's operating business. The company previously known as Dr. Ing. h.c. F. Porsche Aktiengesellschaft with registered offices in Stuttgart, entered in the commercial register of the local court of Stuttgart, register number HRB 722287, which had previously held 25.01 percent of the voting shares in Bertrandt AG (ISIN DE0005232805), was merged with Porsche Zwischenholding GmbH with registered offices in Stuttgart, entered in the commercial register of the local court of Stuttgart, register number HRB 731330 by means of the transfer of all of its assets to the latter entity in the form of a merger by absorption in accordance with Section 2 no. 1 Reorganisation Act (UmwG) with legal effect from 30 November 2009. As a result of the merger, on 30 November 2009 Porsche Zwischenholding GmbH acquired all of the shares in Bertrandt AG which were previously held by the transferring entity.

Immediately after the merger, Porsche Zwischenholding GmbH transferred the entire business operations which had been acquired by virtue of the amalgamation to its wholly owned subsidiary, Dr. Ing. h.c. F. Porsche Aktiengesellschaft with registered offices in Stuttgart, entered in the commercial register of the local court of Stuttgart, register number HRB 730623, which at that stage was still doing business as Porsche Fünfte Vermögensverwaltung AG, in the form of a spin-off for absorption in accordance with Section 123 (3) no. 1 UmwG with legal effect from 30 November 2009. The 25.01 percent share of voting rights in Bertrandt AG was part of the assets transferred.

The share of voting rights of Dr. Ing. h.c. F. Porsche Aktiengesellschaft with registered offices in Stuttgart, entered in the commercial register of the local court of Stuttgart, register number HRB 730623, in Bertrandt AG, registered in Ehningen, had exceeded the 3 percent, 5 percent, 10 percent, 15 percent, 20 percent and 25 percent thresholds on 30 November 2009 and as of the present day stood at 25.01 percent of voting rights (2,537,095 out of a total of 10,143,240 voting rights).

All voting rights are held directly by Dr. Ing. h.c. F. Porsche Aktiengesellschaft.

Disclosure pursuant to Section 21 (1) sent. 1 WpHG

In a letter dated 8 November 2010 received by us on the same date, Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG with registered offices in Stuttgart informed us in accordance with Section 21 (1) WpHG that its share of voting rights in Bertrandt AG had exceeded the 3 percent, 5 percent, 10 percent, 15 percent, 20 percent and 25 percent thresholds on 29 September 2010 and as of that date stood at 25.01 percent (2,537,095 voting rights).

All of the aforementioned 2,537,095 voting rights are attributable to the disclosing entity in accordance with Section 22 (1) sent. 1 no. 1 WpHG via the following controlled companies whose share of voting rights in Bertrandt AG are or exceed three percent in each case: Wolfgang Porsche GmbH, Familie Porsche Beteiligung GmbH, both with registered offices in Grünwald and Porsche Automobil Holding SE, Porsche Zwischenholding GmbH and Dr. Ing. h.c. F. Porsche Aktiengesellschaft, all with registered offices in Stuttgart.

The voting rights did not accrue through the exercise of any rights to buy granted by financial instruments in accordance with Section 25 (1), sent. 1 WpHG.

Disclosure pursuant to Section 26 (1) sent. 1 WpHG

We were informed by Friedrich Boysen-Unternehmensstiftung with registered offices in Altensteig, Germany that its share of voting rights in Bertrandt AG had exceeded the threshold of 10 percent of voting rights on 21 February 2011 and stood at 14.9 percent (1,511,343 voting rights) as of that date. These voting rights are held by Friedrich Boysen Holding GmbH with registered offices in Altensteig, Germany and are attributable to Friedrich Boysen-Unternehmensstiftung in accordance with Section 22 (1) sent. 1 no. 1 WpHG.

The 7.45 percent of the voting rights (755,671 voting rights) acquired by Friedrich Boysen Holding GmbH accrued to said company through the exercise of rights to buy shares in Bertrandt AG granted by financial instruments in accordance with Section 25 (1), sent. 1 WpHG.

Disclosure pursuant to Section 26 (1) sent. 1 WpHG

We were informed by Friedrich Boysen Holding GmbH with registered offices in Altensteig, Germany that its share of voting rights in Bertrandt AG had exceeded the threshold of 10 percent of voting rights on 21 February 2011 and stood at 14.9 percent (1,511,342 voting rights) as of that date.

The 7.45 percent of the voting rights (755,671 voting rights) acquired by Friedrich Boysen Holding GmbH accrued to said company through the exercise of rights to buy shares in Bertrandt AG granted by financial instruments in accordance with Section 25 (1), sent. 1 WpHG.

Disclosure pursuant to Section 26 (1) sent. 1 WpHG

In a letter dated 28 February 2011, received by us on the same day, we were informed by b.invest AG with registered offices in Ehningen, Germany, that its share of voting rights in Bertrandt AG had exceeded the threshold of 3 percent of voting rights on 24 February 2011 and stood at 4.8 percent (486,876 voting rights) as of that date.

Disclosure pursuant to Section 26 (1) sent. 1 WpHG

In a letter dated 31 May 2011, received by us on the same day, we were informed by MainFirst SICAV with registered offices in Senningerberg, Luxemburg that its share of voting rights in Bertrandt AG had exceeded the threshold of 3 percent of voting rights on 31 May 2011 and stood at 3.868 percent (392,369 voting rights) as of that date and that no financial instruments had been used.

Disclosure pursuant to Section 26 (1) sent. 1 WpHG

Volkswagen Aktiengesellschaft with registered offices in Wolfsburg, Germany, and Porsche Zweite Zwischenholding GmbH with registered offices in Stuttgart, Germany notified us as follows on 1 August 2012 in accordance with Section 21 (1), Section 22 (1) sent. 1 no. 1 and Section 24 WpHG:

1. On 30 July 2012, Porsche Zweite Zwischenholding GmbH with registered offices in Stuttgart had exceeded the thresholds of 3 percent, 5 percent, 10 percent, 15 percent, 20 percent and 25 percent of the voting rights in Bertrandt Aktiengesellschaft, Ehningen (ISIN of the shares: DE005232805). As of now, the company holds 25.01 percent of the voting rights, equivalent to 2,537,095 votes.

This share includes 25.01 percent of the voting rights which are attributable to Porsche Zweite Zwischenholding GmbH pursuant to Section 22 (1) sent. 1 no. 1 WpHG. The voting rights attributable to Porsche Zweite Zwischenholding GmbH are held via the following entity which is controlled by the former and whose share in Bertrandt Aktiengesellschaft is 3 percent or greater: Dr. Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart.

2. On 1 August 2012, Volkswagen Aktiengesellschaft with registered offices in Wolfsburg exceeded the thresholds of 3 percent, 5 percent, 10 percent, 15 percent, 20 percent and 25 percent of the voting rights in Bertrandt Aktiengesellschaft, Ehningen (ISIN of the shares: DE005232805). As of now, the company holds 25.01 percent of the voting rights, equivalent to 2,537,095 votes.

This share includes 25.01 percent of the voting rights which are attributable to Volkswagen Aktiengesellschaft pursuant to Section 22 (1) sent. 1 no. 1 WpHG. The voting rights attributable to Volkswagen Aktiengesellschaft are held via the following entities which are controlled by the former and whose respective share in Bertrandt Aktiengesellschaft is 3 percent or greater: Dr. Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart and Porsche Zweite Zwischenholding GmbH, Stuttgart.

Disclosure pursuant to Section 26 (1) sent. 1 WpHG

In a letter dated 12 August 2013, received by us on the same day, we were informed by LK Holding GmbH, Salzburg, Austria, in accordance with Section 21 (1) WpHG that its share of voting rights in Bertrandt AG had exceeded the thresholds of 3 percent, 5 percent, 10 percent, 15 percent, 20 percent and 25 percent of voting rights on 10 August 2013 and stood at 25.01 percent (equivalent to 2,537,095 voting rights) as of that date. All of the aforementioned 2,537,095 voting rights are attributable to LK Holding GmbH, Salzburg, Austria in accordance with Section 22 (1) sent. 1 no. 1 WpHG via the following companies controlled by it whose share of voting rights in Bertrandt AG is or exceeds 3 percent in each case: Dr. Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart, Porsche Holding Stuttgart GmbH, Stuttgart, Volkswagen Aktiengesellschaft, Wolfsburg, Porsche Automobil Holding SE, Stuttgart, Familien Porsche-Kiesling Beteiligung GmbH, Grünwald and Louise Daxer-Piech GmbH, Grünwald.

Disclosure pursuant to Section 26 (1) sent. 1 WpHG

I. In a letter dated 11 September 2013, which we received on the same day, Ahorner Alpha Beteiligungs GmbH with registered offices in Grünwald, Germany, provided the following disclosure of voting rights pursuant to Section 21 (1) WpHG:

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany held by Ahorner Alpha Beteiligungs GmbH with registered offices in Grünwald, Germany exceeded the thresholds of 3 percent, 5 percent, 10 percent, 15 percent, 20 percent and 25 percent on 11 September 2014 and as of that day stand at 25.01 percent of voting rights (equivalent to 2,537,095 voting rights).

All of the aforementioned voting rights are attributable to Ahorner Alpha Beteiligungs GmbH with registered offices in Grünwald, Germany, in accordance with Section 22 (1) sent. 1 no. 1 WpHG via the following companies controlled by it whose share of voting rights in Bertrandt AG is or exceeds three percent in each case: Porsche Automobil Holding SE, Stuttgart; VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg; Porsche Holding Stuttgart GmbH, Stuttgart; Dr. Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart.

II. In a letter dated 11 September 2013, which we received on the same day, Ahorner Beta Beteiligungs GmbH with registered offices in Grünwald, Germany, provided the following disclosure of voting rights pursuant to Section 21 (1) WpHG:

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany held by Ahorner Beta Beteiligungs GmbH with registered offices in Grünwald, Germany, exceeded the thresholds of 3 percent, 5 percent, 10 percent, 15 percent, 20 percent and 25 percent on 11 September 2013 and as of that day stand at 25.01 percent of voting rights (equivalent to 2,537,095 voting rights).

All of the aforementioned voting rights are attributable to Ahorner Beta Beteiligungs GmbH with registered offices in Grünwald, Germany, in accordance with Section 22 (1) sent. 1 no. 1 WpHG via the following companies controlled by it whose share of voting rights in Bertrandt AG is or exceeds 3 percent in each case: Ahorner Alpha Beteiligungs GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart; VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg; Porsche Holding Stuttgart GmbH, Stuttgart; Dr. Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart.

III. In a letter dated 11 September 2013, which we received on the same day, Louise Daxer-Piech GmbH with registered offices in Salzburg, Austria, provided the following disclosure of voting rights pursuant to Section 21 (1) WpHG:

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany held by Louise Daxer-Piech GmbH with registered offices in Salzburg, Austria, exceeded the thresholds of 3 percent, 5 percent, 10 percent, 15 percent, 20 percent and 25 percent on 11 September 2013 and as of that day stand at 25.01 percent of voting rights (equivalent to 2,537,095 voting rights).

All of the aforementioned voting rights are attributable to Louise Daxer-Piech GmbH with registered offices in Salzburg, Austria, in accordance with Section 22 (1) sent. 1 no. 1 WpHG via the following companies controlled by it whose share of voting rights in Bertrandt AG is or exceeds 3 percent in each case: Ahorner Beta Beteiligungs GmbH, Grünwald; Ahorner Alpha Beteiligungs GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart; VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg; Porsche Holding Stuttgart GmbH, Stuttgart; Dr. Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart.

IV. In a letter dated 11 September 2013, which we received on the same day, Ahorner Holding GmbH with registered offices in Salzburg, Austria, provided the following disclosure of voting rights pursuant to Section 21 (1) WpHG:

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany, held by Ahorner Holding GmbH with registered offices in Salzburg, Austria exceeded the thresholds of 3 percent, 5 percent, 10 percent, 15 percent, 20 percent and 25 percent on 11 September 2013 and as of that day stand at 25.01 percent of voting rights (equivalent to 2,537,095 voting rights).

All of the aforementioned voting rights are attributable to Ahorner Holding GmbH with registered offices in Salzburg, Austria, in accordance with Section 22 (1) sent. 1 no. 1 WpHG via the following companies controlled by it whose share of voting rights in Bertrandt AG is or exceeds three percent in each case: Louise Daxer-Piech GmbH, Salzburg; Ahorner Beta Beteiligungs GmbH, Grünwald; Ahorner Alpha Beteiligungs GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart; VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg; Porsche Holding Stuttgart GmbH, Stuttgart; Dr. Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart.

Publication of disclosures pursuant to Section 26 (1) sent. 1 WpHG

1. In a letter dated 2 July 2014, which we received on the same day, Vermögensverwaltungsgesellschaft Familie Bichler bR, Iptingen, Germany, provided the following disclosure of voting rights pursuant to Section 21 (1) WpHG:

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany held by Vermögensverwaltungsgesellschaft Familie Bichler bR, Iptingen, Germany, fell below the threshold of 5 percent on 2 July 2014 and as of that day stand at 3.94 percent (400,000 voting rights).

2. In a letter dated 2 July 2014, which we received on the same day, Dietmar Bichler, Germany, provided the following disclosure of voting rights pursuant to Section 21 (1) WpHG:

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany, held by Dietmar Bichler, Germany fell below the threshold of 5 percent on 2 July 2014 and as of that day stand at 3.94 percent (400,000 voting rights).

All of the aforementioned voting rights are attributable to Dietmar Bichler, Germany, in accordance with Section 22 (1) sent. 1 no. 1 WpHG via the following controlled companies whose share of voting rights in Bertrandt Aktiengesellschaft is or exceeds 3 percent in each case: Vermögensverwaltungsgesellschaft Familie Bichler bR, Iptingen, Germany.

Publication of a disclosure pursuant to Section 26 (1) sent. 1 WpHG

In a letter dated 26 September 2014, which we received on the same day, Allianz Global Investors Europe GmbH with registered offices in Frankfurt am Main, Germany, provided the following disclosure of voting rights pursuant to Section 21 (1) WpHG:

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany, held by Allianz Global Investors Europe GmbH with registered offices in Frankfurt am Main, Germany, exceeded the threshold of 3 percent on 25 September 2014 and as of that day stand at 3.10 percent of voting rights (equivalent to 314,388 of the total of 10,143,240 voting rights).

Of these voting rights, 1.48 percent (equivalent to 150,488 of the total of 10,143,240 voting rights) are attributable to Allianz Global Investors Europe GmbH with registered offices in Frankfurt am Main, Germany, in accordance with Section 22 (1) sent. 1 no. 6 WpHG.

Publication of a disclosure pursuant to Section 26 (1) sent. 1 WpHG

In a letter dated 16 December 2014, which we received on the same day, Porsche Wolfgang 1. Beteiligungsverwaltungs GmbH with registered offices in Stuttgart, Germany, provided the following disclosure of voting rights pursuant to Section 21 (1) WpHG:

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany, held by Porsche Wolfgang 1. Beteiligungsverwaltungs GmbH with registered offices in Stuttgart, Germany, fell below the thresholds of 25 percent, 20 percent, 15 percent, 10 percent, 5 percent and 3 percent on 15 December 2014 and as of that day stands at 0 percent of voting rights (equivalent to 0 of the total of 10,143,240 voting rights).

Publication of a disclosure pursuant to Section 26 (1) sent. 1 WpHG

In a letter dated 17 December 2014, which we received on the same day, Dr. Wolfgang Porsche Holding GmbH with registered offices in Salzburg, Austria, provided the following disclosure of voting rights pursuant to Section 21 (1) WpHG:

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany, held by Dr. Wolfgang Porsche Holding GmbH with registered offices in Salzburg, Austria, exceeded the thresholds of 3 percent, 5 percent, 10 percent, 15 percent, 20 percent and 25 percent on 15 December 2014 and as of that day stands at 28.97 percent of voting rights (equivalent to 2,938,189 of the total of 10,143,240 voting rights). Pursuant to Section 22 (1) sent. 1 no. 1 WpHG, these shares of voting rights are attributable to Dr. Wolfgang Porsche Holding GmbH. Names of the controlled companies to which at least 3 percent of the shares are attributable pursuant to Section 22 (1) sent. 1 WpHG: Wolfgang Porsche GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart; VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg; Porsche Holding Stuttgart GmbH, Stuttgart; Dr. Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart.

Publication of a disclosure pursuant to Section 26 (1) sent. 1 WpHG

In a letter dated 22 April 2015, which we received on the same day, Allianz Global Investors GmbH with registered offices in Frankfurt am Main, Germany, provided the following disclosure of voting rights pursuant to Section 21 (1) WpHG:

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany, held by Allianz Global Investors GmbH with registered offices in Frankfurt am Main, Germany, fell below the threshold of 3 percent on 21 April 2015 and as of that day stand at 2.99 percent of voting rights (equivalent to 303,587 of the total of 10,143,240 voting rights).

Of these voting rights, 1.38 percent (equivalent to 139,687 of the total of 10,143,240 voting rights) are attributable to Allianz Global Investors GmbH with registered offices in Frankfurt am Main, Germany in accordance with Section 22 (1) sent. 1 no. 6 WpHG.

Publication of a disclosure pursuant to Section 26 (1) sent. 1 WpHG

In a letter dated 15 July 2015, which we received on the same day, Familie Porsche Privatstiftung with registered offices in Salzburg, Austria, provided the following disclosure of voting rights pursuant to Section 21 (1) WpHG:

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany, held by Familie Porsche Privatstiftung with registered offices in Salzburg, Austria, fell below the thresholds of 25 percent, 20 percent, 15 percent, 10 percent, 5 percent and 3 percent on 14 July 2015 and as of that day stands at 0 percent of voting rights (equivalent to 0 voting rights).

In a letter dated 15 July 2015, which we received on the same day, Ferdinand Porsche Privatstiftung with registered offices in Salzburg, Austria, provided the following disclosure of voting rights pursuant to Section 21 (1) WpHG:

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany, held by Ferdinand Porsche Privatstiftung with registered offices in Salzburg, Austria, fell below the thresholds of 25 percent, 20 percent, 15 percent, 10 percent, 5 percent and 3 percent on 14 July 2015 and as of that day stands at 0 percent of voting rights (equivalent to 0 of the total of 10,143,240 voting rights).

In a letter dated 15 July 2015, which we received on the same day, Ferdinand Porsche Familien-Privatstiftung with registered offices in Salzburg, Austria, provided the following disclosure of voting rights pursuant to Section 21 (1) WpHG:

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany, held by Ferdinand Porsche Familien-Privatstiftung with registered offices in Salzburg, Austria, exceeded the thresholds of 3 percent, 5 percent, 10 percent, 15 percent, 20 percent and 25 percent on 14 July 2015 and as of that day stand at 28.97 percent of voting rights (equivalent to 2,938,189 voting rights). Pursuant to Section 22 (1) sent. 1 no. 1 WpHG, these shares of voting rights are attributable to Ferdinand Porsche Familien-Privatstiftung with registered offices in Salzburg, Austria. Names of the controlled companies to which at least 3 percent of the shares are attributable pursuant to Section 22 (1) sent. 1 WpHG: Familie Porsche Holding GmbH, Salzburg; Ing. Hans-Peter Porsche GmbH, Salzburg; Hans-Peter Porsche GmbH, Grünwald; Ferdinand Porsche Holding GmbH, Salzburg; Prof. Ferdinand Alexander Porsche GmbH, Salzburg; Ferdinand Alexander Porsche GmbH, Grünwald; Gerhard Anton Porsche GmbH, Salzburg; Gerhard Porsche GmbH, Grünwald; LK Holding GmbH, Salzburg; Louise Kiesling GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart; VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg; Porsche Holding Stuttgart GmbH, Stuttgart; Dr. Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart.

Publication of a disclosure pursuant to Section 26 (1) sent. 1 WpHG

In a letter dated 15 July 2015, which we received on the same day, Dipl.-Design. Stephanie Porsche-Schröder, Austria, provided the following disclosure of voting rights pursuant to Section 21 (1) WpHG:

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany, held by Dipl.-Design. Stephanie Porsche-Schröder, Austria, exceeded the thresholds of 3 percent, 5 percent, 10 percent, 15 percent, 20 percent and 25 percent on 14 July 2015 and as of that day stand at 28.97 percent of voting rights (equivalent to 2,938,189 voting rights). Pursuant to Section 22 (1) sent. 1 no. 1 WpHG, these shares of voting rights are attributable to Dipl.-Design. Stephanie Porsche-Schröder, Austria. Names of the controlled companies to which at least 3 percent of the shares are attributable pursuant to Section 22 (1) sent. 1 WpHG: Dr. Wolfgang Porsche Holding GmbH, Salzburg; Wolfgang Porsche GmbH, Grünwald; Ferdinand Porsche Familien-Privatstiftung, Salzburg; Familie Porsche Holding GmbH, Salzburg; Ing. Hans-Peter Porsche GmbH, Salzburg; Hans-Peter Porsche GmbH, Grünwald; Ferdinand Porsche Holding GmbH, Salzburg; Prof. Ferdinand Alexander Porsche GmbH, Salzburg; Ferdinand Alexander Porsche GmbH, Grünwald; Gerhard Anton Porsche GmbH, Salzburg; Gerhard Porsche GmbH, Grünwald; LK Holding GmbH, Salzburg; Louise Kiesling GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart; VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg; Porsche Holding Stuttgart GmbH, Stuttgart; Dr. Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart.

In a letter dated 15 July 2015, which we received on the same day, Dr. Dr. Christian Porsche, Austria, provided the following disclosure of voting rights pursuant to Section 21 (1) WpHG:

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany, held by Dr. Dr. Christian Porsche, Austria, exceeded the thresholds of 3 percent, 5 percent, 10 percent, 15 percent, 20 percent and 25 percent on 14 July 2015 and as of that day stand at 28.97 percent of voting rights (equivalent to 2,938,189 voting rights). Pursuant to Section 22 (1) sent. 1 no. 1 WpHG, these shares of voting rights are attributable to Dr. Dr. Christian Porsche, Austria. Names of the controlled companies to which at least 3 percent of the shares are attributable pursuant to Section 22 (1) sent. 1 WpHG: Dr. Wolfgang Porsche Holding GmbH, Salzburg; Wolfgang Porsche GmbH, Grünwald; Ferdinand Porsche Familien-Privatstiftung, Salzburg; Familie Porsche Holding GmbH, Salzburg; Ing. Hans-Peter Porsche GmbH, Salzburg; Hans-Peter Porsche GmbH, Grünwald; Ferdinand Porsche Holding GmbH, Salzburg; Prof. Ferdinand Alexander Porsche GmbH, Salzburg; Ferdinand Alexander Porsche GmbH, Grünwald; Gerhard Anton Porsche GmbH, Salzburg; Gerhard Porsche GmbH, Grünwald; LK Holding GmbH, Salzburg; Louise Kiesling GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart; VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg; Porsche Holding Stuttgart GmbH, Stuttgart; Dr. Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart.

In a letter dated 15 July 2015, which we received on the same day, Ferdinand Rudolf Wolfgang Porsche, Austria, provided the following disclosure of voting rights pursuant to Section 21 (1) WpHG:

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany, held by Ferdinand Rudolf Wolfgang Porsche, Austria, exceeded the thresholds of 3 percent, 5 percent, 10 percent, 15 percent, 20 percent and 25 percent on 14 July 2015 and as of that day stand at 28.97 percent of voting rights (equivalent to 2,938,189 voting rights). Pursuant to Section 22 (1) sent. 1 no. 1 WpHG, these shares of voting rights are attributable to Ferdinand Rudolf Wolfgang Porsche, Austria. Names of the controlled companies to which at least 3 percent of the shares are attributable pursuant to Section 22 (1) sent. 1 WpHG: Dr. Wolfgang Porsche Holding GmbH, Salzburg; Wolfgang Porsche GmbH, Grünwald; Ferdinand Porsche Familien-Privatstiftung, Salzburg; Familie Porsche Holding GmbH, Salzburg; Ing. Hans-Peter Porsche GmbH, Salzburg; Hans-Peter Porsche GmbH, Grünwald; Ferdinand Porsche Holding GmbH, Salzburg; Prof. Ferdinand Alexander Porsche GmbH, Salzburg; Ferdinand Alexander Porsche GmbH, Grünwald; Gerhard Anton Porsche GmbH, Salzburg; Gerhard Porsche GmbH, Grünwald; LK Holding GmbH, Salzburg; Louise Kiesling GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart; VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg; Porsche Holding Stuttgart GmbH, Stuttgart; Dr. Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart.

Publication of a disclosure pursuant to Section 26 (1) sent. 1 WpHG

In a letter dated 20 July 2015, which we received on the same day, Dr. Geraldine Porsche, Austria, provided the following disclosure of voting rights pursuant to Section 21 (1) WpHG:

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany, held by Dr. Geraldine Porsche, Austria, exceeded the thresholds of 3 percent, 5 percent, 10 percent, 15 percent, 20 percent and 25 percent on 14 July 2015 and as of that day stand at 28.97 percent of voting rights (equivalent to 2,938,189 voting rights). Pursuant to Section 22 (1) sent. 1 no. 1 WpHG, these shares of voting rights are attributable to Dr. Geraldine Porsche, Austria. Names of the controlled companies to which at least 3 percent of the shares are attributable pursuant to Section 22 (1) sent. 1 WpHG: Ferdinand Porsche Familien-Privatstiftung, Salzburg; Familie Porsche Holding GmbH, Salzburg; Ing. Hans-Peter Porsche GmbH, Salzburg; Hans-Peter Porsche GmbH, Grünwald; Ferdinand Porsche Holding GmbH, Salzburg; Prof. Ferdinand Alexander Porsche GmbH, Salzburg; Ferdinand Alexander Porsche GmbH, Grünwald; Gerhard Anton Porsche GmbH, Salzburg; Gerhard Porsche GmbH, Grünwald; LK Holding GmbH, Salzburg; Louise Kiesling GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart; VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg; Porsche Holding Stuttgart GmbH, Stuttgart; Dr. Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart.

In a letter dated 20 July 2015, which we received on the same day, Ms Diana Porsche, Austria, provided the following disclosure of voting rights pursuant to Section 21 (1) WpHG:

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany, held by Ms Diana Porsche, Austria, exceeded the thresholds of 3 percent, 5 percent, 10 percent, 15 percent, 20 percent and 25 percent on 14 July 2015 and as of that day stand at 28.97 percent of voting rights (equivalent to 2,938,189 voting rights). Pursuant to Section 22 (1) sent. 1 no. 1 WpHG, these shares of voting rights are attributable to Ms Diana Porsche, Austria. Names of the controlled companies to which at least 3 percent of the shares are attributable pursuant to Section 22 (1) sent. 1 WpHG: Ferdinand Porsche Familien-Privatstiftung, Salzburg; Familie Porsche Holding GmbH, Salzburg; Ing. Hans-Peter Porsche GmbH, Salzburg; Hans-Peter Porsche GmbH, Grünwald; Ferdinand Porsche Holding GmbH, Salzburg; Prof. Ferdinand Alexander Porsche GmbH, Salzburg; Ferdinand Alexander Porsche GmbH, Grünwald; Gerhard Anton Porsche GmbH, Salzburg; Gerhard Porsche GmbH, Grünwald; LK Holding GmbH, Salzburg; Louise Kiesling GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart; VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg; Porsche Holding Stuttgart GmbH, Stuttgart; Dr. Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart.

In a letter dated 20 July 2015, which we received on the same day, Mr Felix Alexander Porsche, Austria, provided the following disclosure of voting rights pursuant to Section 21 (1) WpHG:

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany, held by Mr Felix Alexander Porsche, Austria, exceeded the thresholds of 3 percent, 5 percent, 10 percent, 15 percent, 20 percent and 25 percent on 14 July 2015 and as of that day stand at 28.97 percent of voting rights (equivalent to 2,938,189 voting rights). Pursuant to Section 22 (1) sent. 1 no. 1 WpHG, these shares of voting rights are attributable to Mr Felix Alexander Porsche, Austria. Names of the controlled companies to which at least 3 percent of the shares are attributable pursuant to Section 22 (1) sent. 1 WpHG: Ferdinand Porsche Familien-Privatstiftung, Salzburg; Familie Porsche Holding GmbH, Salzburg; Ing. Hans-Peter Porsche GmbH, Salzburg; Hans-Peter Porsche GmbH, Grünwald; Ferdinand Porsche Holding GmbH, Salzburg; Prof. Ferdinand Alexander Porsche GmbH, Salzburg; Ferdinand Alexander Porsche GmbH, Grünwald; Gerhard Anton Porsche GmbH, Salzburg; Gerhard Porsche GmbH, Grünwald; LK Holding GmbH, Salzburg; Louise Kiesling GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart; VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg; Porsche Holding Stuttgart GmbH, Stuttgart; Dr. Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart.

Publication of a disclosure pursuant to Section 26 (1) sent. 1 WpHG

In a letter dated 4 August 2015, which we received on the same day, Ferdinand Porsche Familien-Holding GmbH with registered offices in Salzburg, Austria, provided the following disclosure of voting rights pursuant to Section 21 (1) WpHG:

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany, held by Ferdinand Porsche Familien-Holding GmbH with registered offices in Salzburg, Austria, exceeded the thresholds of 3 percent, 5 percent, 10 percent, 15 percent, 20 percent and 25 percent on 31 July 2015 and as of that day stands at 28.97 percent of voting rights (equivalent to 2,938,189 voting rights).

Pursuant to Section 22 (1) sent. 1 no. 1 WpHG, these shares of voting rights are attributable to Ferdinand Porsche Familien-Holding GmbH with registered offices in Salzburg, Austria. Names of the controlled companies to which at least 3 percent of the shares are attributable pursuant to Section 22 (1) sent. 1 WpHG: Hans-Peter Porsche GmbH, Grünwald; Ferdinand Alexander Porsche GmbH, Grünwald; Gerhard Porsche GmbH, Grünwald; Louise Kiesling GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart; VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg; Porsche Holding Stuttgart GmbH, Stuttgart; Dr. Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart.

Publication of a disclosure pursuant to Section 26 (1) sent. 1 WpHG

In a letter dated 27 August 2015, which we received on the same day, Allianz Global Investors GmbH with registered offices in Frankfurt am Main, Germany, provided the following disclosure of voting rights pursuant to Section 21 (1) WpHG:

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany, held by Allianz Global Investors GmbH with registered offices in Frankfurt am Main, Germany, exceeded the threshold of 3 percent on 24 August 2015 and as of that day stands at 3.02 percent of voting rights (equivalent to 306,159 of the total of 10,143,240 voting rights).

Of these voting rights, 1.40 percent (equivalent to 142,259 of the total of 10,143,240 voting rights) are attributable to Allianz Global Investors GmbH with registered offices in Frankfurt am Main, Germany in accordance with Section 22 (1) sent. 1 no. 6 WpHG.

Publication of a disclosure pursuant to Section 26 (1) sent. 1 WpHG

In a letter dated 28 September 2015, which we received on the same day, Allianz Global Investors GmbH with registered offices in Frankfurt am Main, Germany, provided the following disclosure of voting rights pursuant to Section 21 (1) WpHG:

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany, held by Allianz Global Investors GmbH with registered offices in Frankfurt am Main, Germany, fell below the threshold of 3 percent on 25 September 2015 and as of that day stands at 2.94 percent of voting rights (equivalent to 297,809 of the total of 10,143,240 voting rights).

Of these voting rights, 1.45 percent (equivalent to 146,814 of the total of 10,143,240 voting rights) are attributable to Allianz Global Investors GmbH with registered offices in Frankfurt am Main, Germany in accordance with Section 22 (1) sent. 1 no. 6 WpHG.

[47] DECLARATION OF CONFORMITY TO THE GERMAN CORPORATE GOVERNANCE CODE

The declaration of conformity to the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act has been submitted by the Management Board and the Supervisory Board. It is available on the Bertrandt website at "<http://www.bertrandt.com/en/investor-relations/corporate-governance.html>".

[48] MATERIAL EVENTS AFTER THE REPORTING PERIOD

To safeguard the Company's liquidity in the long term Bertrandt AG has issued a bonded loan of EUR 200 million which will exclusively affect non-current financial liabilities and net finance income. This paves the way for further long-term investment decisions.

Apart from the transaction referred to above there were no material events after the reporting period of 1 October 2014 to 30 September 2015.

[49] DISCLOSURE ON THE COMPANY'S CORPORATE GOVERNANCE BODIES

Management Board

Dietmar Bichler, Chairman of the Management Board

- President of the Board of Directors Bertrandt France S.A., Bièvres
- Member of the Board of Directors of b.invest AG, Ehningen
- Member of the Supervisory Board of MAHLE GmbH, Stuttgart
- Member of the Supervisory Board of Lindauer DORNIER GmbH, Lindau (since 01/01/2015)

Hans-Gerd Claus, Member of the Management Board Engineering

Michael Lücke, Member of the Management Board Sales

- Member of the Board of Directors of Bertrandt France S.A., Bièvres
- Member of the Board of Directors of Bertrandt UK Limited, Dunton
- Member of the Board of Directors of Bertrandt US Inc., Detroit

Markus Ruf, Member of the Management Board Finance

- Member of the Board of Directors of Bertrandt France S.A., Bièvres

The total remuneration for current members of the Management Board for fiscal 2014/2015 is EUR 7.222 million (previous year EUR 7.049 million) and includes a fixed amount and a performance-related component. The compensation paid to the members of the Management Board is disclosed for the individual members in the remuneration report section in the management report. As in the previous year, former members of the Management Board received no remuneration. The additions to provisions for pensions for Management Board members include service cost of EUR 0.086 million for the current fiscal year (previous year EUR 0.065 million). Furthermore, provisions amounting to EUR 1.887 million have been set aside to cover post-retirement benefits payable to former members of the Management Board (previous year EUR 1.844 million).

The following table provides an overview of the holdings of Bertrandt shares of Management Board members during the 2014/2015 fiscal year:

___ TABLE 65

Shares owned by members of the Management Board		
number	Shares	
	Balance at 30/09/2015	Balance at 30.09.2014
Dietmar Bichler	400,000	400,000
Hans-Gerd Claus	0	0
Michael Lücke	0	0
Markus Ruf	0	0
Total	400,000	400,000

Options are not disclosed here as there is currently no option programme.

Supervisory Board

Dr Klaus Bleyer, Chairman of the Supervisory Board

- Chairman of the Supervisory Board of MAHLE GmbH, Stuttgart (until 30/06/2015)
- Chairman of the Supervisory Board of Lindauer DORNIER GmbH, Lindau
- Chairman of the Supervisory Board of Jost-Global GP S.à.r.l., Luxembourg

Maximilian Wölfle, Deputy Chairman of the Supervisory Board

- Chairman of the Advisory Board of J. WIZEMANN GmbH & Co. KG, Stuttgart
- Chairman of the Advisory Board of Heinrich von Wirth GmbH & Co. KG, Stuttgart
- Member of the Board of Directors of Westiform Holding AG, Bürglen (until 19/06/2015)
- Member of the Advisory Board of Kaiser-Brauerei W. Kumpf GmbH & Co. KG, Geislingen/Steige (until 28/10/2014)
- Deputy Chairman of the Advisory Board of SÜDWESTBANK AG, Stuttgart
- Member of the Advisory Board of PAUL LANGE & Co. OHG, Stuttgart
- Member of the Supervisory Board of Schwabenverlag AG, Ostfildern

Horst Binnig

- Chairman of the Executive Board of KSPG AG, Neckarsulm
- Member of the Executive Board of Rheinmetall AG, Düsseldorf
- Chairman of the Board of Directors of Kolbenschmidt Pierburg Shanghai Nonferrous Components Co., Ltd., Shanghai
- Deputy Chairman of the Board of Directors of Kolbenschmidt Shanghai Piston Co., Ltd., Shanghai
- Chairman of the Supervisory Board of KS HUAYU Alu Tech GmbH, Neckarsulm (formerly KS Aluminium-Technologie GmbH, Neckarsulm) (until 04/05/2015)
- Deputy Chairman of the Supervisory Board of KS HUAYU Alu Tech GmbH, Neckarsulm (since 04/05/2015)
- Chairman of the Supervisory Board of KS Kolbenschmidt GmbH, Neckarsulm
- Chairman of the Supervisory Board of KS Gleitlager GmbH, St.-Leon-Rot
- Chairman of the Supervisory Board of Pierburg GmbH, Neuss
- Board Member of MS Motor Service Istanbul Dis Ticaret Ve Pazarlama A.S., Istanbul (until 18/02/2015)
- Vice Chairman of the Board of Directors of Pierburg HUAYU Pump Technology Co. Ltd., Shanghai
- Director of KSPG Holding USA, Inc, Marinette
- Chairman of the Supervisory Board of Pierburg Pump Technology GmbH, Neuss (since 25/11/2014)

Prof. Dr.-Ing. Wilfried Sihn

- Professor of Operating Engineering and System Planning at the Institute of Management Science of the Technical University of Vienna, Vienna
- Managing Director of Fraunhofer Austria Research GmbH, Vienna

- Member of the Board of Directors of Baumer Holding AG, Frauenfeld
- Member of the Board of Directors of Glutz AG, Soloturn
- Member of the Supervisory Board of MELECS AG, Vienna (until 30/03/2015)
- Member of the Advisory Board of Herrmann Ultraschall GmbH & Co. KG, Karlsbad Ittersbach
- Member of the Advisory Board of Karl Klink GmbH, Niefern-Öschelbronn

Stefanie Blumenauer, Employee representative

- Commercial clerk

Astrid Fleischer, Employee representative

- Technical draughtswoman

Fixed compensation of the Supervisory Board members for their activity amounted to EUR 0.320 million in total in fiscal 2014/2015 (previous year EUR 0.320 million).

The amounts paid to the individual members of the Supervisory Board were as follows:

___ TABLE 66

Supervisory Board compensation	
EUR	Fixed
	2014/2015
Dr Klaus Bleyer	112,000
Maximilian Wölfle	64,000
Horst Binnig	40,000
Prof. Dr.-Ing. Wilfried Sihn	40,000
Stefanie Blumenauer	32,000
Astrid Fleischer	32,000
Total	320,000

The employee representatives on the Supervisory Board received usual salaries as provided for in their employment contracts. Other than this, the members of the Supervisory Board did not receive any compensation or benefits in the 2014/2015 fiscal year for services provided in a personal capacity, in particular those involving consulting and brokerage services.

The Bertrandt shares held by members of the Supervisory Board are broken down as follows:

___ TABLE 67

Shares owned by members of the Supervisory Board		
number	Shares	
	Balance at 30/09/2015	Balance at 30.09.2014
Dr Klaus Bleyer	0	0
Maximilian Wölfle	0	0
Horst Binnig	0	0
Prof. Dr.-Ing. Wilfried Sihn	0	0
Stefanie Blumenauer	0	0
Astrid Fleischer	84	80
Total	84	80

Options are not disclosed here as there is currently no option programme.

[50] ANTEILSBESITZ DER BERTRANDT AG

TABLE 68

Shares owned by Bertrandt AG	
%	Share in equity capital
Germany	
Bertrandt Ehningen GmbH, Ehningen ¹	100.0
Bertrandt Fahrerprobung Süd GmbH, Nufringen ¹	100.0
Bertrandt GmbH, Hamburg ¹	100.0
Bertrandt Ingenieurbüro GmbH, Gaimersheim ¹	100.0
Bertrandt Ingenieurbüro GmbH, Ginsheim-Gustavsburg ¹	100.0
Bertrandt Ingenieurbüro GmbH, Hamburg ¹	100.0
Bertrandt Ingenieurbüro GmbH, Köln ¹	100.0
Bertrandt Ingenieurbüro GmbH, München ¹	100.0
Bertrandt Ingenieurbüro GmbH, Neckarsulm ¹	100.0
Bertrandt Ingenieurbüro GmbH, Tappenbeck ¹	100.0
Bertrandt München GmbH, München	100.0
Bertrandt Projektgesellschaft mbH, Ehningen ¹	100.0
Bertrandt Services GmbH, Ehningen ¹	100.0
Bertrandt Südwest GmbH, Ehningen ¹	100.0
Bertrandt Tappenbeck GmbH, Tappenbeck	100.0
Bertrandt Technikum GmbH, Ehningen ¹	100.0
Bertrandt Technologie GmbH, Mönshheim	100.0
Bertrandt Technologie GmbH, Sassenburg ¹	100.0
Bertrandt Automotive GmbH & Co. KG, Pullach i. Isartal ¹	94.9
Bertrandt Immobilien GmbH & Co. KG, Pullach i. Isartal ¹	94.9
Inmuebles Baviera GmbH, Pullach i. Isartal	94.9
Bertrandt Campus GmbH, Ehningen	50.0
Bertrandt Entwicklungen AG & Co. OHG, Pullach i. Isartal	30.0
aucip. automotive cluster investment platform GmbH & Co. KG, Pullach i. Isartal	24.9
aucip. automotive cluster investment platform Beteiligungs GmbH, Pullach i. Isartal	24.9
MOLLIS automotive GmbH (vormals MOLLIS Beteiligungsgesellschaft mbH), Pullach i. Isartal	24.9
Non-Germany	
Bertrandt Engineering Shanghai Co., Ltd., Shanghai, China	100.0
Bertrandt France S.A., Bièvres, France	100.0
Bertrandt S.A.S., Bièvres, France	100.0
Bertrandt Otomotiv Mühendislik Hizmetleri Ticaret Limited Sirketi, Istanbul, Turkey	100.0
Bertrandt UK Limited, Dunton, United Kingdom	100.0
Bertrandt US Inc., Detroit, Michigan, United States	100.0

¹In accordance with Section 264 (3) ou 264b of the German Commercial Code, the annual financial statements as of 30 September 2014 have not been disclosed.

The breakdown of voting rights is largely in accordance with the shareholder structure.

The operating result and financial position of the joint venture Bertrandt Campus GmbH is as follows:

TABLE 69

Operating result and financial position of joint ventures	
EUR million	30/09/2015
Non-current assets	5.581
Current assets	2.930
– cash and cash equivalents	0.075
Current liabilities	0.037
Income tax expense	0.005
Post-tax earnings / total comprehensive income	-0.026

The carrying amount of Bertrandt's shareholding in Bertrandt Campus GmbH of EUR 4.237 million comprises the acquisition costs of EUR 4.250 million incurred and Bertrandt's share of earnings of EUR -0.013 million in the period under review; it is equivalent to Bertrandt's proportionate share in the joint venture's equity.

The operating results and financial positions of associates are as follows:

TABLE 70

Net assets and results of associated companies		
EUR million	30/09/2015	30/09/2014
Assets	37.730	12.195
Liabilities	37.328	11.968
Revenues	2.170	8.204
Post-tax earnings/Total comprehensive income	0.169	0.062

The carrying amount of the investments in associates is EUR 0.130 million (previous year EUR 0.090 million).

The companies aucip. automotive cluster investment platform GmbH & Co. KG, aucip. automotive cluster investment platform Beteiligungs GmbH and MOLLIS automotive GmbH (formerly MOLLIS Beteiligungsgesellschaft mbH) adopted the calendar year as their financial year. Bertrandt Entwicklungen AG & Co. OHG and Bertrandt Campus GmbH have the same balance sheet date as the Bertrandt Group.

The supplier relationships between Bertrandt AG and its associates and joint ventures were based on arm's length prices. As of the balance sheet date, receivables from associates and joint ventures amounted to EUR 0.033 million (previous year EUR 0.050 million) and payables were at EUR 1.000 million (previous year EUR 0). The revenues of fully consolidated group entities generated from transactions with Bertrandt Entwicklungen AG & Co. OHG were EUR 0 million in the period under review (previous year EUR 0.004 million).

On 2 July 2014 Dr. Ing. h.c. F. Porsche AG, Stuttgart, increased its shareholding in Bertrandt AG by nearly four percentage points. After the share purchase, Volkswagen now indirectly holds around 29 percent of voting shares in Bertrandt. As in the past it is not the intention of Volkswagen to exercise influence on the Supervisory Board or the Management Board. From the date of the purchase of the shares, Bertrandt AG will be accounted for as an associate in the consolidated financial statements of the Volkswagen group under the equity method. Accordingly, the Volkswagen group has to be classified as a related party pursuant to IAS 24. All supplier relationships between Bertrandt AG and the Volkswagen group were based on arm's length prices. The revenues arising from transactions with all Volkswagen group companies amounted to EUR 388.253 million in the period under review (previous year EUR 356.400 million). In addition, other operating income of EUR 1.851 million (previous year EUR 1.909 million) and expenses of EUR 3.726 million (previous year EUR 2.569 million) have been recognised. As of the balance sheet date, receivables amounted to EUR 69.102 million (previous year EUR 82.778 million) and payables to EUR 0.100 million (previous year EUR 0.032 million). No provisions for impairment of trade receivables were made in the 2014/2015 financial year (previous year EUR 0.030 million).

[51] AUDITOR FEES

The auditor's fees which are expensed in accordance with Section 319 (1) of the German Commercial Code were comprised of the following:

TABLE 71

Auditor's fee		
EUR million	2014/2015	2013/2014
Audit of financial statements	0.269	0.249
Tax consulting services	0.002	0.021
Other services	0.239	0.137
Total	0.510	0.407

[52] PROFIT ALLOCATION PROPOSAL

In accordance with Section 58 (2) of the German Stock Corporation Act, the dividend distributed by Bertrandt Aktiengesellschaft is based on the distributable profit as shown in the financial statements prepared according to German commercial law for the year ending 30 September 2015.

The Management Board proposes using Bertrandt AG's distributable profit of EUR 34,082,844.42 for fiscal 2014/2015 to pay a dividend of EUR 2.45 per qualified share, and carry forward the remaining amount of EUR 9,231,906.42 to the next financial year. In accordance with the German Stock Corporation Act, any treasury shares held by Bertrandt AG at the time the proposal is adopted by the annual general meeting are not entitled to a dividend. The amount applicable to such shares is also carried forward.

[53] DIVIDEND FOR THE FISCAL YEAR 2013/2014

The Management Board's dividend proposal for the previous year of EUR 2.40 was adopted by the annual general meeting.

[54] DAY OF RELEASE FOR PUBLICATION

The Management Board of Bertrandt AG has submitted the consolidated financial statements to the Supervisory Board which will make a decision concerning these on 7 December 2015.

Ehningen, 25 November 2015

The Management Board



Dietmar Bichler
Chairman of the Management Board



Hans-Gerd Claus
Member of the Management Board
Engineering



Michael Lücke
Member of the Management Board
Sale



Markus Ruf
Member of the Management Board
Finance

AUDITOR'S REPORT

We have audited the consolidated financial statements prepared by Bertrandt Aktiengesellschaft, Ehningen – comprising the balance sheet, statement of comprehensive income, statement of equity movements, cash flow statement and notes – and the management report for the fiscal year from 1 October 2014 to 30 September 2015. The preparation of the consolidated financial statements and the Group management report in accordance with the International Financial Reporting Standards (IFRS), as they are to be applied in the EU, and the additional accounting provisions in accordance with Section 315a (1) HGB is the responsibility of the Company's Management Board. Our responsibility is to express an opinion on the consolidated financial statements and the Group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 HGB and the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (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 annual financial statements in accordance with the applicable principles of proper accounting and in the Group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and evaluations of 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 Group annual financial statements and the Group management report are examined primarily on a test basis within the framework of the audit. The audit includes an assessment of the financial statements of the companies included in the Group, the definition of the scope of consolidation, the accounting and consolidation principles used and the significant estimates made by the Management Board as well as evaluating the overall presentation of the consolidated financial statements and the Group 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 results of our audit, the consolidated financial statements comply with IFRS as they are to be applied in the EU, the supplementary provisions of German commercial law in accordance with Section 315a (1) HGB and in the light of these provisions give a true and fair view of the net assets, financial position and results of operations of the Group. The Group management report is consistent with the consolidated annual financial statements and on the whole provides a suitable understanding of the Group's position and suitably presents the risks to future development.

Stuttgart, 25 November 2015

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Udo Bäder
Certified Public Auditor

ppa. Dagmar Liphardt
Certified Public Auditor

RESPONSIBILITY STATEMENT (AFFIDAVIT)

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the condensed consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Ehningen, 25 November 2015

Bertrandt AG

The Management Board



Dietmar Bichler
Chairman of the Management
Board



Michael Lücke
Member of the Management Board
Sale



Hans-Gerd Claus
Member of the Management Board
Engineering



Markus Ruf
Member of the Management Board
Finance

D

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ALWAYS CLOSE TO OUR CUSTOMERS, always in dialog – these two principles are reflected in the decentralized organization of Bertrandt. We are internationally present with extensive design and testing centers wherever we can support our customers.

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**BERTRANDT LOCATIONS
WORLDWIDE.**

GLOSSARY

A

Ad hoc bulletins: The German Securities Trading Act obliges companies to issue ad hoc bulletins without delay on important news concerning the company that might have a considerable effect on its share. This is intended to rule out the possibility that share-relevant news is known only to insiders, who might exploit their advantage in terms of knowledge.

AktG: German Stock Corporation Act

Arm's-length principle: Internal sales are invoiced at normal market prices and as matter of principle are thus in line with sales to third parties.

Authorised capital: Contingent resolution passed by the shareholders authorising the management board of a public company to increase the capital up to a certain amount and within a certain time-frame.

B

BilMoG: Act of the modernisation of accounting law.

Borrowings: Capital raised externally by taking on loans.

C

Capital and reserves: Funds made available to a company by its legal owners. Equals the company's assets net of all liabilities, provisions and deferred items.

Capital gains tax: Tax on investment income.

Capital increase: Issue of new shares on a cash or non-cash basis or by using the company's own funds.

Cash and cash equivalents: Cash at hand plus bank balances and cheques.

Cash flow: Cash flow represents the funds generated from own operating activity and shows the ability of a company to fund itself (net profit plus depreciation and transfer to long-term provisions).

Cash-generating units: The smallest identifiable group of assets that generates cash inflows and that are largely independent of the cash inflows from other assets.

Corporate compliance: This refers to a company's efforts to comply with statutes, guidelines and voluntary codes and entails, for example, the entrenchment of applicable laws in the company's corporate culture and day-to-day business practice.

Corporate Governance: This term describes the key legal requirements concerning the management and supervision of listed companies and comprises both domestic and international standards for responsible business management.

D

DAX: The DAX (German share index) encompasses Germany's 30 largest public companies that are stock-market listed.

Deferred taxes: Income tax arising in future periods as a result of temporary differences between the IFRS carrying values and the tax base.

Derivatives: Products that are derived from a base asset and whose price depends to a large extent on the price of the underlying financial instrument. They make it possible to control market price risks. Derivatives include the following types of product: forex forward transactions, swaps, options and option-like instruments (caps, floors etc.).

Discounted cash flow method: A method of valuing a business based on capitalising future financial surpluses.

Distributable profit: The surplus of net profit or net loss plus profit or loss carry-forwards, less retained profit and minority interests.

Dividend: A distribution of a portion of a company's earnings to its shareholders.

E

Earnings per share: Derived by dividing the earnings for a period that are due to the shareholders by the average number of share outstanding during the period.

EBIT/Operating profit: Earnings before interest and taxes.

Equity method: Method of accounting for investments in associates in single and consolidated financial statements.

Equity ratio: Ratio of shareholders' equity to total capital.

F

Fair Value: In accordance with IFRS.

Free cash flow: Cash flow from operating activities and cash flow from investing activities.

Free float: Shares in a public company not held by major investors.

G

GCGC: The GCGC (German Corporate Governance Code) comprises material statutory provisions relating to the governance and monitoring of listed German companies. It contains acknowledged standards of responsible corporate governance acknowledged in Germany and abroad. In this way, the corporate governance and monitoring rules applicable in Germany are rendered transparent to investors.

Goodwill: Intangible asset. Corresponds to the future economic benefit of assets that cannot be individually identified or separately carried.

H

HGB: German abbreviation for the Commercial Code.

I

IAS: The IAS (International Accounting Standards) are intended to ensure that accounting and reporting is comparable on an international level.

IFRS: IFRS (International Financial Reporting Standards) refer to the internationally accepted accounting standards since 2002. They therefore also comprise the applicable International Accounting Standards.

Impairment test: A method of testing the value of assets.

Institutional investor: Institutional investors may be insurance companies, pension funds, capital investment companies or also banks that regularly have investment requirement. Other investor groups comprise professional traders and private investors.

ISIN: The ISIN (International Security Identification Number) is a tendigit number prefixed with a country code (DE = Germany, CH = Switzerland) and serves to make securities internationally identifiable.

Issued capital: The share capital in a public company or company with limited liability that is to be recorded in the balance sheet.

M

Market capitalisation: Reflects the current stock-market value of the company. Derived by multiplying the number listed shares by the closing-day share price.

Material expenses: Sum of all the expenses incurred in the purchase of raw materials and supplies needed for the company's own processing, plus acquired services.

P

Payout: Dividends, bonuses, bonus shares as well as liquidation proceeds that are paid out to shareholders.

Percentage-of-completion method: Degree of completion, used to value unfinished work.

Price-earnings ratio: Ratio of the current share price to earnings per share.

S

SDAX: Defined index in the Prime Standard for smaller companies (small caps) of the traditional industries below the MDAX companies.

T

Tax rate: Ratio of actual income taxes to earnings before income taxes.

Total assets/total equity and liabilities: The sum of all assets or the sum of shareholders' equity and liabilities.

V

VorstOG: German abbreviation for Act on the Appropriateness of Management Board Compensation.

W

WACC: (weighted average cost of capital) is the rate that a company is expected to pay on average to all its security holders to finance its assets.

WKN: German abbreviation for Security Code Number.

Working Capital: Current assets (trade receivables, future receivables from construction contracts, inventories and other current assets) less current liabilities (trade payables and other current liabilities not attributable to financing activity).

WpHG: German Securities Trading Act.

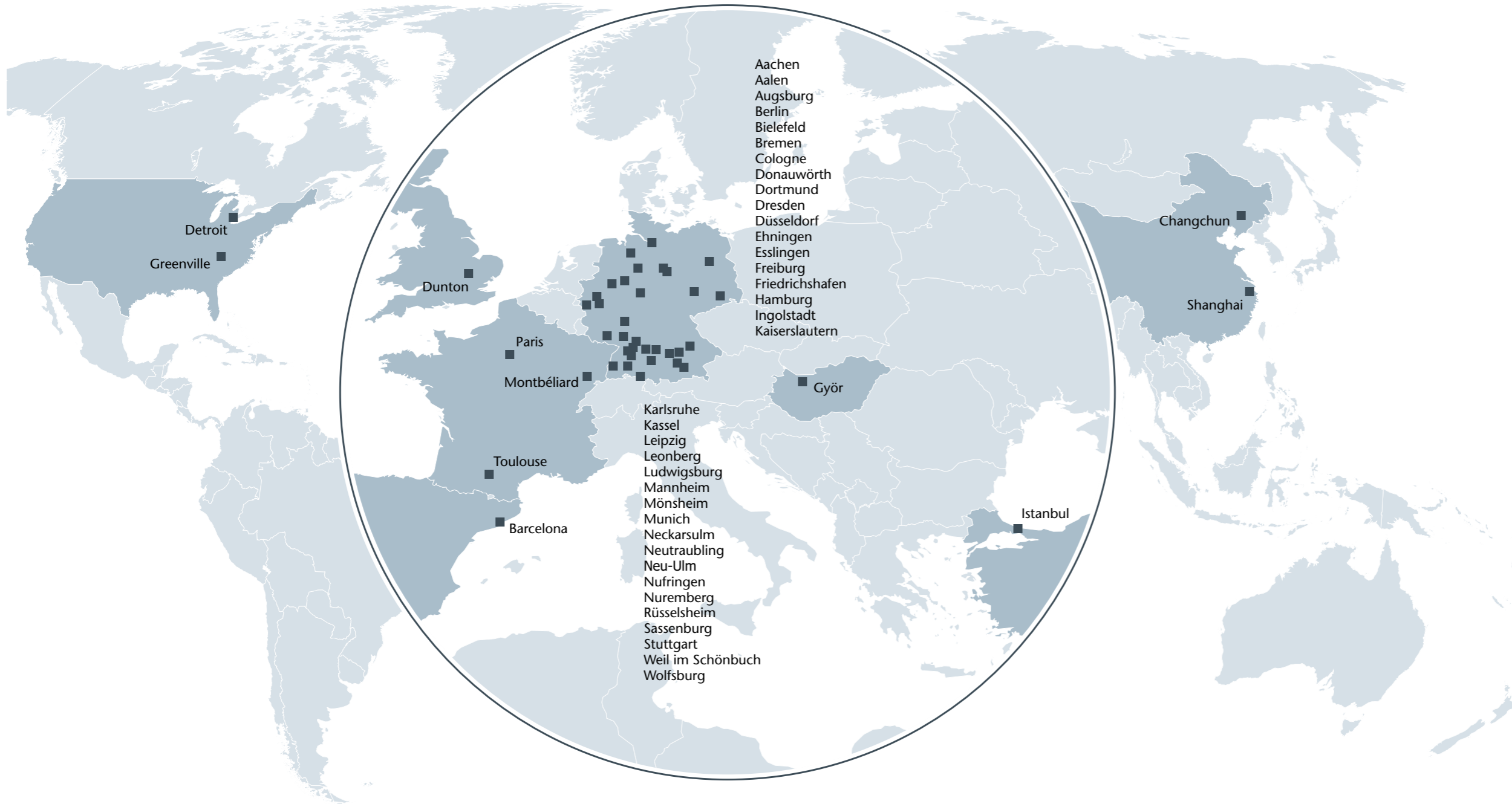
LOCATIONS

CHART 72

Customer orientation means for us to work closely with our customers.



Further informations see:



LOCATIONS

BERTRANDT AG

Ehningen
Bertrandt AG – Headquarters
Birkensee 1
71139 Ehningen
Telephone +49 7034 656-0
Telefax +49 7034 656-4100
info@bertrandt.com

BERTRANDT GERMANY

Aalen
Bertrandt Ingenieurbüro GmbH
Gartenstr. 1
73430 Aalen
Telephone +49 8458 3407-0
info@bertrandt.com

Augsburg
Bertrandt Ing.-Büro GmbH
Sigma Technopark Augsburg
Werner-von-Siemens-Str. 6
86159 Augsburg
Telephone +49 821 599 6056-0
info@bertrandt.com

Bremen
Bertrandt Ing.-Büro GmbH
Cornelius-Edzard-Str. 25
28199 Bremen
Telephone +49 421 163359-0
bremen@de.bertrandt.com

Cologne
Bertrandt Ing.-Büro GmbH
Oskar-Schindler-Str. 10
50769 Köln
Telephone +49 221 7022-0
koeln@de.bertrandt.com

Donauwörth
Bertrandt Ing.-Büro GmbH
Dr.-Ludwig-Bölkow-Str. 1
86609 Donauwörth
Telephone +49 906 98004-15
donauwoerth@de.bertrandt.com

Ehningen
Bertrandt Projektgesellschaft mbH
Birkensee 1
71139 Ehningen
Telephone +49 7034 656-0
bpg@de.bertrandt.com

Ehningen
Bertrandt Technikum GmbH
Birkensee 1
71139 Ehningen
Telephone +49 7034 656-5000
ehningen@de.bertrandt.com

Friedrichshafen
Bertrandt Technikum GmbH
Otto-Lilienthal-Str. 4
88046 Friedrichshafen
Telephone +49 7541 37479-0
friedrichshafen@de.bertrandt.com

Gaimersheim (Ingolstadt)
Bertrandt Ing.-Büro GmbH
Lilienthalstr. 50-52
85080 Gaimersheim
Telephone +49 8458 3407-0
ingolstadt@de.bertrandt.com

Ginsheim-Gustavsburg (Rüsselsheim)
Bertrandt Ing.-Büro GmbH
Im Weiherfeld 1
65462 Ginsheim-Gustavsburg
Telephone +49 6134 2566-0
ruesselsheim@de.bertrandt.com

Hamburg
Bertrandt Ing.-Büro GmbH
Channel 9 Blohmstr. 10
21079 Hamburg
Telephone +49 40 7975129-0
hamburg@de.bertrandt.com

Kassel/Baunatal
Bertrandt Ing.-Büro GmbH
Guntershäuserstr. 1
34225 Kassel/Baunatal
Telephone +49 561 8907821-0
kassel@de.bertrandt.com

Leipzig
Bertrandt Technikum GmbH
Torgauer Str. 233
04347 Leipzig
Telephone +49 341 2532941-10
info@bertrandt.com

Leonberg
Bertrandt Technikum GmbH
Riedwiesenstr. 13-17
71229 Leonberg
Telephone +49 7044 9085-0
info@bertrandt.com

Ludwigsburg
Bertrandt Technikum GmbH
Heckenwiesen 20
71634 Ludwigsburg
Telephone +49 7034 656-5000
info@bertrandt.com

Mannheim
Bertrandt Ing.-Büro GmbH
John-Deere-Str. 81
68163 Mannheim
Telephone +49 621 81099-289
info@bertrandt.com

Mönsheim
Bertrandt Technikum GmbH
Friedrichshof 10
71297 Mönsheim
Telephone +49 7034 656-5000
info@bertrandt.com

Munich
Bertrandt Ing.-Büro GmbH
Hufelandstr. 26-28
80939 München
Telephone +49 89 316089-0
muenchen@de.bertrandt.com

Neckarsulm
Bertrandt Ing.-Büro GmbH
Friedrich-Gauss-Str. 5
74172 Neckarsulm
Telephone +49 7132 386-0
neckarsulm@de.bertrandt.com

Neutraubling (Regensburg)
Bertrandt Ing.-Büro GmbH
Stettiner Str. 1 B
93073 Neutraubling
Telephone +49 8458 3407-0
regensburg@de.bertrandt.com

Nufringen
Bertrandt Fahrerprobung Süd GmbH
Ferdinand-Porsche-Str. 12
71154 Nufringen
Telephone +49 7032 955309-0
info@bertrandt.com

Sassenburg
Bertrandt Technologie GmbH
Dämmstoffwerk 100
38524 Sassenburg
Telephone +49 5371 9453-0
akustikzentrum_sassenburg@de.bertrandt.com

Stuttgart
Bertrandt Technikum GmbH
Hedelfinger Str. 56-80
70327 Stuttgart
Telephone +49 7034 656-5000
info@bertrandt.com

Tappenbeck (Wolfsburg)
Bertrandt Ing.-Büro GmbH
Krümke 1
38479 Tappenbeck
Telephone +49 5366 9611-0
wolfsburg@de.bertrandt.com

Weil im Schönbuch (Holzgerlingen)
Bertrandt Technikum GmbH
Max-Eyth-Str. 38
71093 Weil im Schönbuch
Telephone +49 7034 656-5000
ehningen@de.bertrandt.com

BERTRANDT CHINA

Changchun
Bertrandt Engineering Shanghai Co., Ltd
Postcode: 130013
Kaidabeijie 1777
Automobile Industry Development Zone
Changchun City
Jilin Province
Telephone +86 431 815075-99
changchun@cn.bertrandt.com

Shanghai
Bertrandt Engineering Shanghai Co.;
Ltd. Rm. 21 I Huadu Mansion
828-838 Zhangyang Road
200122 Shanghai
Telephone +49 5366 9611-0
shanghai@cn.bertrandt.com

BERTRANDT FRANCE

Bièvres (Paris)
Bertrandt SAS
Burospace Bât. 10
Route de Gisy B.P. 35
91572 Bièvres CEDEX
Telephone +33 1 6935-1505
paris@fr.bertrandt.com

Montbéliard
Bertrandt SAS
10, rue Frédéric Japy
Immeuble Le Quasar 2
ZAC Val Parc
25200 Montbéliard
Telephone +33 3 819935-00
sochiaux@fr.bertrandt.com

Toulouse
Bertrandt France S.A.
17, Avenue Didier Daurat
CS 10051 Immeuble SOCRATE
31702 Toulouse
Telephone +33 53 460-4523
sochiaux@fr.bertrandt.com

BERTRANDT UNITED KINGDOM

Dunton
Bertrandt UK Ltd.
Unit 34 Hornsby Square
Southfields Industrial Park
SS15 6SD Basildon
Telephone +44 1268 564-300
dunton@uk.bertrandt.com

BERTRANDT SPAIN

Barcelona
Bertrandt AG sucursal en España
c/Gresol, 2-4. Ap. Correos 183
08292 Esparraguera (Barcelona)
Telephone +34 93 777 87-00
barcelona@es.bertrandt.com

BERTRANDT TURKEY

Istanbul
Bertrandt Otomotiv Mühendislik
Hiz. Tic. Ltd. Şti.
Cumhuriyet Cad. 103, Kat 3
34360 Elmadağ (Istanbul)
Telephone +90 262 6439947
istanbul@tr.bertrandt.com

BERTRANDT HUNGARY

Győr (Budapest)
Bertrandt Ing.-Büro GmbH
Magyarországi Fióktelep
Gesztenyefa u. 4.1. em. 10.
9027 Győr
Telephone +49 8458 3407-1122
bertrandt.hungaria@de.bertrandt.com

BERTRANDT UNITED STATES

Detroit, MI
Bertrandt US Inc.
1775 W. Hamlin Road
48309 Rochester Hills, MI
Telephone +1 248 598-5100
detroit@us.bertrandt.com

Greenville, SC
Bertrandt US Inc.
3453 Pelham Rd, Suite 101
29615 Greenville, SC
Telephone +1 864 214-8566
greenville@us.bertrandt.com

BERTRANDT SERVICES GERMANY

Aachen
Bertrandt Services GmbH
Philipsstr. 8
52068 Aachen
Telephone +49 241 539-2939
aachen@bertrandt-services.com

Berlin
Bertrandt Services GmbH
Frankfurter Allee 2
10247 Berlin
Telephone +49 30 293 6092-0
berlin@bertrandt-services.com

Bielefeld
Bertrandt Services GmbH
Niederwall 47
33602 Bielefeld
Telephone +49 521 923 970-0
bielefeld@bertrandt-services.com

Cologne
Bertrandt Services GmbH
Oskar-Schindler-Str. 10
50769 Köln
Telephone +49 221 7022-490
koeln@bertrandt-services.com

Dortmund
Bertrandt Services GmbH
Hafenpromenade 2
44263 Dortmund
Telephone +49 231 725 198-0
dortmund@bertrandt-services.com

Dresden
Bertrandt Services GmbH
Leipziger Str. 118
01127 Dresden
Telephone +49 351 8470726-0
dresden@bertrandt-services.com

Düsseldorf
Bertrandt Services GmbH
Prinzenallee 9
40549 Düsseldorf
Telephone +49 211 520 6577-0
duesseldorf@bertrandt-services.com

Ehningen
Bertrandt Services GmbH
Birkensee 1
71139 Ehningen
Telephone +49 7034 656-4500
info@bertrandt-services.com

Esslingen
Bertrandt Services GmbH
Alleenstr. 39
73730 Esslingen am Neckar
Telephone +49 711 351304-0
esslingen@bertrandt-services.com

Freiburg
Bertrandt Services GmbH
Jechtinger Str. 11
79111 Freiburg
Telephone +49 761 888 572-0
freiburg@bertrandt-services.com

Ginsheim-Gustavsburg (Rüsselsheim)
Bertrandt Services GmbH
Im Weiherfeld 1
65462 Ginsheim-Gustavsburg
Telephone +49 6134 2566-700
frankfurt@bertrandt-services.com

Kaiserslautern
Bertrandt Services GmbH
Europaallee 7-9
67657 Kaiserslautern
Telephone +49 631 3105436-10
kaiserslautern@bertrandt-services.com

Karlsruhe
Bertrandt Services GmbH
An der Raumfabrik 29
76227 Karlsruhe
Telephone +49 721 6273699-0
karlsruhe@bertrandt-services.com

Mannheim
Bertrandt Services GmbH
Augustaanlage 18
68165 Mannheim
Telephone +49 621 432707-0
mannheim@bertrandt-services.com

Munich
Bertrandt Services GmbH
Hufelandstr. 26-28
80939 München
Telephone +49 89 316089-0
muenchen@bertrandt-services.com

Neu-Ulm
Bertrandt Services GmbH
Edisonallee 7
89231 Neu-Ulm
Telephone +49 731 715783-00
ulm@bertrandt-services.com

Nuremberg
Bertrandt Services GmbH
Pretzfelder Str. 13-15
90425 Nürnberg
Telephone +49 911 350 6449-0
nuernberg@bertrandt-services.com

Weil im Schönbuch (Holzgerlingen)
Bertrandt Services GmbH
Max-Eyth-Str. 38
71093 Weil im Schönbuch
Telephone +49 7034 656-4500
stuttgart@bertrandt-services.com

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Annual report 2014/2015

Annual press and analysts' conference
10 December 2015
Stuttgart/Frankfurt

Report on the 1st quarter 2015/2016

15 February 2016

Annual General Meeting

17 February 2016
10:30
City Hall Sindelfingen

Report on the 2nd quarter 2015/2016

25 May 2015

11th Capital Market Day

25 May 2016
Mönsheim

Report on the 3rd quarter 2015/2016

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Bertrandt AG
Birkensee 1, D-71139 Ehningen
Telephone +49 7034 656-0
Telefax +49 7034 656-4100
www.bertrandt.com
info@bertrandt.com

HRB 245259

Amtsgericht Stuttgart

Contact

Dr Markus Götzl
Investor Relations
Telephone +49 7034 656-4201
Telefax +49 7034 656-4488
markus.goetzl@de.bertrandt.com

Anja Schauer

Corporate Communication
Telephone +49 7034 656-4037
Telefax +49 7034 656-4242
anja.schauser@de.bertrandt.com

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Bertrandt AG
Birkensee 1, 71139 Ehningen
Germany
Telephone +49 7034 656-0
Telefax +49 7034 656-4100
www.bertrandt.com
info@bertrandt.com