ANNUAL REPORT 2017

BAVARIA
Industries Group AG

Group Key Figures

(in EUR million)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GROUP											
Profit and loss											
Group turnover	409.7	485.4	403.6	638.4	749.9	686.4	616.6	674.0	785.6	722.7	351.8
EBIT (before dissolution of negative goodwill)	15.4	20.4	-34.2	-6.7	8.9	29.0	87.7	8.5	34.6	12.0	127.7
Group net result	5.2	23.2	3.6	-0.8	2.4	55.7	89.2	6.4	29.7	17.6	114.6
Balance sheet											
Equity	58.6	58.5	43.5	34.1	28.6	84.4	166.8	168.5	190.5	205.1	309.2
Equity ratio in % of total assets	21.1%	18.2%	12.7%	7.6%	8.9%	23.6%	36.8%	26.3%	29.8%	33.9%	71.7%
Total assets	277.4	321.7	342.1	448.5	323.3	357.3	452.9	640.6	638.3	605.0	431.3
Net working capital	66.8	74.4	68.0	109.4	81.0	85.8	95.5	102.6	84.2	57.9	26.5
Cash flow											
from current operations	-4.8	38.2	16.6	-22.4	15.6	41.1	11.4	35.0	31.8	18.8	-46.4
from capital expenditures	9.7	-13.2	-3.7	-33.9	-17.7	-34.8	74.6	-44.4	-14.2	-7.9	140.0
from financing	-11.2	-20.3	-12.7	35.4	-3.6	-1.9	1.5	-3.0	12.4	-4.9	-11.4
TOP HOLDING COMPANY											
Profit and loss											
Turnover	3.1	3.7	4.5	4.9	3.8	4.1	4.1	4.2	4.7	4.5	5.0
EBIT	22.9	13.6	7.6	5.2	6.2	11.9	94.5	0.1	8.3	3.9	10.3
Net result	23.2	13.9	8.2	5.1	6.9	11.0	94.4	0.2	8.2	3.3	6.1
Balance sheet											
Equity	45.4	37.5	26.0	21.1	25.4	34.5	124.4	120.8	121.7	124.3	114.3
Equity ratio in % of total assets	94.4%	93.5%	72.6%	66.1%	85.3%	88.7%	92.8%	93.4%	95.2%	95.8%	34.7%
Total assets	48.1	40.1	35.8	31.9	29.8	38.9	134.1	129.3	127.8	129.8	329.3
TOTAL OF OPERATING PORTFOLIO COMPANIES											
Profit and loss											
Turnover	409.7	485.4	403.6	638.4	749.9	686.4	616.6	673.8	785.0	722.5	351.7
EBIT	5.8	2.4	-26.7	-1.9	-17.6	26.4	2.9	15.0	26.1	8.4	11.4
Net result	-13.4	-7.7	-36.0	-0.1	-40.6	5.1	-10.0	3.8	8.8	-3.4	2.4

Content

Dear shareholders and business associates,

In 2017, the book value increased by 21.8% to EUR 63.7 per share. Since our IPO 12 years ago in 2006, our book value per share has increased by 23.3% p.a. The value of our total portfolio („NAV") has developed as follows:

(EUR million)	2016	2017	Change
Financial assets (market price)	71	145	74
Cash	69	181	112
Direct investments	235	35	-200
Total	**375**	**361**	**-14**

The value of our total portfolio at the end of 2017 reduced by EUR 14 million to EUR 361 million. The value of direct investments decreased by EUR 200 million in 2017, while the value of cash and financial assets increased by EUR 186 million due to sales of TriStone and BBGS. In 2017, we repurchased own shares for EUR 16.1 million at an average price of EUR 57.1, which reduced the cash balance and thus the portfolio value (NAV). The NAV per share increased by 1.6% to EUR 71 in 2017. Over the same period, the DAX rose by approximately 13%. Our high cash position of EUR 181 million hurt our performance.

Have we been too careful with our investment ratio?

Ultimately, we do not want to time the market, but choose our securities individually and decide on the purchase amount depending on the degree of confidence we have in our assessment of the value of the company. The major central banks in the US, Europe and Japan have continued to increase their money supply in 2017 through purchases of securities, resulting in heavy inflation of assets such as equities and real estate. Purchase prices for company acquisitions and stock prices were at historic highs at the end of 2017. Our investment philosophy is to protect our downside and to invest only with a substantial margin of safety. We believe that the high cash resources enable us to be ready to take advantage of buying opportunities when markets eventually reverse. If you would like to know more about our investment philosophy and current approach, we recommend our investment blog (https://reimarscholz.blogspot.de) for further reading.

Our largest stock positions and their development in 2017 shows the following overview:

(EUR million)	2016	2017	Increase	and dividends
Berkshire Hathaway A	11.8	12.6	0.8	6.7%
Euler Hermes Group S.A.	7.9	11.5	4.1	35.3%
Inv. AG TGV	6.3	11.2	2.0	17.5%
Ryman Healthcare	0.0	10.5	1.0	9.9%
Brederode SA	6.7	9.9	1.5	15.0%
Total portfolio	**70.0**	**144.8**	**21.4**	**14.8%**

In 2017, the performance of our securities portfolio again outperformed the DAX, our benchmark. However, it should be noted that at the end of the year we invested only EUR 145 million in equities - based on our free funds (cash and financial assets) of EUR 326 million, an investment ratio of 45%. While the DAX rose by 13.1% in 2017, the value of our portfolio increased by 14.8%. And that despite the fact that we had only EUR 70 million invested in equities at the beginning of 2017. Our five largest positions amount to EUR 56 million and account for 39% of our total financial portfolio.

Ryman Healthcare was added as an investment in October, and together with Summerset Group Holdings (in which we invested around EUR 7.7 million at the end of the year), we invested in two

retirement home operators from New Zealand. The business model is characterized by high growth rates in the book value (20% p.a.) with a dividend yield of approx. 1.5%. Capital increases are not necessary and the level of debt is low. This is made possible by the generation of float, which has now reached almost the level of equity. This arises from the fact that a right of use for the apartments is sold. The pensioners have the advantage that they receive all services in the residential villages seamlessly - from unattended living to intensive care. Since the villages offer a lot to the pensioners in the form of events and various restaurant offers, the customer satisfaction is high and the waiting times are correspondingly long. The nursing home operator can resell the housing rights after seven years and benefits from the increase in value of the real estate that has occurred in the meantime. The proportion of the population over 75, which makes up the majority, will double in the coming years. The supply of residential villages remains scarce, although both providers are building new villages (Ryman also in Australia) and have secured land for the next five years. We consider such an engagement to be much easier to assess than, for example, the question of whether German car makers will still exist in this form and size in ten years' time.

Finally, it should be noted that we again donated for social purposes in the 2017 financial year. We donated EUR 100,000 each to the German Vipassana Foundation (www.dhamma.org) and the AMF Against Malaria Foundation (www.givewell.org).

BAVARIA Industries Group AG will continue to invest cautiously. We value openness and are pleased about your suggestions and suggestions for improvement. We are always grateful for transaction proposals be it in listed or unlisted companies.

Best regards

Reimar Scholz
Chief Executive Officer

Introduction of the Organs

Executive Board

Reimar Scholz (CEO)
Dipl.-Kfm., MBA (INSEAD, Fontainebleau)

Reimar Scholz is the CEO and founder of BAVARIA Industries Group AG. Reimar Scholz, born 1965, has worked in various senior management positions at General Electric in the United States and England. After that he was managing director of two IT companies. One of them, Articon Integralis AG, was floated on the stock market by him and turned into the European market leader for IT services as a result of additional acquisitions.

Supervisory Board

Hans-Peter Lindlbauer, Freelance Attorney, Munich
Chairman of the Supervisory Board

Other mandates:
Chairman of the Supervisory Board of Pro Kino AG
Supervisory Board of Böhm AG
Supervisory Board of Teleson AG
Supervisory board of L-Konzept Holding AG
Supervisory Board of Easy-Training AG

Dr. Philip Martinius, Freelance Attorney, Munich
Vice Chairman of the Supervisory Board

Wanching Ang, Financial Investor, Gauting
Member of the Supervisory Board

Other mandates:
Chair Munich International School
Mandates in investment committees (including CDC London, Montana Investment Partner)

Report by the Supervisory Board

In financial year 2017, the Supervisory Board duly fulfilled discharged the tasks incumbent upon it according to the law, the Articles of Association and the Rules of Procedure and monitored and advised the Management Board on the management of the Company on an ongoing basis.

The Management Board reported to the Supervisory Board on a regular basis, both verbally and in writing, promptly and comprehensively on corporate planning, strategy and the course of business, the position of the Group including the risk situation, risk management and compliance. The Chairman of the Supervisory Board also regularly discussed the current development of the business situation and major transactions with the Management Board outside meetings of the Supervisory Board.

Business transactions subjects to approval are presented, discussed and approved by the Board of Management, in accordance with the rules of procedure for the Management Board.

The working relationship between the Supervisory Board and the Management Board was characterised by constructive dialogue and by mutual trust.

1. Meetings of the Supervisory Board and focal points of the discussions in the Supervisory Board

In total, four meetings of the Supervisory Board took place in the reporting period, of which two actual meetings on 6 April (balance sheet meeting) and 2 June 2017 and two meetings in the form of a conference call on 30 June and on 12 December (budget meeting) 2017.

If necessary, the Supervisory Board adopted resolutions by circulating the relevant documents. Resolutions submitted by the Management Board were approved after examining an extensive amount of documents and intensive discussions with the Management Board. There were no Supervisory Board committees in the reporting period. All members of the Supervisory Board participated in all the meetings.

Discussions focused on the trend in sales and earnings in the Group companies, the financial position of the Company and its investment companies, strategic projects such as acquisition projects and the planned sale of investments and the investment policy of cash, corporate planning, risk management and the risk situation as well as the staffing of the holding company and the management of its holdings.

2. Annual and consolidated financial statements, audit

The auditor Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Munich, elected by the Annual Shareholder Meeting on 3 June 2016 and commissioned by the Supervisory Board has audited the annual financial statements of BAVARIA Industries Group AG for financial year 2017 submitted by the Management Board and prepared in accordance with the provisions of the German Commercial Code, the consolidated financial statements of the BAVARIA Group, the management report of BAVARIA Industries Group AG and the consolidated management report of the BAVARIA Group including the bookkeeping and has approved them without qualification. In relation to the report on related parties submitted by the Management Board, the auditor has confirmed in accordance with Section 312 of the AktG (dependent company report) that the actual disclosures in the report are correct and that the Company did not pay an inappropriate figure for the legal transactions listed in the report.

The Supervisory Board received the annual financial statements of BAVARIA Industries Group AG and the consolidated financial statements of the BAVARIA Group as well as the management reports of BAVARIA Industries Group AG and the BAVARIA Group with the auditor’s report for BAVARIA Industries Group AG and the BAVARIA Group, the dependent company report and the proposal for use of the retained profit of BAVARIA Industries Group AG in good time and discussed them. The annual financial statements, management reports, dependent company report and the auditor’s audit report were presented to all members of the Supervisory Board. In its balance sheet meeting for the annual financial statement and the consolidated financial statement on 26 April 2018, the Supervisory Board led in-depth discussions of pending questions. The auditors took part in the meeting, reported on key results of the audit and answered supplementary questions and requests for information posed by the Supervisory Board. According to the auditor’s report, there were no material weaknesses in the internal control and risk management system in relation to the accounting process. Neither were there any circumstances that could lead to the inference of any bias on the part of the auditor.

Following the conclusive findings of its own audit, the Supervisory Board raised no objections to the audited annual financial statements and the dependent company report including the closing statement by the Management Board. The Supervisory Board approved the annual financial statements of BAVARIA Industries Group AG prepared by the Management Board and the consolidated financial statements of the BAVARIA Group together with the management reports of BAVARIA Industries Group AG and the BAVARIA Group. The annual financial statements are therefore adopted. Following its own audit, the Supervisory Board seconded the proposal by the Management Board to the Annual Shareholder Meeting for the use of the retained profit of BAVARIA Industries Group AG.

3. Corporate Governance

The Supervisory Board as a body consisting of three persons has opted not to create committees. The Supervisory Board has reviewed the efficiency of its work on an ongoing basis and has implemented measures to improve its work during the financial year.

Possible conflicts of interest relating to the members of the Management Board and the Supervisory Board, which must be disclosed to the Supervisory Board without delay or about which the Annual Shareholder Meeting must be informed, did not arise in the reporting year. The consulting activity of Hans-Peter Lindlbauer was each time approved by the Supervisory Board in advance with the member of the Supervisory Board in question abstaining from the vote.

4. Membership of the Management Board and Supervisory Board

The membership of the Management Board was unchanged in the reporting year.

As of 1 January 2017, Reimar Scholz leads the company as sole director.

The term of office of all members of the Supervisory Board ended at the end of the Annual Shareholder Meeting on 2 June 2017. At this Annual Shareholder Meeting, Dr. Philip Martinius, Hans-Peter Lindlbauer and Wanching Ang were elected to the Supervisory Board for the first time/again. The body elected Hans-Peter Lindlbauer as Chairman and Dr. Philip Martinius as his deputy at the constituent meeting of the Supervisory Board.

5. Thanks

The Supervisory Board would like to express its great appreciation of and gratitude for their energetic commitment and their performance in financial year 2017 to the members of the Management Board, the employees of BAVARIA Industries Group AG and the managements of the investments and their employees.

Munich, 26 April 2018

Hans-Peter Lindlbauer
Chairman of the Supervisory Board

The Share

In fiscal year 2017, 281,547 shares worth EUR 16.1 million were repurchased. 290,746 own shares have been collected by BAVARIA, reducing the capital stock.

The number of treasury shares amounted to 801 pieces of BAVARIA Industries Group AG at the balance sheet date and thus 0.02% of the share capital.

Number of shares	5,060,548 shares
Type of shares	Individual bearer shares
Authorised capital	EUR 5,060,548.00
Voting rights	Each share confers one voting right
WKN	260555
ISIN	DE0002605557
Stock exchange code	B8A
Stock exchange segment	Basic Board
Fiscal Year	Equivalent to the calender year
Accounting presentation	As per German Commercial Code (HGB)
Designated Sponsor	M. M. Warburg & CO
Announcement	Bundesanzeiger (Federal Gazette)
Top share price in 2017 (05.04.2017)	EUR 65.08
Lowest share price in 2017 (04.07.2017)	EUR 53.79
Closing price (30.12.2017)	EUR 56.11
Market capitalisation (30.12.2017)	EUR 283.9 Mio.
Earnings Holding per share	EUR 1,21 (for fiscal year 2017)
Dividend per share	EUR 0.00 (for fiscal year 2017)

GROUP MANGEMENT REPORT

I. General Environment and Operations

1. Overall Economic Environment and Market

In Germany, price-adjusted GDP grew by 2.2% in 2017, in France the economic growth was at 1.6% and in the Euro zone, GDP growth was 2.3%.

2. The BAVARIA Business Model

BAVARIA's business model encompasses the acquisition, restructuring and holding of listed and unlisted investee companies. In the course of our restructuring measures, we work with employees in the holding company as well as external managers who actively support us in our work on the spot.

Our acquisition criteria, which we review on an ongoing basis, are currently as follows:

- Target industries: manufacturing/processing or industrial services, including consumer goods and retail, but excluding real estate and financial institutions,
- Turnover more than EUR 50 million,
- Acquisition of a majority stake, by improvement turnaround potential otherwise also minority stakes.

3. Performance of BAVARIA Industries Group AG

BAVARIA Industries Group AG is the parent company of the BAVARIA Group, and is directly or indirectly involved in all of the Group's business activities. In addition to managing its own holdings, BAVARIA Industries Group AG also invests in securities and publicly traded companies.

The Company generated net profit in 2017 of EUR 6.1 million (prior year EUR 3.3 million).

In the 2017 financial year, BAVARIA Industries Group AG derived its financing entirely from its own equity capital as in the prior years. During the reporting year, the Company's equity capital decreased from EUR 124.3 million to EUR 114.3 million as at 31 December 2017. The reason for the decrease in the equity capital is the collection of own shares.

As of 31 December 2017, the Company had cash (excluding securities) of EUR 149.3 million (prior year EUR 51.6 million).

4. Dividend Distributions and Share Repurchases by BAVARIA Industries Group AG

By resolution of the General Shareholder Meeting on 2 June 2017, no dividends were paid out for the 2016 financial year. EUR 16.1 million was spent on share buybacks. The Company acquired 281,547 shares at an average price of EUR 57.71. The total number of own shares held as at 31 December 2017 was 801. The closing price at the end of the year was EUR 56.11.

II. Shareholding Portfolio Turnaround

As at 31 December 2017, the investment portfolio includes a total of four operating companies from the Serial Production / Automotive, Plant Engineering and Business Services sectors. At the time of writing, there are three operating shareholdings in portfolio.

Therefore a breakdown of key figures by segments does not take place.

Portfolio Companies

Name	Products	Customers	Turnover in EUR million	Employees
ASTERION*	Document Services	Business Services	59.8	623
Cobelplast NV	Packaging	Business Services	33.3	98
CARBODY	Sealing and safety solutions	Serial Production / Automotive	52.8	463
Hering	Tube heat exchanger	Plant Engineering	11.0	75
Total			**156.9**	**1,259**

*Sold in April 2018

Investments, depreciation/amortisation, personnel development

The companies invested EUR 11.7 million (prior year EUR 18.9 million) in 2017. This once again significantly exceeded depreciation/amortisation, which totalled EUR 9.4 million (prior year EUR 18.2 million). All investments were carefully reviewed and appraised with a critical eye.

Replacement and expansion investments amounting to around EUR 3.0 million are planned for 2018 for the three operating companies.

On an annual average, the operating companies included in the consolidated financial statements as of 31 December 2017 had 1,269 employees (prior year 6,015 employees) and decreased significantly by 4,746 employees compared to 6,015 at the end of 2016. The reason for this is essentially the disposal of the TriStone Flowtech Group.

The difference to the total number of employees of the Group results from the non-operating holdings and intermediate holdings of the BAVARIA Group.

III. Assets, Finances and Earnings of the Group

Balance sheet ratios

The BAVARIA Group‘s balance sheet reduced to EUR 431.3 million (prior year EUR 605.0 million) as at 31 December 2017.

Asset side of the balance sheet

Fixed assets amounted to EUR 108.7 million (prior year EUR 175.1 million), thus accounting for approximately 25.2% of the balance sheet total (prior year 28.9%). Of this, EUR 25.4% (EUR 27.6 million) are tangible assets (prior year EUR 126.4 million; 72.2%) and financial assets are EUR 80.3 million (prior year EUR 39.3 million).

Current assets – excluding liquid funds – amounted to EUR 134.4 million or 31.2% of the balance sheet total (prior year EUR 277.5 million, or 45.9%). This includes inventories of EUR 13.0 million (prior year EUR 86.4 million).

Liquid resources (excluding securities) amounted to EUR 186.8 million (prior year EUR 148.7 million) as at 31 December 2017.

Liability side of the balance sheet

The Group‘s equity capital (including variances from capital consolidation) increased from EUR 278.5 million to EUR 322.3 million. As a result, the consolidated Group‘s economic equity ratio rose significantly 74.7% (prior year 46.0%). The variances on the liability side of the balance sheet represent future revenues accruing to money-losing subsidiaries.

Provisions decreased from EUR 79.8 million in the prior year to EUR 25.3 million. Of this, pension provisions amounted to EUR 8.8 million (prior year EUR 22.6 million) as at 31 December 2017.

Liabilities decreased from EUR 242.7 million in the previous year to EUR 125.6 million.

Revenues and earnings

In the 2017 financial year, the turnover of the BAVARIA Group fell to EUR 351.8 million from EUR 722.7 million in the prior year. The main contributions to turnover came from ASTERION with EUR 59.7 million. The former investee companies contributed to a turnover of EUR 193.5 million up to the date of deconsolidation.

The effective date of deconsolidation of an investee company is the date on which control over the company is lost due to its sale. The turnover and result of an investee company flow into the consolidated annual financial statements of the BAVARIA Group until such time as deconsolidation takes place, and are therefore recognised on a pro-rata basis only.

The 2017 annual Group surplus amounted to EUR 114.6 million (prior year EUR 17.6 million). In both reporting periods, the Group surplus was influenced by the following significant consolidation effects:

(in EUR million)	2017	2016
Negative variances from capital consolidation (negative goodwill)	2.9	18.2
Income from deconsolidation	131.0	4.6
Amortisation of goodwill	-0.8	-2.4
	133.1	20.4

Please see the Notes for a comprehensive overview of positive and negative variances derived from capital consolidation and from deconsolidation.

Currency effects on the earnings situation are analysed regularly to determine any hedging requirements. Inflationary effects on the earnings situation are negligible.

Details on revenues and earnings can be found in the Notes to the Consolidated Group Annual Report.

Financial status

The Group is largely financed by equity (EUR 309.2 million; prior year EUR 205.1 million). There are also long-term bank liabilities of EUR 8.7 million (prior year EUR 38.8 million). As of 31 December 2017, the Group had liquid resources of EUR 186.8 million (prior year EUR 148.7 million).

Financing of the operative investments was primarily obtained using financial instruments secured by fixed assets as factoring or leasing.

For detailed explanations of the cash flow statement and financial status of the BAVARIA Group, please see the Notes to the Consolidated Group Annual Report.

IV. Dependency Report

BAVARIA Industries Group AG is majority-owned by AS Beteiligungen und Vermögensverwaltungs GmbH. We have therefore prepared a "Report on Relationships with Affiliated Companies", as required under § 312 of the German Stock Corporation Act (AktG). This report concludes with the following affidavit: "In summary we hereby declare that, to the best of our knowledge at the time at which the legal transactions were undertaken, BAVARIA Industries Group AG and its subsidiaries received adequate (arm's-length) consideration in return for each legal transaction".

V. Significant Events after the Reporting Date

We refer to the notes to the consolidated financial statements.

VI. Risks and Opportunities of Future Development

The future business performance of the BAVARIA Group is subject to risks and opportunities closely associated with the Group's business model. The BAVARIA Group's risk management is geared towards minimising risks while evaluating potential earnings and the risks they entail. As a rule, we do not conclude profit-transfer agreements and we grant few sureties or guarantees in favour of our subsidiaries. Thus, any losses or write-downs by individual subsidiaries do not generally have a negative financial impact at the level of the holding company. In order to promptly anticipate a potential crisis at any of its investee companies, BAVARIA collects and analyses a wide range of key data from its subsidiaries on a monthly basis.

Risks and opportunities of company acquisitions

When it comes to identifying and acquiring turnaround companies, BAVARIA's specialised acquisition team can draw on many years of experience as well as an extensive support network. Thus, BAVARIA is optimally positioned to exploit a wealth of entrepreneurial opportunities. Admittedly, the attractiveness of investing in "companies with turnaround potential" makes this a highly competitive market sector. However, BAVARIA's credibility as an experienced and successful restructuring expert gives us a competitive edge over our rivals, many of whom are less versed in the legalities and other technical ins and outs of this niche business.

Risks and opportunities of restructuring distressed companies

In isolated cases, BAVARIA may acquire a stake in a company whose restructuring proves to be more challenging than originally assumed. In such a case, we cannot rule out the possibility that the acquired company may ultimately become insolvent, due to its difficult initial situation and/or a quick acquisition decision by BAVARIA. If restructuring proves to be unsuccessful, there is always the risk that the capital and effort invested – particularly the purchase price paid and any residual claims – may be lost.

Fluctuations in price and volumes on capital and commodity markets can also have a negative impact on the assets, finances and earnings of the various BAVARIA Group companies. BAVARIA counters such risks on a case-by-case basis by continually monitoring a number of indicators so that early action can be taken. Moreover, the BAVARIA Executive Board maintains close contact with the managers of each investee company, receives a monthly report from each company and, in many cases, is represented on the company's Supervisory Board and/or advisory committee. Nonetheless, this does not exclude the possibility that its management information system may fail to deliver required information, fail to deliver it in time, or deliver erroneous information, and that this will cause the wrong decisions to be taken.

Although the shareholdings of the BAVARIA Group run a wide gamut of industries, thus ensuring risk diversification, unfavourable business cycles can exert a negative impact on the assets, finances and earnings of the Group.

Default risk at the level of BAVARIA Industries Group AG

One of the cornerstones of BAVARIA's investment strategy is to limit the risk of loss as far as possible by means of contractual provisions and safeguards. For instance, the Group generally refrains from concluding internal profit-transfer agreements. As in the past, the Executive Board of BAVARIA will also avoid assuming contingent liabilities towards subsidiaries, only in exceptional cases and even then only to a very limited extent. The main risk faced by BAVARIA involves quantifying the time and expense required to rehabilitate a given investee company. Insofar as this estimate is inaccurate, there is the corollary risk that the investee company may become insolvent. This risk is monitored on an ongoing basis.

Personnel risk

The successful acquisition, rehabilitation and resale of companies require a great deal of technical expertise and managerial experience. To implement its business model, BAVARIA must ensure that it has sufficiently qualified personnel at its disposal. Due to our proven track record, we generally receive a surfeit of applications from highly qualified candidates for advertised job vacancies. BAVARIA is an attractive employer thanks to its careful and selective personnel recruiting process, the substantial independence that it grants its on-site restructuring managers, and its competitive, performance-based compensation package. That only the most competent managers are deployed is one of the key success factors of BAVARIA's business model.

Other personnel risks at the level of BAVARIA Industries Group AG are those associated with dependence on individual managers.

Financing, interest rate and currency risks

BAVARIA's management considers that the future performance of the Group depends to a substantial extent on risks associated with currencies, interest rates and financing, since these can exert a significant influence on the Group's assets, finances and earnings.

The companies of the BAVARIA Group are becoming increasingly active outside the Euro zone in terms of both distribution and sourcing. Thus, currency-exchange risks are to be classified as significant. The companies of the BAVARIA Group counter this risk on a case-by-case basis by means of hedging via appropriate futures/option contracts.

Given the continued reluctance of credit institutions to lend, refinancing may prove difficult for individual investee companies. The risks of interest-rate hikes or delayed credit flows can therefore have significant effects on the financial position of a given investee company, thus also indirectly impacting BAVARIA Industries Group AG. Rising interest rates increase an investee company's financing costs, which can in turn have a negative effect on its restructuring, ability to pay dividends and resale potential.

In order to counter currency risks and compensate for negative changes in value, foreign currency derivatives are acquired in the Group. The nature and extent of the transactions are explained in the notes.

Tax related risks

We continually monitor the tax related risks that the BAVARIA business model gives rise to. Due to the fact that income from shareholdings held by capital investment companies is generally tax-exempt, BAVARIA has a low tax rate. The foregoing is based on the assumption that § 8b of the German Corporate Tax Act (KStG) is applicable to BAVARIA. Tax risks can arise due to a large number of intragroup and external business transactions as well as national and international business transactions, if the finance administration takes a different view of the BAVARIA Group in individual points.

Risks from investments

The Company is exposed to current capital market risks through its investments in publicly traded companies. The market value and valuation of publicly traded companies can be very volatile and fluctuate due to a variety of influencing factors outside of the Company's control. A recession or an economic downturn could adversely affect the value of the Company's investment.

Risk management system

The BAVARIA Executive Board has instituted an early-warning system to identify developments that may endanger the existence of the Company. A corresponding risk report is updated once every six months. Subsidiaries report on risks as part of monthly reportings.

VII. General Forecast

Macroeconomic outlook

The IMF predicts growth of 2.4% in 2018 in its forecast for the German economy. For the French economy, the IMF calculates an unchanged growth of 1.9%.

For the global economy, the IMF forecasts growth of 3.9% in 2018. The economy in the Euro zone is expected to expend by up to 2.2%, also a growth of 2.0% is forecast for 2019.

BAVARIA Industries Group AG

The future success of BAVARIA Industries Group AG is not only dependent on the performance of its existing portfolio of companies, but is also strongly influenced by its company acquisitions and sales. On the strength of its present portfolio, BAVARIA Industries Group AG was able to begin the year 2018 on a positive note.

We expect demand to pick up slightly in 2018 compared with last year, driven by a further recovery in the euro area. Thus, our focus will continue to be on the efficient handling and execution of customer orders. At the same time, we see opportunities to gain additional market share, for example by developing new customer segments. Nonetheless, all investment decisions are reviewed very carefully and approved only if they promise benefits in the foreseeable future.

The market for participations is highly competitive and high purchase prices are paid. This causes BAVARIA to be reluctant. It is still looking for new investments, but without deviating from the basic principle to acquire only shareholdings with a security discount.
Although our industry is becoming more and more competitive, new acquisitions are likely to continue to be an important source of BAVARIA's growth, especially in the German-speaking parts of Europe, owing to BAVARIA's reputation and its track record of successfully restructured companies. Thus, we will continue to strive for new acquisitions in 2018 and beyond, insofar as we can find companies that are realistically valued. In selecting our acquisition targets, we will tend to favour high quality and a relatively large size. Besides focusing on our traditional core business of taking over companies with potential for improvement, we also intend to grow by ramping up our expansion of existing investee companies by means of "add-on" acquisitions. Western Europe remains an important and attractive growth market for BAVARIA.

We have won the acceptance and cooperation of unions and works councils even when it comes to difficult issues of personnel cutbacks. This, along with stock exchange quotation, will allow us to take advantage of increased buying opportunities in the future.

Given these background conditions, it is impossible to make a definite forecast of the BAVARIA Group‘s future turnover and earnings. The Executive Board expects this year and the coming years to be successful ones for BAVARIA Industries Group AG, in terms of both earnings and equity capital growth. All the prerequisites for this are in place.

Munich, 25 April 2018

Reimar Scholz
Chief Executive Officer

Consolidated Profit and Loss Account for 2017

(EUR)		31.12.2017		31.12.2016
1. Sales	351,750,664.43		722,691,962.63	
2. Increase or reduction of inventories in finished and non-finished products	12,278,789.57		-7,077,430.00	
3. Other own work capitalised	0.00		480,280.53	
		364,029,454.00		716,094,813.16
4. Other operating income		155,137,328.55		42,399,380.31
5. Cost of materials				
a) Raw materials, supplies and merchandise for resale	-141,445,650.41		-282,191,716.46	
b) Purchased services	-40,566,622.80		-81,947,085.66	
		-182,012,273.21		-364,138,802.12
6. Personnel costs				
a) Wages and salaries	-85,108,360.64		-161,577,199.62	
b) Social insurance and other social charges and benefits	-27,471,082.20		-47,628,565.69	
		-112.,579,442.84		-209,205,765.31
7. Depreciation on intangible and tangible fixed assets		-10,812,991.57		-21,587,112.98
8. Other operating expenses		-83,127,197.60		-133,474,297.02
9. Income from long-term securities		2,348,446.21		1,551,664.53
10. Other interest and similar income		252,617.31		217,957.10
11. Interest and similar expenses		-6,281,724.16		-3,721,409.65
12. Depreciation on financial assets		-2,240,489.17		-510,809.04
13. Taxes on income and earnings		-8,087,311.14		-6,242,182.18
14. Earnings after taxes		**116,626,416.38**		**21,383,436.80**
15. Other taxes		-2,064,989.25		-3,753,817.41
16. Net income		**114,561,427.13**		**17,629,619.39**
17. Net profit from prior year		194,870,218.77		178,233,501.79
18. Purchases of treasury stock		-16,102,588.98		-711,945.83
19. Profit relating to other shareholders		-216,325.50		-280,956.58
20. Consolidated profit		**293,112,731.42**		**194,870,218.77**

CONSOLIDATED FINANCIAL STATEMENT

Consolidated Balance Sheet as of 31st of December 2017

Assets (EUR)		31.12.2017		31.12.2016
A. FIXED ASSETS				
I. Intangible fixed assets				
1. Patents, trademarks, licenses and similar rights	583,987.60		2,676,273.08	
2. Goodwill	250,504.56		6,522,582.88	
3. Advance payments	0.00		210,740.80	
		834,492.16		9,409,596.76
II. Property, plant & equipment				
1. Land, leasehold rights and buildings incl. buildings on leased land	13,032,040.94		67,098,560.10	
2. Machinery and equipment	11,472,531.95		45,938,883.35	
3. Other equipment, plant and office equipment	2,140,056.65		5,163,537.00	
4. Advance payments and construction-in-progress	911,662.50		8,233,704.88	
		27,556,292.04		126,434,685.33
III. Financial fixed assets				
1. Shareholding in affiliated companies	6.00		10.00	
2. Investments	14,491.00		56,949.11	
3. Long-term securities	80,130,832.66		39,082,271.99	
4. Other loans	165,374.30		158,369.36	
		80,310,703.96		39,297,600.46
		108,701,488.16		175,141,882.55
B. CURRENT ASSETS				
I. Inventories				
1. Raw materials and supplies	6,383,728.54		26,119,661.65	
2. Work-in-progress	1,942,031.74		47,210,188.20	
3. Finished products and merchandise	3,489,796.62		10,652,922.29	
4. Advanced payments	1,163,148.15		2,371,881.45	
		12,978,705.05		86,354,653.59
II. Account receivables and other assets				
1. Receivables from trade	31,066,719.20		140,400,865.84	
2. Other assets	56,269,188.56		35,072,807.40	
		87,335,907.76		175,473,673.24
III. Marketable securities				
1. Own shares	475.74		475.74	
2. Other marketable securities	34,136,330.43		15,695,620.76	
		34,136,806.17		15,696,096.50
IV. Cash, cash equivalents and schecks		186,826,584.72		148,652,480.47
		321,278,003.70		426,176,903.80
C. PREPAID EXPENSES		1,357,307.85		3,671,200.26
D. ACTIVE DIFFERENCES FROM ASSET ALLOCATION		1,860.80		19,591.60
TOTAL		431,338,660.51		605,009,578.21

Equity and Liabilities (EUR)		31.12.2017		31.12.2016
A. EQUITY				
I. Issued capital		5,059,747.00		5,341,294.00
1. Subscribed capital	5,060,548.00		5,351,294.00	
2. Nominal value of treasury stock	-801.00		-10,000.00	
II. Capital reserve		9,939,452.00		9,648,706.00
III. Revenue reserves		6,301.00		15,500.00
1. Legal reserve	5,500.00		5,500.00	
2. Reserve for treasury stock	801.00		10,000.00	
IV. Consolidated profit		293,112,731.42		194,870,218.77
V. Offsetting item for holdings of other shareholders		1,318,070.49		1,141,123.46
VI. Difference from currency translation		-249,758.09		-5,871,437.58
		309,186,543.82		205,145,404.65
B. SPECIAL RESERVE		828,745.02		1,485,539.75
C. DIFFERENCE FROM CONSOLIDATION OF CAPITAL		13,084,695.43		73,373,738.60
D. ACCRUALS				
1. Accruals for pensions and similar commitments	8,801,121.03		22,649,912.34	
2. Tax reserve	3,240,885.13		6,632,678.38	
3. Other accurals	13,247,622.38		50,547,829.69	
		25,289,628.54		79,830,420.41
E. LIABILITIES				
1. Liabilities to banks	8,741,753.95		38,815,190.41	
2. Advanced payments received on orders	2,218,341.44		30,022,481.55	
3. Liabilities from goods and services	16,836,043.82		126,703,622.85	
4. Other liabilities	54,805,942.25		47,199,806.68	
		82,602,081.46		242,741,101.49
F. DEFERRED INCOME		291,361.56		2,433,373.31
G. DEFERRED TAXES		55,604.68		0.00
TOTAL		431,338,660.51		605,009,578.21

Consolidated Statement of Changes in Equity

(EUR thousands)	Share numbers in circulation	Subscribed capital	Capital reserve	Earned surplus	Difference from currency translation	Offsetting item for holdings of other share-holders	Consolidated profit	Group equity
31 December 2015	**5,612,514**	**5,357**	**9,387**	**261**	**-3,608**	**846**	**178,233**	**190,476**
Net income 2016							17,630	17,630
Income from open setting of the principal amount treasury shares								0
Expenses from loss of open settling of the nominal value of treasury shares	-261,220							0
Appropriation to the reserve restricted in relation to treasury stock				16				16
Reversal of the reserve for own shares				-261				-261
Transfer to capital reserve according to § 237 para 5 AktG			261					261
Income from capital reduction								0
Purchases of treasury stock		-16					-712	-728
Foreign currency differences					-2,263			-2,263
Shares of other partners						295	-281	14
31 December 2016	**5,351,294**	**5,341**	**9,648**	**16**	**-5,871**	**1,141**	**194,870**	**205,145**
Net income 2017							114,561	114,561
Income from open setting of the principal amount treasury shares								0
Expenses from loss of open settling of the nominal value of treasury shares	-290,746							0
Appropriation to the reserve restricted in relation to treasury stock				282				282
Reversal of the reserve for own shares				-291				-291
Transfer to capital reserve according to § 237 para 5 AktG			291					291
Income from capital reduction								0
Purchases of treasury stock		-281					-16,103	-16,384
Foreign currency differences					5,622			5,622
Shares of other partners						177	-216	-39
31 December 2017	**5,060,548**	**5,060**	**9,939**	**7**	**-249**	**1,318**	**293,112**	**309,187**

Consolidated Statement of Cash Flows

(EUR thousands)	2017	2016
Consolidated net income ahead of extraordinary items	114,561	17,630
Earnings proportions of minority shareholders without-payment effective holdings	-39	15
Depreciation on fixed asset items	12,464	21,757
Gains and losses of sales on fixed asset items	-5,671	-3,662
Write-ups on fixed assets	-154	0
Changes in accruals	-1,091	3,758
Dissolution of differences from the capital consolidation	-11,130	-18,156
Gains and losses from the final consolidation of group companies	-122,673	-4,586
Other payment-ineffective changes	-4,712	-1,437
Gross cash flow	**-18,445**	**15,318**
Change in inventories	-12,185	6,487
Change in receivables, other assets and the rest of the assets	-54,435	4,589
Changes in liabilities and the rest of total equities and liabilities	38,687	-7,601
Cash flow from current operations	**-46,378**	**18,793**
Payments for capital expenditure into the intangible and tangible fixed assets	-12,550	-21,194
Currency differences in fixed assets	8	1,673
Payments from disposals of items of intangible and tangible fixed assets	6,537	1,076
Payments from disposals of items of financial assets	48,199	32,751
Payments for capital expenditure into the financial assets	-85,296	-25,602
Net funds addition from change in scope of consolidation	183,106	3,349
Cash flow from investment activities	**140,004**	**-7,947**
Payments for the purchase of own shares	-16,103	-712
Proceeds from borrowing of financial liabilities	4,690	0
Payouts for the financial liabilities	0	-4,220
Cash flow from financing activities	**-11,413**	**-4,932**
Payment-effective change of cash and cash equivalents	82,213	5,914
Net funds addition from change in scope of consolidation	-44,533	-1,466
Currency differences	495	-2,263
Cash and cash equivalents at start of the period	148,652	146,467
Cash and cash equivalents as of 31 December	**186,827**	**148,652**

Composition of cash and cash equivalents	**31.12.2017**	**31.12.2016**
Cash-in-hand, balances with banks	186,827	148,652
	186,827	**148,652**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

I. BAVARIA Industries Group AG (“BAVARIA”) Company Profile

BAVARIA Industriekapital AG was established on 3 April 2002. (We started our activities in January 2003 by purchasing this company). The Company has its legal domicile in Munich, Germany, and has been registered in the commercial register of the Munich District Court since 8 August 2002 (Section B: No. 143858). The initial public offering of the Company‘s shares (ISIN DE0002605557) was made on 26 January 2006 in the Entry Standard (Open Market) segment of the Frankfurt Stock Exchange.

On 7 June 2013 the Annual General Meeting approved a motion to rename BAVARIA Industriekapital AG as BAVARIA Industries Group AG. The new name was registered in the Munich Commercial Register on 13 June 2013 under HRB 143858.

BAVARIA is an industrial holding company that acquires underperforming companies and boosts their performance through active management. BAVARIA pursues three objectives: cutting costs, developing new sources of turnover and protecting jobs wherever possible. It relies on the initiative of the investee company‘s workforce to boost innovation and avoid all forms of waste, such as reject rates or unnecessary down time during production. Only companies that are profitable over the long term offer secure workplaces. To boost performance, BAVARIA works with its in-house team of specialists, who are on hand to support the investee company‘s management.

II. Scope of Consolidation

Besides BAVARIA as the parent company, the consolidated annual financial statements include those affiliates in which BAVARIA directly or indirectly holds a majority of the voting rights and/or over which it otherwise exercises control, unless special exclusion criteria apply.

The companies included in BAVARIA‘s Consolidated Group Annual Report are listed separately in the “Schedule of Shareholdings” in the Notes.

The following companies were not included in the consolidation, by exercising the option in accordance with § 296 Paragraph 2 HGB.

- OSNY Pharma Holding S.A.S., Osny, France,
- Inasa Foil GmbH, Munich, Germany.

The following companies were not included in the consolidated annual financial statements in accordance with § 296 Paragraph 1 No. 1 HGB, because significant and continuing restrictions seriously affect the exercise of the parent company’s assets in relation to the assets or management of that entity, e.g. because the companies have either filed for bankruptcy or have already opened their assets in the insolvency proceedings:

- Inasa Foil Sabiñánigo S.L. (prev. Laminados Sabiñánigo S.L.), Sabiñánigo, Huesca, Spain,
- INASA Foil S.A., Irurtzun (near Pamplona), Spain,
- ASTERION Netherlands B.V., Rotterdam, Netherlands,
- ASTERION Direct S.A.S, Nantes, France,

- Subgroup Arti Grafiche (Nuovo Istituto Italiano d'Arti Grafiche S.p.A., Bergamo, Italy; Eurogravure S.p.A., Treviglio (Bg), Italy; Arti Grafiche Johnson S.p.A., Seriate (Bg), Italy; Zanica 92 s.r.l. (prev. TAVECCHI S.r.l.), Seriate (Bg), Italy; Arti Kalendar & Promotion Services GmbH, Gütersloh; Calendars & Diaries International B.V., Breda, Netherlands).

Since insolvency proceedings were opened for the assets of INASA Foil S.A., BAVARIA has also been restricted in exercising its rights in relation to the assets of Inasa Foil GmbH (prev. baikap Holding 080309 GmbH), Munich.

The company was fully consolidated in accordance with the revaluation method from the time of initial consolidation.

BAVARIA's scope of consolidation is subject to continual change, so that a comparison of its consolidated group annual reports over time is only possible to a limited extent. In particular, due to the differing business activities of the various investee companies included, the interrelationships among the individual items of BAVARIA's Consolidated Group Balance Sheet and Profit & Loss Statement are marked by continual fluctuations. The changes in the scope of consolidation since the consolidated annual financial statements as at 31 December 2016 are as follows:

- In February 2017, TriStone Flowtech Holding S.A.S. was sold and deconsolidated.
- In May 2017, BB Government Services GmbH was sold and deconsolidated.
- In May 2017, baikap Holding 180812 GmbH as the parent company of BB Government Services GmbH was sold and deconsolidated.
- In July 2017, Société Industrielle pour le Développement de la Securité S.A.S. (SIDES S.A.S.) was sold and deconsolidated.
- In November 2017, vosla GmbH left the consolidated group due to the approval of the insolvency plan sale and was deconsolidated at the beginning of 2017 due to the reorganization in own administration.
- In July 2017, Pharma Holding Bavaria GmbH was sold and deconsolidated.
- The subgroup Arti Grafiche was deconsolidated at the end of the year, as it had no control over the Arti Grafiche companies at the end of 2017 due to the sale in the first days of the financial year 2018 or because significant and ongoing restrictions related to the exercise of the parent company's right affect the assets or the management of this company.

The key data for the deconsolidations are shown below:

(EUR thousands)	Tristone Flowtech Holding S.A.S.*	BB Government Services GmbH**
Fixed Assets	40,505	7,860
Working capital	98,943	33,566
- thereof liquid funds	17,582	5,017
Others	2,392	332
	141,840	**41,758**
Equity	53,897	9,831
Accurals	23,529	5,916
Liabilities	63,320	26,002
- thereof to banks	19,035	0
Others	1,094	9
	141,840	**41,758**
Sales 2017	**45,356**	**12,596**
Result 2017	2,634	816

*Interim Financial Statement as of 28 February 2017
**Interim Financial Statement as of 30 April 2017

(EUR thousands)	baikap Holding 180812 GmbH*	SIDES S.A.S**
Fixed Assets	13,513	2,913
Working capital	76	39,483
- thereof liquid funds	76	5,842
Others	0	0
	13,589	**42,396**
Equity	4,388	5,607
Accurals	0	3,122
Liabilities	9,201	32,190
- thereof to banks	0	6,184
Others	0	1,477
	13,589	**42,396**
Sales 2017	**0**	**14,584**
Result 2017	-55	-2,736

*Interim Financial Statement as of 30 April 2017
**Interim Financial Statement as of 30 June 2017

(EUR thousands)	vosla GmbH*	baikap Holding 140810 GmbH**
Fixed Assets	9,716	2,114
Working capital	8,550	411
- thereof liquid funds	385	31
Others	55	0
	18,321	**2,525**
Equity	6,385	339
Accurals	2,742	1
Liabilities	8,537	2,185
- thereof to banks	2,011	2,082
Others	657	
	18,321	**2,525**
Sales 2017	**0**	**0**
Result 2017	0	0

*Financial Statement as of 31 December 2016
**Interim Financial Statement as of 31 December 2016

(EUR thousands)	Pharma Holding Bavaria GmbH*	Arti Grafiche Group**
Fixed Assets	0	54,804
Working capital	6	71,074
- thereof liquid funds	6	15,593
Others	0	375
	6	**126,253**
Equity	6	2,655
Accurals	0	16,576
Liabilities	0	66,187
- thereof to banks	0	5,452
Others	0	40,835
	6	**126,253**
Sales 2017	**0**	**12,940**
Result 2017	0	0

*Interim Financial Statement as of 30 June 2017
**Financial Statement as of 31 December 2017

Accounting figures refer to values applicable on the date of the exclusion. Figures from profit and loss accounts for deconsolidated companies apply to the period between 1 January 2017 to the point of deconsolidation.

III. Reporting Date for the Consolidated Group Annual Report

The key reporting date for the consolidated annual financial statements is that of the parent Company, BAVARIA Industries Group AG (31 December 2017).

The financial year of each operating subsidiary is that of the parent Company. The consolidated annual financial statements take into account all facts with a financial impact on the subsidiaries insofar as they have occurred up to the key reporting date.

IV. Consolidation Principles

Principles of financial reporting

The annual financial statements of BAVARIA Industries Group AG as at 31 December 2017 were prepared in compliance with the German Commercial Code (HGB) and the German Stock Corporation Act (AktG).

The annual reports of the individual subsidiaries were prepared pursuant to the guidelines of §§ 238 et seq. HGB, and specifically comply with the stipulations for incorporated companies set forth under §§ 264 et seq. HGB, as well as with the provisions of the German Stock Corporation Act.

These consolidated annual financial statements were prepared pursuant to §§ 290 et seq. HGB.

Some of the items whose disclosure on the Balance Sheet and/or Profit & Loss Statement are required by law have been presented in summary form. The respective itemisations and explanations can be found in the Notes.

Owing to changes in the scope of consolidation, comparison with the previous year’s figures is possible only to a limited extent.

The Group Profit & Loss Statement was prepared using the total cost method.

Consolidation methods

Method of capital consolidation

For acquisitions up to 31 December 2009:

§ 301, Paragraph 1, Sentence 2, No. 1 HGB, former version, provides for alternative methods of capital consolidation for the purposes of financial reporting insofar as a given acquisition was carried out up to and including 31 December 2009. Accordingly, the Company opted to use the book value method, and thus recorded its shareholdings in the various consolidated companies at acquisition value (as per § 301, Paragraph 2 HGB).

For acquisitions on or after 1 January 2010:

Capital consolidation is performed using the revaluation method (§ 301, Paragraph 1 HGB), namely in such a way that the financial consideration paid to acquire a company (acquisition costs) is offset against its acquired, identified assets and assumed debts, accruals/deferrals and extraordinary items. Each of these items is stated at its value at the time of acquisition.

Resulting debit variances that could not be otherwise allocated were capitalised on the Group Balance Sheet and amortised over a useful life of five years.

Credit variances are recognised as liabilities in accordance with § 309 Paragraph 2 HGB and are reversed in income if applicable. Credit variances resulting from capital consolidation are stated separately on the Group Balance Sheet between equity capital and external capital (debt) in accordance with their specific character.

Other consolidation procedures

The following subsidiary-specific items were eliminated in the course of consolidation: receivables, liabilities, turnover, other expenses, other revenues, interest income and associated expenses, as well as interim Group results. All significant consolidation procedures with an effect on income are subjected to tax accrual and/or deferral, insofar as the variance in taxes payable is expected to be offset in subsequent financial years.

V. Accounting and Valuation Methods

As in the previous year, the consolidated annual financial statements were prepared in accordance with the accounting and valuation principles set forth below:

As a rule, valuations were made under the assumption that investee company operations would be continued (going concern principle) pursuant to § 252 Paragraph 1 No. 2 HGB.

Intangible assets that have been purchased against payment are capitalised at acquisition costs minus scheduled amortisation on a straight-line basis. As a rule, their useful life is assumed to be three to five years. Company goodwill purchased against consideration is calculated by netting out acquisition costs against the value of individual company assets, minus the debts at the time they are assumed. As of 1 January 2010, company goodwill is generally subject to regular amortisation over five years (previous ten years).

Tangible assets are capitalised at acquisition cost and are depreciated on a straight-line basis over their useful life. Low-value economic assets are fully depreciated in the year of acquisition.

Financial assets are valued at acquisition cost. At their lower fair market values amortized in permanent impairment. Reversals of impairment losses pursuant to the value recovery principle are performed up to amortised cost, insofar as the reasons for a long-term value impairment no longer apply.

Inventories are valued at acquisition/manufacturing cost or at their fair market value (if lower), while allowing for reasonable general administrative costs.

Receivables and other assets are reported at face value minus a one-off allowance for general default risk. Doubtful receivables are subject to depreciation on an individual basis. Receivables denominated in foreign currencies are generally valued using the mean spot exchange rate as at the reporting date, insofar as the remaining maturity is shorter than 12 months.

If the remaining maturity is longer than 12 months, valuation is performed at acquisition cost, minus any unscheduled depreciation, if applicable.

Securities are valued at acquisition cost or at their fair market value, if lower.

Liquid assets are reported at face value. Amounts denominated in foreign currencies are valued at the mean spot exchange rate as at the reporting date.

Pension provisions have been formed on the basis of contractually binding pension claims. The future amounts needed to cover benefit obligations arising from pension guarantees were valued using biometric probabilities on the basis of the net present value of future pension entitlements (projected unit credit method). Expected increases in wages/salaries and pension benefits were taken into account in the calculation of the net present value of vested future pension benefits.

The actuarial valuation of future pension obligations is based on a discount rate of 3.68% depending on the remaining terms of the individual obligations. Insofar as it was not possible to assume a specific remaining term, the interest rate used was the one published by the German Bundesbank for remaining terms of 15 years (pursuant to § 253 Paragraph 2 Sentence 2 HGB) in 10-year average. An interest rate of 0%-5% per annum was used to reflect future wage/salary increases. The mortality statistics applied were derived from the actuarial tables published by Dr Klaus Heubeck (2005G) or, in the case of foreign subsidiaries, the mortality tables provided by the statistical offices of the countries in question.

Tax provisions and other provisions are formed to reflect the full amount of future payments due in accordance with customary professional due diligence, while taking into account all identifiable risks and uncertain obligations. Other provisions are formed in order to include appropriate and adequate individual allowances to cover all identifiable risks from uncertain obligations and potential losses from pending transactions, while also allowing for any foreseeable price/cost increases. Significant provisions with a remaining term of more than one year are discounted with an interest based on the term-appropriate, average market interest rate (based on the past seven financial years), as calculated and published by the German Bundesbank. Tax provisions are calculated under the assumption that § 8b of the German Corporate Tax Act (KStG) is applicable to BAVARIA Industries Group AG. Tax risks arise due to a large number of intragroup and external business transactions as well as national and international business transactions, if the finance administration takes a different view of the BAVARIA Group in individual points.

Liabilities are reported at their repayment amount as at the reporting date. Liabilities denominated in foreign currencies and having a remaining term of less than one year are generally valued using the mean spot exchange rate as at the reporting date. If they have a remaining term of more than one year, this applies only insofar as the conversion results in a higher amount.

The application of commercial law on the one hand and tax law on the other may give rise to differing valuations for assets, debts and accruals/deferrals, as well as for carry forwards of losses and/or interest that are eligible for consideration. Any such differences in valuation are reported as a **deferred tax** liability, insofar as they give rise to a foreseeable net tax liability in future financial years. Differences that give rise to net tax savings are not reported as deferred tax assets pursuant to § 274 Paragraph 1 Sentence 2 HGB.

Currency conversions

Financial assets, receivables, other assets, securities, liquid assets, provisions, financial obligations and other liabilities as well as guarantees and other commitments denominated in foreign currency are generally valued using the mean spot exchange rate on the reporting date. The values of fixed assets and inventories acquired with foreign currency are generally stated using the mean spot exchange rate as at the transaction date.

The functional currency used by BAVARIA Industries Group AG as the Group parent is the Euro (EUR).

Insofar as the annual reports of individual subsidiaries are denominated in foreign currencies, all amounts are restated using the modified closing rate method.

All balance sheet items of the foreign companies included in the consolidated Group were converted into EUR using the mean spot exchange rate on the reporting date, with the exception of equity capital (subscribed capital, reserves, profit/loss carried forward), which was restated using historical exchange rates. Variances in equity capital due to currency conversions (i.e. because of year-by-year fluctuations in exchange rates) were posted under “equity capital variances from currency conversions”, with no effect on income.

Revenues and expenses were restated using the average annual exchange rate. The annual result from the restated Profit & Loss Statement was transferred to the balance sheet and the variance was posted under “equity capital variances from currency conversions” without affecting income.

Cash flow statement

The financial resources fund consists of cash balances and bank balances.

Segment Reporting

Segment reporting is waived.

VI. Notes to the Balance Sheet

Schedule of fixed assets

The development of fixed assets is shown below:

	Acquisition and manufacturing costs						
(EUR thousands)	**01.01.2017**	**Additions**	**Disposals**	**Reclassi-fications**	**Currency transla-tions**	**Changes in scope of consoli-dation**	**31.12.2017**
I. Intangible assets							
1. Patents, trademarks, licenses & similar rights	8,813	404	207	152	0	-4,798	4,364
2. Goodwill	21,023	0	17	0	0	-15,880	5,126
3. Prepayments on account	211	205	0	-161	0	-254	0
	30,046	**609**	**224**	**-9**	**0**	**-20,932**	**9,490**
II. Fixed assets							
1. Land and buildings	85,873	1,874	4,523	115	0	-61,666	21,673
2. Technical plant and machinery	62,591	4,050	2,001	2,990	-21	-13,204	54,404
3. Other equipment, office and plant furnishings	14,497	941	544	333	-3	-4,889	10,336
4. Advance payments/ construction in progress	8,248	5,076	655	-3,429	0	-8,328	912
	171,209	**11.941**	**7,723**	**9**	**-24**	**-88,087**	**87,325**
III. Financial investments							
1. Investments	57	0	0	0	0	-42	15
2. Long-term securities	39,316	85,196	43,991	0	0	0	80,521
3. Other loans	159	100	0	0	0	-93	166
	39,532	**85,296**	**43,991**	**0**	**0**	**-135**	**80,702**
	240,788	**97,846**	**51,938**	**0**	**-24**	**-109,155**	**177,518**

	Depreciation								Book values	
(EUR thousands)	**01.01.2017**	**Additions**	**Apprecia-tions**	**Dispo-sals**	**Reclassi-fications**	**Currency transla-tions**	**Changes in scope of consoli-dation**	**31.12. 2017**	**31.12. 2017**	**31.12. 2016**
I. Intangible assets										
1. Patents, trademarks, licenses & similar rights	0	0	0	0	0	0	0	0	0	0
2. Goodwill	6,136	759	0	207	0	0	-2,908	3,780	584	2,677
3. Prepayments on account	14,499	1,298	0	17	0	0	-10,905	4,875	250	6,523
	20,635	**2,057**	**0**	**224**	**0**	**0**	**-13,813**	**8,655**	**834**	**9,199**
II. Fixed assets										
1. Land and buildings	18,775	2,721	0	12	0	0	-12,843	8,641	13,032	67,098
2. Technical plant and machinery	16,652	5,090	0	812	0	-15	22,017	42,932	11,472	45.939
3. Other equipment, office and plant furnishings	9,333	946	0	485	0	-2	-1,597	8,195	2,140	5,164
4. Advance payments/ construction in progress	14	0	0	0	0	0	-14	0	912	8,234
	44,774	**8,757**	**0**	**1,308**	**0**	**-17**	**7,562**	**59,767**	**27,557**	**126,435**
III. Financial investments										
1. Investments	0	0	0	0	0	0	0	0	15	57
2. Long-term securities	233	1,651	-154	1,340	0	0	0	390	80,131	39,081
3. Other loans	0	0	0	0	0	0	0	0	165	158
	233	**1,651**	**-154**	**1,340**	**0**	**0**	**0**	**390**	**80,311**	**39,297**
	65,641	**12,465**	**-154**	**2,873**	**0**	**-17**	**-6,251**	**68,812**	**108,702**	**174,931**

Intangible assets

Goodwill changed as follows during the financial year:

2017					2016				
Increase	Decrease	Group change	Amortised	Book value	Increase	Decrease	Group change	Amortised	Book value
0	17	-4,975	1,281	250	7	97	0	2,928	6,523

The Group's consolidated goodwill as at 31 December 2017 comes from the companies of the ASTERION Group. The remaining average amortisation period for consolidated goodwill is roughly six months.

An expected useful life of five years is applied to goodwill acquired after 1 January 2010.

The useful life of industrial property rights and licences is three to five years. Useful life has been determined on the basis of the expected period of actual use. All intangible assets are amortised on a straight-line basis.

Tangible assets

The useful life is three to ten years for fixtures and furnishings and eight to 20 years for technical equipment and machinery, depending on their commercial use. Buildings are depreciated based on an economic useful life of 25 to 50 years.

Financial assets

1. Shares in affiliated companies

The item "shareholdings in affiliated companies" includes non-consolidated holdings valued at acquisition price minus any necessary markdowns to fair value.

2. Securities held as fixed assets

Depreciations are carried out only when there is a prospect of a lasting value decrease as outlined in § 253 Paragraph 3 Sentence 3 HGB (German Commercial Code). Impairment write-downs due to not lower market prices at the reporting date were made on the basis of expected permanent impairment in the amount of TEUR 311 (prior year TEUR 170).

The following investments were evaluated on the reporting date as being above the fair market values measured for them, as their value decrease is not expected to last.

Sector of Investment	Acquisition Costs/ Book value (EUR) as of 31.12.2017	Market value EUR) as of 31.12.2017	Loss from rate development (EUR))	Loss from price development %
Internet trading	1,086,967.67	979,747.54	-107,220.13	-9.9
Pharma	1,340,762.86	1,298,751.60	-42,011.26	-3.1
Mobility	549,577.83	533,910.72	-15,667.11	-2.9
Tourism	1,194,939.65	1,185,912.16	9,027.49	-0.8

Geographic distribution

The geographic distribution of fixed assets is as follows:

31.12.2017 (EUR thousands)	Germany	European Union	Total
Intangible assets	32	802	834
Tangible assets	751	26,805	27,556
Financial assets	80,267	44	80,311
	81,050	27,651	108,701

31.12.2016 (EUR thousands)	Germany	European Union	Total
Intangible assets	6,221	3,189	9,410
Tangible assets	10,879	115,556	126,435
Financial assets	39,245	52	39,297
	56,345	118,797	175,142

Current assets (working capital
(Not including securities, cash balances or bank deposits/credits)

(EUR thousands)	31.12.2017	31.12.2016
Raw materials and supplies	6,384	26,120
Work in progress	1,942	47,210
Finished goods and merchandise	3,490	10,653
Payments on account	1,163	2,371
Trade receivables	31,344	140,485
Other assets	56,269	34,989
	100,315	261,828

"Other assets" includes TEUR 48,622 in receivables from the tax.

A tax refund claim in the amount of TEUR 43,142 was capitalized in other assets, which will only be legally created after the balance sheet date by submitting the capital gains tax return and payment in 2018. The transfer of capital gains tax and the payment of capital gains tax took place in April 2018.

"Trade receivables" doesn't include accounts receivable with a remaining term of more than one year. "Other assets" includes assets with a remaining term of more than a year totalling TEUR 4,565.

Equity capital

1. Share capital

The share capital amounts to EUR 5,060,548.00 (prior year EUR 5,341,294.00) at 31 December 2017. It has been fully paid in and consists of 5,060,548 no-par shares with a calculated nominal value of EUR 1.00 per share.

Contingent capital amounts to EUR 49,500.00.

Own shares are stated at calculated nominal value separately from subscribed capital. These own shares have been acquired on the basis of authorisations pursuant to § 71 Paragraph 1 No. 8 of the

German Stock Corporation Act (AktG). The Company does not derive any rights from these own shares; in particular, they do not carry any dividend rights.

a) Own shares

By resolution of the General Shareholder Meeting on 25 May 2012, the Company was empowered, pursuant to § 71 Paragraph 1 No. 8 of the German Stock Corporation Act (AktG), to acquire own shares worth up to 10% of the total share capital (as at the date of acquisition of said shares), at any time until 24 May 2017. This right may be exercised in whole or in part, and in this case more than once.

The authorisation granted by the General Shareholder Meeting of 25 May 2012 had (almost) been exhausted and 360,049 of the 350,049 repurchased shares had since been withdrawn and the share capital has been reduced.

The Company was authorised by resolution of the General Shareholder Meeting on 28 May 2014, pursuant to § 71 Paragraph 1 No. 8 AktG, to acquire own shares worth up to 10% of the total share capital as at the date on which the resolution was passed, at any time until 27 May 2019. This right may be exercised in whole or in part, and in this case more than once, for one or several purposes. The previous authorisation to purchase own shares pursuant to the General Shareholder Meeting of 25 May 2012 has thereby been superseded.

The shares acquired on the basis of this authorisation, together with other shares in the Company that the Company has already acquired or still holds, or that are attributable to it in accordance with §§ 71d and 71e AktG, may not at any time account for more than 10% of the Company's share capital.

The Executive Board was empowered to use Company shares acquired pursuant to the above authorisation, with the consent of the Supervisory Board, for all legally permissible purposes, particularly for the following:

- The shares may be used to introduce Company shares to foreign stock exchanges on which they are not yet listed.
- They may be sold in exchange for non-cash benefits and in particular may be offered or granted to third parties in connection with company mergers or acquisitions of companies, parts of companies or shareholdings therein, including an increase in existing shareholdings.
- They may be offered for purchase to persons who are, or have been, employed by the Company or its affiliates within the meaning of §§ 15 et seq. of the German Stock Corporation Act (AktG), or granted/transferred to such persons with a blocking period of not less than one year. If shares are offered to persons as part of a stock option programme, a blocking period of four years applies.
- They may be withdrawn from circulation without their withdrawal requiring a further resolution of the General Shareholder Meeting. These shares may also be retired via a simplified procedure (without a reduction of equity capital) by adjusting the pro-rata nominal amount of the remaining no-par shares in the Company's equity capital. The retirement of shares may also be limited to a portion of the Company shares acquired. The right to retire shares pursuant to the authorisation may be exercised more than once.
- They may also – observing the principle of equal treatment (§ 53a AktG) – be resold via the stock exchange, an institution similar to a stock exchange or a trading platform, by means of a public purchase offer aimed at all shareholders in the Company or a public request to submit offers for sale aimed at all shareholders in the Company.

As at 31 December 2017, the Company has made the following share repurchases:

- On the basis of the authorisation granted by the General Shareholder Meeting on 20 June 2008, a total of 150,986 own shares (of which 139,458 shares were acquired in 2008) acquired.
- On the basis of the authorisation granted by the General Shareholder Meeting on 29 May 2009, a total of 70,150 own shares (of which 27,260 shares were acquired under a repurchase offer pursuant to the authorisation granted by the General Shareholder Meeting on 29 May 2009) acquired.
- On the basis of the authorisation granted by the General Shareholder Meeting on 11 June 2010, a total of 220,801 own shares (of which 16,092 shares were acquired in 2010 and 188,139 in 2011) acquired.
- Of the total of 441,937 own shares acquired, 431,937 were withdrawn in connection with the agreed capital reduction in April 2012. The remaining 10,000 shares of our own could not be withdrawn as they were deposited as securities with our designated sponsor until October 2017.
- On the basis of the authorisation granted by the General Shareholder Meeting on 25 May 2012, a total of 350,049 own shares (of which 143,214 shares were acquired in 2012, 181,364 shares were acquired in 2013 and 25,471 were acquired in 2014) acquired.
- Of the total of 360,049 own shares acquired, 350,049 were withdrawn in connection with the agreed capital reduction in April 2014. The remaining 10,000 shares of our own shares remained deposited at our designated sponsor as securities lending until October 2017.
- On the basis of the authorisation granted by the General Shareholder Meeting on 28 May 2014, a total of 261,220 own shares (of which 78,766 were acquired in 2014, 166,369 in 2015 and 16,075 in 2016) acquired.
- Of the total of 271,220 own shares acquired, 261,220 were withdrawn in connection with the agreed capital reduction in November 2016. The remaining 10,000 shares of our own shares remained deposited at our designated sponsor as securities lending until October 2017.
- On the basis of the authorisation granted by the General Shareholder Meeting on 28 May 2014, a total of 281,547 own shares were acquired in 2017.
- Of the total of 291,547 own shares acquired, 290,746 were withdrawn in connection with the agreed capital reduction in November 2017.

These repurchased shares amount to a total of EUR 801 or 0.02% of equity capital.

Share repurchases in 2017 based on the General Shareholder Meeting of 28 May 2014:

Date	Repurchased shares (units)	Share of equity capital (%)	Average price	Total market price (EUR)	Cumulative no. of shares	Cumulative share of equity capital (%)
Jan 17	0.00	0.00	0.00	0.00	0.00	0.00
Feb 17	0.00	0.00	0.00	0.00	0.00	0.00
Mar 17	0.00	0.00	0.00	0.00	0.00	0.00
Apr 17	0.00	0.00	0.00	0.00	0.00	0.00
May 17	7,961	0.15	58.45	465,284.26	7,961	0.15
Jun 17	15,039	0.28	59.69	897,744.07	23,000	0.43
Jul 17	4,947	0.09	57.04	282,168.41	27,947	0.52
Aug 17	2,098	0.04	58.00	121,690.20	30,045	0.56
Sep 17	250,701	4.68	57.00	14,289,861.61	280,746	5.25
Oct 17	0.00	0.00	0.00	0.00	280,746	5.25
Nov 17	0.00	0.00	0.00	0.00	0.00	0.00
Dec 17	801	0.02	56.09	44,928.29	801	0.02

b) Authorised Capital

Authorised capital 2008/I

By resolution of the General Shareholder Meeting of 20 June 2008, the Executive Board is authorised (subject to Supervisory Board approval) to increase equity capital by up to EUR 2,094,750.00 through one or more issues of shares (Authorised Capital 2008/I) in return for cash and/or in-kind contributions at any time until 19 June 2013. This option to increase share capital within the period allowed was not realised. The deletion of the authorised capital 2008/I has not yet been entered into the commercial register.

The shareholders' subscription rights may be suspended insofar as any of the following apply:

- The issue price is not significantly below the concurrently determined stock-exchange price of the shares, and the equity increase resulting from cash contributions does not exceed 10% of equity capital.
- Equity capital is to be increased by in-kind contributions for acquisition of companies.
- Suspension of the shareholders' subscription rights is required in order to exercise convertible bond rights, convertible profit-sharing rights or options.
- Suspension of shareholders' subscription rights is required to smooth fractional amounts.

Authorised capital 2012/I

The Executive Board was authorised by resolution of the General Shareholder Meeting of 25 May 2012 (subject to Supervisory Board approval) to increase equity capital by up to EUR 886,531 through one or more issues of up to 886,531 new no-par bearer shares in return for cash or in-kind contributions, up to 24 May 2017 (Authorised Capital 2012).

The shareholders' subscription rights may be suspended insofar as any of the following apply:

- The issue price of the new shares does not fall significantly below the stock market price of Company shares on the date on which the issue price is determined and the equity increase resulting from cash contributions does not exceed 10% of equity capital, either on the date on which this authorisation comes into effect or on the date on which it is exercised. Shares that have been or are to be issued in order to service bonds with warrants or convertible bonds shall count towards these shares if the bonds have been issued pursuant to § 186 Paragraph 3 Sentence 4 AktG, with suspension of subscription rights. Furthermore, the sale of own shares shall count towards the limit of 10% of equity capital if the sale takes place on the basis of an authorisation to sell own shares with suspension of subscription rights that is valid at the time the authorised capital comes into effect;
- If the equity capital is to be increased by means of a capital increase in exchange for contributions in kind, for the purpose of acquiring companies, parts of companies or shareholdings in companies in exchange for the transfer of shares in the Company, provided that this is in the Company's best interests;
- If it is necessary in order to grant holders of convertible bonds, convertible profit-sharing rights and options issued by the Company a subscription right for new shares to the same extent to which they would be entitled after exercising their conversion option or option right, to protect against dilution; or
- Suspension of shareholders' subscription rights is required to smooth fractional amounts.

c) Contingent capital

Contingent capital 2006/I – convertible bonds for members of the Supervisory Board

At the recommendation of the Executive Board and Supervisory Board, the General Shareholder Meeting of 5 September 2006 agreed to a contingent increase in the Company's equity capital of up to EUR 49,500 through the issue of up to 49,500 no-par bearer shares (Contingent Capital 2006/I). This contingent capital increase was to be implemented only insofar as the associated convertible bonds were issued and the embedded options to convert said bonds to no-par shares were exercised. The shareholders' statutory subscription rights were disapplied.

In December 2006, convertible bonds in the amount of EUR 49,500 were issued to the members of the Company's Supervisory Board at a minimum issue amount of EUR 0.33 per bond and a calculated nominal value of EUR 1.00 per bond. The members of the Supervisory Board exercised their subscription rights fully and all convertible bonds were officially issued as at 31 December 2006 in accordance with the conversion conditions set forth on that date. As per said conditions, the conversion price was set at EUR 21.70 per bond.

Each convertible bond contained an embedded option allowing its conversion into a single individual share in the Company. The convertible bonds matured after five years on 31 December 2011. None of the Supervisory Board members exercised their conversion rights. The cancellation of Contingent Capital 2006/I has not yet been entered in the commercial register.

2. Capital reserve

As at the reporting date, the capital reserve amounted to EUR 9,939,452.00.

(EUR thousands)	2017	2016
Capital reserve as of 01.01	9,649	9,387
Withdrawals	0	0
Deposits	290	262
Capital reserve as of 31.12	**9,939**	**9,649**

3. Retained earnings

Retained earnings at the reporting date amount to EUR 6,300.00.

(EUR thousands)	2017	2016
Retained earnings as of 01.01	16	261
Withdrawals	10	245
Deposits	0	0
Retained earnings as of 31.12	**6**	**16**

4. Reserve due to own shares

The "reserve due to own shares" changed as follows during the reporting year:

(EUR thousands)	
Reserve due to own shares as of 31 December 2016	10
Inclusion of own shares acquired in current year (stated at nominal value)	282
Resolution educated reserve because of the entry of own shares	-291
Reserve due to own shares as of 31 December 2017	**1**

Variance arising from capital consolidation

The credit variance from capital consolidation (negative goodwill) shown as at the reporting date will be reversed in income in subsequent years in accordance with its origin.

In the 2016 and 2017 financial years, this item changed as follows:

2017					2016			
Increase	Reversal	Profit-neutral adjustment	Deconsoli-dation	Book value	Increase	Reversal	Profit-neutral adjustment	Book value
14	-2,896	-600	-56,807	13,085	0	18,141	-9,951	73,374

A **credit variance** from capital consolidation (negative goodwill) arises when a company is acquired at a price below the book value of its equity capital (as per the balance sheet). The credit variance (negative goodwill) is reversed in the Consolidated Group Annual Report and applied towards income in accordance with the progress of restructuring and rehabilitation of the investee company, insofar as additional other expenses or losses are still expected.

Insofar as the negative goodwill is not associated with expected future expenses or losses, it is reversed in income as follows:

a) The portion of the negative goodwill that does not exceed the current market value of the acquired non-monetary assets of the investee company is recognised in regular instalments based on the (weighted) average remaining useful life of the depreciable assets acquired.

b) The portion of the negative goodwill that exceeds the current market value of the acquired non-monetary assets of the investee company is recognised as income at the time of initial consolidation.

The reversal of negative goodwill is reflected in the Consolidated Group Profit & Loss Statement under "other operating revenues".

The increases in negative goodwill resulted mainly from initial consolidations.

Provisions

(EUR thousands)	31.12.2017	31.12.2016
Pension provisions	8,801	22,650
Tax provisions	3,241	6,633
Other provisions	13,248	50,547
	25,290	**79,830**

Pension provisions

As at the reporting date, the amount needed to cover pension obligations amounted to TEUR 8,801 (prior year TEUR 22,650).

Other provisions

Other provisions consisted mainly of personnel-related obligations (TEUR 5,887), outstanding invoices (TEUR 3,536) and from sales deductions (TEUR 681).

Liabilities

(EUR thousands)	31.12.2017	31.12.2016
Liabilities to banks	8,742	38,815
Advance payments received for orders	2,218	30,022
Trade liabilities	16,836	126,704
Other liabilities	54,806	47,200
	82,602	**242,741**

The term structure of liabilities is summarised below:

31.12.2017 (EUR thousands)	< 1 Jahr	1-5 Jahre	> 5 Jahre	Gesamt
Liabilities to banks	4,149	4,593	0	8,742
Advance payments received for orders	1,821	0	397	2,218
Trade liabilities	16,261	575	0	16,836
Other liabilities	53,646	1,160	0	54,806
	75,877	6,328	397	82,602

31.12.2016 (EUR thousands)	< 1 Jahr	1-5 Jahre	> 5 Jahre	Gesamt
Liabilities to banks	18,478	20,337	0	38,815
Advance payments received for orders	29,627	0	395	30,022
Trade liabilities	126,371	333	0	126,704
Other liabilities	43,840	3,324	36	47,200
	218,316	23,994	431	242,741

Contingencies and commitments

Guarantee in favour of CIC (Credit Industriel et Commercial S.A. Paris, France)

Under an agreement dated 7 July 2011, BAVARIA Industries Group AG pledged a bank account with a credit balance of TEUR 350 in favour of CIC in order to secure the obligations of tech-FORM S.A.S. arising out of a loan agreement with CIC. The guarantee was not used and the remaining balance deducted.

Indemnity agreement in favour of Reinhard Mohn GmbH, Gütersloh

To secure any liability in connection with the purchase of an investment BAVARIA Industries Group AG guarantees, temporally limited to three years, with EUR 4.0 million.

The assumption of liability expired without recourse.

Contingencies and commitments of investee companies

As well as the above contingencies and commitments of BAVARIA Industries Group AG, there are also contingencies and commitments at the level of Group companies.

BAVARIA Industries Group AG enters into obligations and commitments only after a careful evaluation of risks and generally only in connection with its own business operations and/or those of its affiliates and investee companies.

Financial obligations

Total financial obligations arising from purchase commitments and long-term rental/leasing agreements with fixed durations amounted to TEUR 14,212 (prior year TEUR 48,931).

The term structure of these financial obligations can be summarised as follows:

(EUR thousands)	31.12.2017	31.12.2016
Term		
< 1 year	2,114	26,520
1-5 years	4,441	10,441
> 5 years	5,134	11,970
Total	11,689	48,931

TEUR 0 of these financial obligations is attributable to purchase commitments arising from the order backlogs of Group companies (prior year TEUR 10,916).

Auditors‘ fees

During the reporting year, the following fees were paid to public auditors for audits operating in this country, consultations and other services:

2017

(EUR thousands)	Total Group Auditors
Fee for audit of the 2017 financial statements	43
Fee for other auditor servises	27
Total	70

2016

(EUR thousands)	Total Group Auditors
Fee for audit of the 2016 financial statements	88
Fee for other auditor servises	0
Total	88

Transactions not appearing on the balance sheet

Factoring

Four subsidiaries in the BAVARIA Group use factoring as a financing tool. The total scope of such factoring amounts to roughly EUR 16.4 million, of which EUR 11.5 million had been used up to 31 December 2017. Some of these factoring agreements involve bona fide open factoring, whereby the factoring partner assumes the entire default risk, but thereby excludes certain customers, avoids cumulative risks by means of quotas, and assumes receivables on a pro-rata basis only. The other agreements involve “quasi factoring”, whereby the default risk continues to be borne by the customer. However, the associated default risk for BAVARIA remains limited because factoring is used mainly by our investee companies in the automotive industry.

The objective and benefit of factoring is to bring about improvement in the liquidity and risk position of the company in question. On the negative side, the costs associated with factoring must be charged against revenues. Another potential disadvantage is the disclosure of receivable sell-offs in the context of open factoring, since customers generally settle their liabilities directly with the factoring firm.

Sale-and-leaseback transactions

One subsidiary of the BAVARIA Group uses sale-and-leaseback transactions as a financing tool.

Long-term lease agreements are in place for one building, IT equipment, software and production facilities. The resulting total obligation is included in “other financial obligations”, insofar as it has not otherwise been taken into account on the balance sheet.

The objective and benefit of sale-and-leaseback transactions is the procurement of liquid funds, i.e. positive cash flows for the company in question. The associated risks mainly involve the leasing instalments that the company commits to paying.

Financial derivatives not reported at market value

At 31 December 2017, BAVARIA Industries Group AG had entered into a contract for difference (CFD). The market value of the contract for difference was negative at TEUR 45. A corresponding provision for expected losses was recognised in the amount of TEUR 45.

Pension provisions

The average market interest rate for the past ten years was 3.68% for discounting.

Compared to the cash value of a seven-year discount, a difference of EUR 0.6 million is recognized as a dividend in accordance to § 253 paragraph 6 of the German Commercial Code (HGB).

VII. Notes on the Profit & Loss Statement

Turnover

Turnover from the deconsolidation of companies is only recognised on a pro-rata basis (with the ending on the deconsolidation date).

The turnover revenues of the BAVARIA Group can be broken down by regional market:

(EUR thousands)	2017	2016
European Union (except Germany)	263,941	459,605
Germany	58,001	165,776
Europe, other	5,795	10,401
America	6,035	34,669
Asia	7,753	26,136
Africa	3,660	13,958
Other	6,566	12,147
	351,751	**722,692**

Other operating revenues

Other operating revenues can be broken down as follows:

(EUR thousands)	2017	2016
Gains from deconsolidation of shareholdings in affiliated companies	130,959	4,586
Gains from the sale of securities and financial market transactions	5,907	5,282
Gains from the reversal fo provisions	4,594	3,487
Gains from abatement of liabilities	3,592	1,084
Gains from the reversal of differences	2,896	18,156
Gains from currency translations	897	1,263
Revenues from subsidies	156	319
Gains from the disposal of fixed assets	124	287
Gains from insurance reimbursements	5	109
Other	6,007	7,826
	155,137	**42,399**

Gains from the reversal of negative goodwill result from regular reversal of negative goodwill in accordance with the progress of ongoing restructuring at the investee companies. The income from the deconsolidation of shares in affiliated companies in the amount of TEUR 130,959 is of extraordinary importance or magnitude.

Other operating income includes gains on the disposal of securities and financial market transactions of TEUR 5,615 (prior year TEUR 5,282). This is offset by other operating expenses from the sale of securities and financial market transactions of TEUR 359 (prior year TEUR 2,571).

Materials expense

In the 2017 financial year, materials expense amounted to TEUR 182,012 (prior year TEUR 364,139).

Personnel expense

Personnel expense decreased as follows year-on-year:

(EUR thousands)	2017	2016
Wages and salaries	85,108	161,577
Social contributions and pension costs, of which: TEUR 814 for pensions (prior year TEUR 1,098)	27,471	47,629
	112,579	209,206

Depreciation / amortisation

There was unscheduled depreciation/amortisation on the financial assets of TEUR 311 (prior year TEUR 170) during the financial year.

Other operating expenses

(EUR thousands)	2017	2016
Repair and maintenance	14,303	20,798
Packing and freight	12,272	18,216
Costs of temporary personnel	9,100	17,172
Rentals and leasing	8,721	11,803
Third-party services, insurance and premiums	7,711	5,890
Losses from currency translation	4,683	2,294
Attorney/notary fees and court costs	3,356	7,004
Administrative costs	2,992	5,968
IT expence	2,453	6,216
Travel and lodging	1,759	4,197
Miscellaneous personnel costs	1,374	2,094
Management consulting costs	1,220	1,942
Comissions	1,014	2,220
Advertising	540	1,113
Value adjustments	440	2,530
Expenses from the sale of securities and financial market transactions	359	2,571
Warranties and guarantees	173	1,593
Bad reseivables	166	406
Miscellaneous	10,491	19,447
	83,127	133,474

Net interest income

(EUR thousands)	2017	2016
Interest income and similar revenue, of which: - from affiliated companies TEUR 0 (prior year TEUR 1)	253	218
Interest expense and similar costs, of which: - to affiliated companies TEUR 0 (prior year TEUR 0)	6,282	3,721
	-6,029	-3,503

Interest expenses in 2017 were attributable mainly to the Arti Group as well as the ASTERION Group and CARBODY S.A.S.

Taxes on income / profits

Income tax expenses include both taxes payable directly on income/profits as well as deferred taxes.

Prior-period income and expenses

Other operating revenues" includes EUR 8.1 million (prior year EUR 4.7 million) in revenues from outside the reporting period. These involve the reversal of provisions as well as changes to value adjustments.

"Other operating expenses" includes EUR 0.4 million (prior year EUR 2.5 million) in expenses from outside the reporting period. These relate to value adjustments, mainly at Arti Group.

VIII. Miscellaneous Information

Executive Board and Supervisory Board

Executive Board

- Reimar Scholz, Degree in Business Administration (Diplom Kaufmann), Gauting, Germany, Head of Acquisitions and Investments (Chief Executive Officer)

Insofar as only one Executive Board Member has been appointed, he/she is entitled to act as sole representative of the Company. If more than one has been appointed, any two Executive Board Members may jointly represent the company.

Reimar Scholz is entitled to act as sole representative.

The Executive Board member has been released from the restrictions of § 181 of the German Civil Code (BGB).

Supervisory Board

- Hans-Peter Lindlbauer, attorney at law, residing in Munich (Chairman),
- Dr. Philip Martinius, attorney at law, residing in Munich (Deputy Chairman),
- Wanching Ang, financial investor, residing in Gauting.

Total remuneration of the Supervisory Board and Executive Board as well as former members of these bodies

Total remuneration of Supervisory Board Members amounted to TEUR 41 (prior year TEUR 41).

During the reporting year, the Company paid fees of TEUR 7 (prior year TEUR 2) to the law firm ljh Lindlbauer Rechtsanwälte, of which Mr. Lindlbauer is a partner. This occurred in the context of a separate consulting agreement pursuant to § 114 of the German Stock Corporation Act (AktG).

Total remuneration received by Executive Board Members in 2017 amounted to TEUR 714 (prior year TEUR 1,834).

Employees

The total workforce of the companies included in the scope of consolidation as at 31 December 2017 numbered an average of 1,264 persons during the year (prior year 6,023 employees).

The BAVARIA Group's workforce developed as follows:

	2017	2016
Industrial workers	768	3,765
Employees	484	2,218
Trainees	12	40
	1,264	**6,023**

Relationships with affiliated persons / entities

BAVARIA has customary business dealings with affiliated but not consolidated subsidiaries. The transactions with these companies are negligible in scope, arise in the course of normal operations and are performed under arm's-length conditions.

Moreover, none of the companies of the Group has engaged in any significant business transactions with members of BAVARIA's Executive Board or Supervisory Board, or with persons belonging to their respective families.

Events after the balance sheet date

In January 2018, Arti Group has been sold. However, BAVARIA's net proceeds are low due to the existing payment obligations of the Italian holding company.

Due to the loss of control already at the end of 2017, the Arti Group was deconsolidated as of 31 December 2017.

In April 2018, the sale of ASTERION International GmbH (ASTERION) was completed. BAVARIA's net proceeds amount to around EUR 15 million.

ASTERION has a share of EUR 32.7 million in consolidated total assets and a share of EUR 59.8 million in consolidated avenue.

IX. Schedule of Shareholdings

All Numbers in Local Currency (1,000s)	Currency	Share of equity in % direct	Share of equity in % indirect	Equity	Net income	Exchange rate
Group parent company						
BAVARIA Industries Group AG (prev. BAVARIA Industriekapital AG), Munich				114.324	6.130	
Schedule of shareholdings						
BAVARIA Industriekapital AG (prev. BAVARIA Industriekapital II AG), Munich	(1) EUR	100.00		34	-1	
HERING Wärmetauscher Holding AG, Munich	(1) EUR	75.00		732	-11	
Hering AG, Gunzenhausen	(2) EUR		71.06	2,981	795	
Nevira Vermögensverwaltung AG, Munich	(8), (5) EUR	78.00		-325	-8	
BAVARIA Maschinenbau Holding II AG, Munich	(1) EUR	97.50		72	17	
Verwaltungsgesellschaft 0906 GmbH, Munich	(1) EUR	100.00		82	8	
Blitz 05-316 GmbH & Co. KG, Munich	(1) EUR	100.00		-1,868	-24	
Bavariaring 0906 GmbH, Munich	(1) EUR	100.00		5,704	-1	
Bavaria Chemicals GmbH, Munich	(1) EUR	75.00		58	56	
Elfotec AG, Mönchaltdorf, Schweiz	(7), (5) CHF		75.00	-	-	
baikap Holding 010607 GmbH, München	(1) EUR	100.00		-451	-7	
baikap Holding 020607 GmbH, Gräfelfing	(1) EUR	100.00		-18	-2	
EMS Holding Bavaria GmbH, Gräfelfing	(1) EUR	100.00		-305	-9	
Bavaria France Holding S.A.S., Paris, France (prev. Fonderies Aluminium de France S.A.S.)	(2) EUR		100.00	21,837	14.116	
Fonderie d'Ingrandes, Paris, France (prev. Fonderie du Poitou Aluminium S.A.S.)	(2) EUR		100.00	-8	-22	
Baikap Trust Holding GmbH & Co.KG (prev. K+S Holding GmbH & Co. KG), Munich	(1) EUR		94.80	-81	5	
Die-Cast Holding Bavaria GmbH, Munich	(1) EUR	100.00		2,495	-136	
baikap Holding 061108 GmbH, Munich	(1) EUR		100.00	17	-1	
baikap Holding 070309 GmbH, Munich	(1) EUR	100.00		-49	-2	
Inasa Foil GmbH (prev. baikap Holding 080309 GmbH), Munich	(4) EUR		100.00	-	-	
OSNY Pharma Holding S.A.S., Osny, France	(4) EUR		100.00	-	-	
baikap Holding 090709 GmbH, Munich	(1) EUR	100.00		23	-5	
Deller Liegenschaft GmbH (prev. BAVARIA Purchasing Group GmbH), Munich	(1) EUR	100.00		49	-81	
Inasa Foil Sabiñánigo S.L. (prev. Laminados Sabiñánigo S.L.), Sabiñánigo, Huesca, Spain	(4) EUR		100.00	-	-	
INASA Foil S.A., Irurtzun near Pamplona, Spain	(4) EUR		100.00	-	-	
baikap Holding 110510 GmbH, Munich	(1) EUR	100.00		-2,503	-49	
baikap Holding 120510 GmbH, Munich	(1) EUR	100.00		-1,688	-31	
baikap Holding 130810 GmbH, Munich	(1) EUR	100.00		-1,693	-31	
baikap Holding 150911 GmbH, Munich	(1) EUR	100.00		4,927	13	
baikap Holding 160911 GmbH, Munich	(1) EUR	100.00		11	98	
Bavaria Luminaires Holding S.A.S., Nanterre, France	(3),(5) EUR		100.00	-1,345	-699	
CARBODY S.A.S., Witry-les-Reims, France	(2) EUR		100.00	10,236	1,059	
CARBODY Czech Republic s.r.o., Mlada Boleslav, Czech Republic	(2) CZK		100.00	38,989	2,808	0.03909
CARBODY Otomotiv Izolasyon Sistemleri Ticaret Limited Sirketi, Istanbul, Turkey	(3) TRY		100.00	1,969	676	0,22041

All Numbers in Local Currency (1,000s)	Currency	Share of equity in % direct	Share of equity in % indirect	Equity	Net income	Exchange rate
Carbody Deutschland GmbH, Munich	(2) EUR		100.00	26	5	
CarbodyAutomotive System Co. Ltd., Suzhou, China	(2) CNY		100.00	-1,161	-620	0.12817
ASTERION International GmbH (prev. baikap Holding 170812 GmbH), Viernheim	(3) EUR	100.00		-1,178	455	
ASTERION France S.A.S., Saint Denis, France	(2) EUR		100.00	5,735	1,324	
ASTERION Direct S.A.S., Orvault, France	(4) EUR		100.00	-	-	
ASTERION Germany GmbH, Viernheim	(6) EUR		100.00	3,726	-185	
ASTERION Netherlands BV, Rotterdam, Netherlands	(4) EUR		100.00	-	-	
ASTERION Belgium NV, Mechelen, Belgium	(2) EUR		100.00	159	-641	
ASTERION DM Finland Ab, Mariehamn, Finland	(2) EUR		100.00	478	-47	
ASTERION Sweden AB, Sollentuna, Sweden	(2) SEK		100.00	18,529	1,597	0.10158
ASTERION Denmark A/S, Brøndby, Denmark	(2) DKK		100.00	2,614	-62	0.13429
baikap Holding 190913 GmbH, Munich	(1) EUR	100.00		108	-3	
baikap Holding 200913 GmbH, Munich	(1) EUR	100.00		64	-1	
baikap Holding 210814 GmbH, Munich	(1) EUR	100.00		21	-1	
Deller GmbH (prev. baikap Holding 220814 GmbH), Munich	(1) EUR	100.00		-630	-652	
Cobelplast N.V., Lokeren, Belgium	(2) EUR		100.00	7,785	-489	
Bavaria Arti Grafiche Italiane Holding S.p.A., Bergamo, Italy	(4) EUR		100.00	-	-	
Nuovo Istituto Italiano d'Arti Grafiche S.p.A., Bergamo, Italy	(4) EUR		100.00	-	-	
Eurogravure S.p.A., Treviglio (Bg), Italy	(4) EUR		100.00			
Arti Grafiche Johnson S.p.A., Seriate (Bg), Italy	(4) EUR		100.00			
Arti Kalendar & Promotion Services GmbH, Gütersloh	(4) EUR		100.00			
Zanica 92 s.r.l. (prev. TAVECCHI S.r.l.), Seriate (Bg), Italy	(4) EUR		100.00			
Calendars & Diaries International B.V., Breda, Netherlands	(4) EUR		100.00			
Bavaria Real Estate Ciriè Holding S.r.l., Ciriè, Italy	(1) EUR	100.00		1,802	63	

(1) Unaudited annual report for 31 December 2017 pursuant to German Commercial Code (HGB).
(2) Audited annual report for 31 December 2016 pursuant to local accounting principles.
(3) Unaudited annual report for 31 December 2016 pursuant to local accounting principles.
(4) Not consolidated pursuant to § 296 of the German Commercial Code (HGB).
(5) Company is in liquidation.
(6) Audited annual report for 31 December 2016 pursuant to German Commercial Code (HGB).
(7) Unaudited annual report for 30 June 2017 pursuant to German Commercial Code (HGB).
(8) Unaudited annual report for 31 December 2015 pursuant to German Commercial Code (HGB).

External affiliations of the group

BAVARIA is included in the consolidated group annual report of AS Beteiligungen und Vermögensverwaltungs GmbH, Gräfelfing, Germany. This Consolidated Group Annual Report is disclosed in the Electronic Federal Gazette (elektronischer Bundesanzeiger).

Profit distribution / recommended dividend

The net income in the individual financial statement for the period from 1 January to 31 December 2017 amounted to 6,129,647,60 (prior year EUR 3,307,203.13).

Taking into account the profit carried forward from the previous year in the amount of EUR 109,291,333.63 and the expenses of EUR 16,102,588.98 for acquiring treasury shares in the year under review, this resulted in net retained profits of EUR 99,318,392.25 as at 31 December 2017.

At the upcoming General Shareholder Meeting, the Executive Board and Supervisory Board of BAVARIA Industries Group AG will recommend that the Company's balance sheet profit of EUR 99,318,392.25 be carried forward in full.

Munich, 25 April 2018

Reimar Scholz
Chief Executive Officer

Audit Opinion of the Statutory Auditor

We have audited the consolidated annual financial statements prepared by BAVARIA Industries Group AG, Munich, comprising the consolidated balance sheet, consolidated income statement, consolidated cash flow statement, consolidated statement of changes in shareholders' equity and the notes to the consolidated annual financial statements, together with the consolidated management report for the financial year of 1 January 2017 to 31 December 2017. The preparation of the consolidated annual financial statements and the consolidated management report in accordance with the provisions of German commercial law are the responsibility of the company's legal representatives. Our responsibility is to express an opinion on the consolidated annual financial statements and the consolidated management report based on our audit.

We conducted our audit of the consolidated annual financial statements in accordance with Article 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany, IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated annual financial statements and in accordance with the applicable financial reporting framework and in the consolidated management report are detected with reasonable assurance. Knowledge of the Group's business activities and the economic and legal environment and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the Group's accounting-related internal control system and the evidence supporting the disclosures in the consolidated annual financial statements and consolidated management report are examined primarily on a test basis within the framework of the audit.

The audit includes assessing the annual financial statements of the entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated annual financial statements and the consolidated 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 findings of our audit, the consolidated annual financial statements comply with the relevant legal provisions and give a true and fair view of the Group's net assets, financial position and results of operations in accordance with German principles of adequate and orderly accounting. The consolidated management report is consistent with the consolidated annual financial statements, according with the legal requirements, and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Munich, 25 April 2018

Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Schönhofer [German Public Auditor]	Schäfer [German Public Auditor]

List of Abbreviations

ADG	Austria Druckguss GmbH & Co. KG, Gleisdorf, Austria
ACEA	European Automobile Manufacturers Association
AktG	German Stock Corporation Act
Arti Grafiche Johnson	Arti Grafiche Johnson S.p.A., Bergamo, Italy
Arti Group	Bavaria Arti Grafiche Italiane Holding S.p.A., Bergamo, Italy
Arti Kalendar & Promotion	Arti Kalendar & Promotion Services GmbH, Gütersloh
ASTERION	ASTERION International GmbH
ASTERION France	ASTERION France S.A.S., Saint-Denis, France
ASTERION Direct	ASTERION Direct S.A.S., Orvault, France
ASTERION Germany	ASTERION Germany GmbH, Viernheim
ASTERION Netherlands	ASTERION Netherlands BV, Rotterdam, Netherlands
ASTERION Belgium	ASTERION Belgium NV, Mechelen, Belgium
ASTERION Finland	ASTERION DM Finland Ab, Mariehamn, Finland
ASTERION Sweden	ASTERION Sweden AB, Sollentuna, Sweden
ASTERION Denmark	ASTERION Denmark A/S, Brøndby, Denmark
ASTERION Norway	ASTERION Norway AS, Oslo, Norway
ASTERION Italy	ASTERION Italy S.r.l., Liscate, Italy
ASTERION Spain	ASTERION DM Spain S.L., Figueruelas, Spain
BAVARIA	BAVARIA Industries Group AG, Munich
Bavaria Real Estate	Bavaria Real Estate Ciriè Holding S.r.l., Ciriè, Italy
BBGS	BB Government Services GmbH, Kaiserslautern
BilMoG	Accounting Law Modernisation Act
Calendars & Diaries	Calendars & Diaries International B.V., Breda, Netherlands
CARBODY	CARBODY S.A.S., Witry les Reims, France
CARBODY Czech Republic	CARBODY Czech Republic s.r.o., Mlada Boleslav, Czech Republic
CARBODY Turkey	CARBODY Ottomotiv Izolasyon Sistemleri Ticaret Limited Sirketi, Istanbul, Turkey
Carbody Deutschland	Carbody Deutschland GmbH, Munich
Cobelplast	Cobelplast N.V., Lokeren, Belgium
Distriberg	Distriberg S.r.l., Bergamo, Italy
DRS	German Financial Reporting Guidelines
EGHGB	Introductory Act to the German Commercial Code
Eurogravure	Eurogravure S.p.A., Treviglio (Bg), Italy
FDI	Fonderie d´Ingrandes (prev. FDPA Fonderie du Poitou Aluminium S.A.S.), Ingrandes sur Vienne, France
Hering	Hering AG, Gunzenhausen
HGB	German Commercial Code
HGB a. F.	German Commercial Code former version
HR	Commercial Register
Johnson Diaries	Johnson Diaries Ltd., Bury St. Edmonds, Suffolk, U.K.
IDW	Institut der Wirtschaftsprüfer in Germany e.V., Düsseldorf
Inasa Foil	Inasa Foil GmbH, Munich
Inasa Sabiñánigo	Inasa Foil Sabiñánigo S.L. (prev. Laminados Sabiñánigo S.L.), Sabiñánigo, Huesca, Spain
Italoagendas	Italoagendas S.A., Quart de Poblet (Valencia), Spain
K+S	Kienle + Spiess GmbH, Sachsenheim
L&E	Langbein & Engelbracht GmbH, Bochum
L&E USA	L & E America Environmental Technologies LLC, Kaukauna, Wisconsin, USA
L&E Shanghai	Langbein & Engelbracht Industrial Eng. & Co., Shanghai, China
NIIAG	Nuovo Instituto Italiano d'Arti Grafiche S.p.A., Bergamo, Italy
OSNY	OSNY Pharma Holding S.A.S., Osny, France
Portalex	Portalex Aluminio S.A., Cacém, Portugal
Portalex France	Portalex France S.A.S., Neuilly-sur-Seine, France
Portalex Germany	Portalex Aluminio Deutschland GmbH, Gräfelfing
R+E	R+E Automationstechnik GmbH, Fellbach-Schmiden
SIDES	Société Industrielle pour le Développement de la Sécurité S.A.S., Saint-Nazaire, France
TAVECCHI	TAVECCHI S.r.l., Seriate (Bg), Italy
tech-FORM	tech-FORM S.A.S., Auxi-le-Château, France
Technology Luminaires S.A.S.	Technology Luminaires S.A.S., Nevers Cedex, France
TEUR	Thousand EUR
TriStone Germany	TriStone Flowtech Germany GmbH, Frankfurt on the Main
TriStone France	TriStone Flowtech France S.A.S., Carquefou, France
TriStone Holding	TriStone Flowtech Holding S.A.S., Carquefou, France
TriStone Italy	TriStone Flowtech Italy S.p.A., Cirié, Italy
TriStone Poland	TriStone Flowtech Poland Sp. zo.o., Walbrzych, Poland
TriStone Slovakia	TriStone Flowtech Slovakia spol S.r.o., Nová Bana, Slovakia
TriStone Solution France	TriStone Flowtech Solution SNC, Carquefou, France
TriStone Spain	TriStone Flowtech Spain S.A., Tarazona, Spain
TriStone Czech Republic	TriStone Flowtech Czech Republic s.r.o., Hrádek nad Nisou, Czech Republic
TriStone Turkey	TriStone Flowtech Istanbul Otomotiv Sanayi ve Ticaret Limited Sirketi, Cerkezköy, Turkey
TriStone Mexico	TriStone Flowtech MexicoS. de R.L. de C.V., Delicias, Mexico
TriStone China	TriStone Flowtech China Ltd., Suzhou, China
TriStone U.S.A.	TriStone Flowtech U.S.A. Inc., Detroit, U.S.A.
vosla	vosla GmbH, Plauen
vosLED	vosLED GmbH, Plauen

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