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FISCAL 2013/2014 ANNUAL REPORT

CHANGE. KNOWLEDGE. GROWTH.

FISCAL YEAR 2013/2014

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

IFRS	2013/2014	Changes in %	2012/2013	2011/2012	2010/2011	2009/2010
Income statement						
Revenues (EUR million)	870.563	11.3	782.405	709.323	576.238	428.834
Operating profit (EUR million)	89.087	9.6	81.261[4]	75.105[4]	60.399[4]	43.958
Profit from ordinary activity (EUR million)	89.519	9.6	81.645[4]	75.172[4]	61.008[4]	44.630
Earnings after income tax (EUR million)	62.343	8.9	57.268[4]	51.726[4]	42.002[4]	31.237
Cash flow statement						
Cash flow from operating activities (EUR million)	79.670	2.5	77.731	38.302	23.728	25.046
Cash flow from investing activities (EUR million)	-64.211	97.9	-32.447	-36.923	-23.561	-11.841
Free cash flow (EUR million)	15.459	-65.9	45.284	1.379	0.167	13.205
Capital spending (EUR million)	66.843	92.6	34.702	39.513	31.769	12.408
Balance sheet						
Capital and reserves (EUR million)	280.324	17.3	239.013[4]	201.159[4]	165.992[4]	135.399[4]
Equity ratio (%)	59.4	1.5	58.5[4]	56.3[4]	56.3[4]	56.4[4]
Total assets (EUR million)	471.800	15.5	408.420[4]	357.418[4]	294.843[4]	239.860[4]
Share						
Earnings per share (EUR)	6.19	8.8	5.69[4]	5.14	4.18	3.11
Dividend per share (EUR)	2.40[3]	9.1	2.20	2.00	1.70	1.20
Share price on 30 September (EUR)[1]	101.30	8.9	93.06	57.50	35.92	43.52
Share price, high (EUR)[2]	119.85	23.6	97.00	62.50	59.94	44.30
Share price, low (EUR)[2]	88.60	55.2	57.07	33.00	32.33	16.60
Shares outstanding on 30 September (number)	10,143,240	-	10,143,240	10,143,240	10,143,240	10,143,240
Market capitalisation on 30 September (EUR million)	1,027.5	8.9	943.9	583.2	364.3	441.4
Employees						
Number of employees at Bertrandt Group on 30 September	11,561	6.8	10,829	9,952	8,603	6,523

[1] Closing price in Xetra trading.
[2] In Xetra trading.
[3] Dividend proposed by the Management and the Supervisory Board.
[4] Prior period comparative figures have been restated to reflect the amendments to IAS 19. This has an impact which is explained in the Notes to the Consolidated Financial Statements.

MULTIYEAR OVERVIEW

Consolidated income statement

EUR million					
01/10 until 30/09	2013/2014	2012/2013[1]	2011/2012[1]	2010/2011[1]	2009/2010[1]
Revenues	**870.563**	**782.405**	**709.323**	**576.238**	**428.834**
Other internally generated assets	0.176	0.375	0.483	0.379	0.257
Total revenues	**870.739**	**782.780**	**709.806**	**576.617**	**429.091**
Other operating income	13.208	13.043	9.007	8.649	9.597
Raw materials and consumables used	-71.444	-62.862	-66.126	-55.395	-35.746
Personnel expenses	-624.141	-560.548	-494.047	-399.052	-302.731
Depreciation	-22.234	-19.594	-15.251	-11.353	-10.473
Other operating expenses	-77.041	-71.558	-68.284	-59.067	-45.780
Operating profit	**89.087**	**81.261**	**75.105**	**60.399**	**43.958**
Net finance income	**0.432**	**0.384**	**0.067**	**0.609**	**0.672**
Profit from ordinary activities	**89.519**	**81.645**	**75.172**	**61.008**	**44.630**
Other taxes	-1.220	-1.148	-1.161	-0.930	-0.707
Earnings before tax	**88.299**	**80.497**	**74.011**	**60.078**	**43.923**
Income taxes	-25.956	-23.229	-22.285	-18.076	-12.686
Earnings after income tax	**62.343**	**57.268**	**51.726**	**42.002**	**31.237**
– attributable to minority interest	0.004	0	0	0	0
– attributable to shareholders of Bertrandt AG	62.339	57.268	51.726	42.002	31.237
Number of shares (million) – diluted/basic, average weighting	10.076	10.069	10.061	10.049	10.040
Earnings per share (EUR) – diluted/basic	6.19	5.69	5.14	4.18	3.11

[1] Prior period comparative figures have been restated to reflect the amendments to IAS 19. This has an impact which is explained in the Notes to the Consolidated Financial Statements.

Consolidated Balance Sheet

EUR million	30/09/2014	30/09/2013[1]	30/09/2012[1]	30/09/2011[1]	30/09/2010[1]
Assets					
Intangible assets	15.548	14.262	13.936	11.486	10.579
Property, plant and equipment	132.365	89.488	76.410	56.339	44.133
Investment properties	1.672	1.737	1.803	1.869	4.676
Financial assets	4.885	5.355	6.321	7.951	5.429
Receivables and other assets	7.826	6.921	3.999	2.860	2.594
Income tax assets	0.301	0.446	0.586	0.720	0.850
Deferred taxes	3.717	2.685	2.376	2.521	3.073
Non-current assets	**166.314**	**120.894**	**105.431**	**83.746**	**71.334**
Inventories	0.614	0.749	0.560	0.528	0.470
Future receivables from construction contracts	75.081	62.443	58.695	37.927	20.381
Receivables and other assets	188.016	176.900	170.876	135.717	98.794
Income tax assets	0.232	0.181	0.339	0.248	0.800
Cash and cash equivalents	41.543	47.253	21.517	36.677	48.081
Current assets	**305.486**	**287.526**	**251.987**	**211.097**	**168.526**
Total assets	**471.800**	**408.420**	**357.418**	**294.843**	**239.860**
Equity and liabilities					
Issued capital	10.143	10.143	10.143	10.143	10.143
Share premium	27.734	26.984	26.625	26.625	26.625
Retained earnings	206.323	171.219	138.684	106.651	77.514
Consolidated distributable profit	35.455	30.666	25.706	22.571	21.115
Equity attributable to shareholders of Bertrandt AG	**279.655**	**239.012**	**201.158**	**165.990**	**135.397**
Minority interests	0.669	0.001	0.001	0.002	0.002
Capital and reserves	**280.324**	**239.013**	**201.159**	**165.992**	**135.399**
Provisions	12.374	9.690	8.914	6.978	6.772
Other liabilities	0.400	0.432	0.464	0.495	0.527
Deferred taxes	17.214	14.138	12.070	10.668	6.691
Non-current liabilities	**29.988**	**24.260**	**21.448**	**18.141**	**13.990**
Tax provisions	14.806	14.958	8.936	3.839	4.670
Other provisions	61.210	52.147	50.151	43.921	36.162
Borrowings	0.092	0.221	0.149	0.466	0.271
Trade payables	12.289	10.179	11.208	10.491	7.475
Other liabilities	73.091	67.642	64.367	51.993	41.893
Current liabilities	**161.488**	**145.147**	**134.811**	**110.710**	**90.471**
Total equity and liabilities	**471.800**	**408.420**	**357.418**	**294.843**	**239.860**

[1] Prior period comparative figures have been restated to reflect the amendments to IAS 19. This has an impact which is explained in the Notes to the Consolidated Financial Statements.

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CHANGE. KNOWLEDGE. GROWTH.

Change: Top fuel efficiency paired with minimum environmental impact and maximum safety on the road are key features of a transformation on the way towards sustainable individual mobility. Plus the digital revolution: change which means an unprecedented level of on-board information connectivity. Page 20

Knowledge: New drive technologies require the creation and networking of wholly new vehicle development capabilities. Electronics are now an integral part of virtually all vehicle systems. This increase in complexity is immensely useful: vehicles are now safer, more comfortable and more economic than ever before. At the same time, automotive engineering also requires more knowledge and capability than ever. Page 30

Growth: Bertrandt has enjoyed consistent growth over the last 40 years – from its beginnings in the automotive industry before branching out into civil aircraft construction. With the youngest of its subsidiaries, Bertrandt Services, Bertrandt has extended its portfolio and is now successfully working for customers in the energy, medical technology and electrical engineering, machinery and plant engineering sectors as well. Page 42

FROM THE CONTENTS

Dietmar Bichler
Chairman of the Management Board

MANAGEMENT BOARD REPORT

DEAR SHAREHOLDERS,

The motto of this year's annual report is “Change. Knowledge. Growth.” All three have played a key role in Bertrandt's corporate development over the last 40 years. Constant technological change in our core areas of work is what motivates us day in, day out – and also represents a challenge for all Bertrandt employees. Customers benefit directly on site from our employees' knowledge thanks to Bertrandt's Group-wide Competence Centre structure and brand office-oriented marketing. The long-standing customer relationships which these structures have created are the basis of our growth.

Successful fiscal year

All Bertrandt's business units thrived and successfully mastered the tough challenges of fiscal 2013/2014. Group revenues increased year on year by 11.3 percent to EUR 870.563 million. Operating profit rose by 9.6 percent to EUR 89.087 million. The company's equity ratio rose to 59.4 percent thanks to the systematic retention of earnings in recent years. As a result, the technology group Bertrandt is one of the solid companies in the industry. With these firm financial foundations we aim to support the interests of our customers, employees and shareholders.

Forward-looking investments

As one of Europe's leading engineering specialists, Bertrandt makes sustainable investments in infrastructure and technical equipment. Our declared aim is to provide a range of customer-oriented services which are focused on current and future projects. We will continue to concentrate on topics which offer the Group long-term perspectives, such as in the fields of acoustics, safety or drive technology. With a volume of investment of over EUR 66 million in the past financial year our goal is to lay the foundations for sustainable growth and to further strengthen our market position.

Continuing recruitment of staff

We are particularly pleased that we were again able to boost the size of our workforce to its highest level yet by the end of the financial year. On 30 September 2014 Bertrandt employed 11,561 people worldwide.

As a technology group Bertrandt offers its international customers a very wide range of engineering services from a single source. We develop technical innovations in a dynamic environment and provide the high-quality solutions and services of tomorrow. This offers our staff the opportunity to work in fascinating areas and opens up a wealth of perspectives for the future. This, and our living corporate culture, undoubtedly contributed to our continuing status as one of the 100 most popular employers in Germany in 2014.

Key prerequisites for the success of the company are the motivation and skills of our employees. We accept the challenge which a dynamic business setting and the expectations of our customers present to us every single day and we support our employees' personal and professional development. In the past financial year we therefore invested over EUR 12 million in further and advanced training.

Intact market drivers

The ongoing development of environmentally-friendly individual mobility continues to be a key concern of the automotive industry. The legally defined thresholds for emissions can no longer be met by isolated measures alone. What is now required is the efficient and ongoing development of all the technical disciplines in vehicles. At the same time, automotive manufacturers are constantly enhancing the safety of their vehicles. One of the ways of achieving this is by developing new generations of vehicle safety systems which optimise the interaction between the driver, the vehicle and the environment. There is also an unbroken and long-standing trend towards ever more models, variants and optional equipment.

Civil aircraft construction continues to benefit, as it has done for many years, from the growing importance of international air transport. Nonetheless, the impact of the rise in air traffic on global environmental and climate conditions poses an increasingly thorny challenge for everyone in the industry. Innovative technologies will help to reduce noise and emissions pollution while simultaneously enhancing the efficiency of aircraft fleets for operators. In parallel, travel comfort will be improved for passengers with the aim of making their stay on board as pleasant as humanly possible.

A number of issues which are of particular importance for the future also present a range of technology challenges for the energy and medical industries, the electronics sector or machinery and plant engineering. The key Industry 4.0 project topic presented at this year's Hanover Fair, for example, demonstrated that the requirements which this project entails will be a major area of work for German industry for years to come. The core aim of Industry 4.0 is to develop intelligent products and processes which depend critically on close interactions between electrical engineering, mechanical engineering and IT.

Thanks to its decentralised structure combined with a broad and integrated range of services, Bertrandt is a trusted and competent development partner in the immediate vicinity of its customers. Special know-how and many years of project and process management experience make us seasoned cross-sector technology experts who are capable of making a decisive contribution to enhancing process efficiency.

The Bertrandt share

The Bertrandt share mirrored the initially positive development of international equity markets during the past financial year. The Bertrandt share started the new year by closing in Xetra trading at EUR 94.25. On 20 January 2014 the share then hit its high of EUR 119.85. Changes in economic forecasts and in subsequent analysts' assessments led, however, to a correction in equity markets over the course of the year. The Bertrandt share was unable to resist these external influences. On the last day of trading in the financial year the share closed at EUR 101.30 or 7.5 percent higher than at the start of the financial year.

This year too we would like you, our shareholders, to benefit from the Bertrandt Group's good performance. The Management Board and the Supervisory Board have for this reason proposed a dividend of EUR 2.40 per share for the 2013/2014 financial year.

Sustainable corporate governance

We aim to assist our customers with expert services, a spirit of partnership and strength in implementation. With the three cornerstones of automotive, aerospace and key technical sectors outside the mobility industry, we intend to implement and enhance Bertrandt's growth-oriented strategy in the future, too. We therefore continually adapt our range of services in our core sectors to the requirements of our customers. Our aim is to take targeted action through our subsidiary Bertrandt Services to promote the diversification of the Bertrandt Group forward into those sectors beyond the mobile world which hold most promise for the future. Sustainable and responsible corporate governance are of huge importance to us. Despite growth, we have therefore retained our flat hierarchies and short decision-making channels.

Change. Knowledge. Growth.

With a successful 2013/2014 financial year behind us we now look forward into the future with confidence. We aim to continue our good business performance with our customers, shareholders and staff in the coming year. We will continue to drive change, build on our knowledge and create growth. Against the backdrop of stable market drivers in our core areas of work, we anticipate consistently high levels of demand for technically sophisticated engineering services.

With its broad and integrated range of services, motivated and skilled workforce as well as a solid capital base, our technology company is outstandingly well equipped for the future.

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

Yours sincerely,

Dietmar Bichler

Chairman of the Management Board

Dr Klaus Bleyer
Chairman of the Supervisory Board

SUPERVISORY BOARD REPORT

ACTIVITIES OF THE SUPERVISORY BOARD DURING THE 2013/2014 FINANCIAL YEAR

The Bertrandt Group looks back again on a successful performance for the 2013/2104 financial year. Both revenues and earnings rose, while the Group continued to firmly establish its market position as engineering service provider and technology group. Capital expenditure in the period under review was used to further develop our technology centres, thus laying the foundations for a continuation of the Company's successful development.

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

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

Focal points of the Supervisory Board's deliberations

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

The Supervisory Board held four scheduled meetings during the 2013/2014 fiscal year: on 9 December 2013, on 19 February 2014, on 7 May 2014 and on 22 September 2014. After the balance sheet date, a conference call meeting took place on 14 October 2014. With the exception of one meeting where one Supervisory Board member was absent, but excused, all members of the Supervisory Board took part in these meetings.

During its meeting on 9 December 2013 the Supervisory Board discussed the annual financial statements of Bertrandt AG and the Group. Moreover, the Board also approved the resolutions proposed for the annual general meeting which was held on 19 February 2014 in Sindelfingen. Upon the Audit Committee's proposal the Board also deliberated on the proposal for the appointment of the auditor for financial year 2013/2014. The auditor submitted to this meeting a written statement of independence pursuant to the German Corporate Governance Code.

In the meeting of 19 February 2014 the members of the Supervisory Board were informed about the current and medium-term performance and its potential impact on the Company's capital expenditure strategy.

At the annual general meeting of 19 February 2014 Horst Binnig, Dr Klaus Bleyer, Prof. Dr-Ing. Wilfried Sihn and Maximilian Wölfle were re-elected members of the Supervisory Board. In the constitutive meeting which was held immediately after the annual general meeting, the Supervisory Board elected Dr Klaus Bleyer Chairman and Maximilian Wölfle Deputy Chairman of the Supervisory Board and appointed the members of the Human Resources and Audit Committees.

At the expiration of 31 March 2014 Daniela Brei departed from the Supervisory Board and was succeeded by Stefanie Blumenauer on 1 April 2014.

In the meeting of 7 May 2014, the Board dealt with further information on the expansion of the Company's infrastructure. Moreover, the Board members received training on the changed legal framework for employee leasing, service contracts and contracts for work.

In the meeting on 22 September 2014, the Board amongst other matters adopted the group budget for the upcoming financial year. It also dealt with the Declaration of conformity to the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act. Further, the Supervisory Board discussed the changed economic environment, increased customer requirements and the resulting effects on Bertrandt's business model.

After the balance sheet date, a conference call meeting took place on 14 October 2014. In this meeting the Supervisory Board resolved to appoint and employ the members of the Management Board, Markus Ruf, Michael Lücke and Hans-Gerd Claus as well as the CEO, Dietmar Bichler for another term of five years following their respective current period of office.

At its meeting of 8 December 2014 the Supervisory Board adopted the present report and requested and authorised the Chairman to sign it.

Organisation and business of the committees

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

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

The Audit Committee held five meetings in the 2013/2014 financial year. In its meeting on 9 December 2013, the Audit Committee in the presence of the auditors dealt with the financial statements of Bertrandt AG and the Group as well as the audit's contents, focal areas and results. Furthermore, the focal areas for next year's audit were adopted. In the conference call meetings on 3 February 2014, 5 May 2014 and 28 July 2014 the Audit Committee discussed, amongst other things, the financial reports to be published soon after these dates with regard to revenues, earnings and cash flow. The Audit Committee held a further meeting on 22 September 2014 where it deliberated, amongst other things, on the auditor of the financial statements for the 2014/2015 financial year.

The Human Resources Committee met twice in fiscal 2013/2014: on 9 December 2013 and on 22 September 2014. In the meeting on 9 December 2013, in its capacity as Nomination Committee it worked out the proposals for candidates for the Supervisor Board elections to be held on the occasion of the annual general meeting on 19 February 2014. In the meeting on 22 September 2014 the Human Resources Committee discussed human resources planning. After the balance sheet date the Human Resources Committee decided on 14 October 2014 to propose to the Supervisory Board a renewal of the contracts with all Members of the Management Board.

Corporate governance

Corporate governance is defined as the responsible management and control of companies with the aim of creating long-term added value. In its meetings of 9 December 2013 and 22 September 2014 the Supervisory Board dealt with the implementation of the German Corporate Governance Code as amended.

The version of the Corporate Governance Code adopted by the Government Commission on 13 May 2013 was discussed in the meeting of 22 September 2014. At the same meeting, the Supervisory Board adopted the amended version of the Declaration of conformity in accordance with Section 161 AktG. The Company adheres to the recommendations of the Code with only a few exceptions. The deviations are set out in the declaration of conformity. The business report and also, in particular, the declaration of conformity are available for download on the Bertrandt website in the Investor Relations section.

At its meeting on 8 December 2014 the Supervisory Board passed a resolution on the Corporate Governance Declaration pursuant to Section 289a HGB (German Commercial Code) and on the Corporate Governance Report pursuant to Section 3.10 German Corporate Governance Code.

Audit of the financial statements

On 19 February 2014, the ordinary annual general meeting of Bertrandt AG appointed PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, Stuttgart branch, as the auditors for the financial statements of fiscal year 2013/2014. The auditors have audited the annual financial statements and the management report of Bertrandt AG as well as the consolidated financial statements and the management report of the Group for fiscal year 2013/2014 together with the accounting and have issued an unqualified audit opinion.

Following their preparation and in good time before the meeting all Supervisory Board members received the financial statements and management reports for fiscal year 2013/2014, the reports of the auditors and the proposal of the Management Board for the appropriation of profits. After the Audit Committee had dealt with and prepared the topics, the Supervisory Board dealt with the process of the preparing the financial statements and the accounting results at its meeting of 8 December 2014. The external auditors entrusted with the audit of the annual financial statements and

the consolidated financial statements participated in the meeting. They reported on the audit as a whole, the focal areas of the audit and relevant audit results. In addition, they answered questions raised by the Supervisory Board. The Supervisory Board raised no objections against the audit. After having conducted its own review, the Supervisory Board noted the annual financial statements prepared by the Management Board, the consolidated financial statements of the Group, the management reports of Bertrandt AG and the Group and the Auditors' report with consent, and approved the annual financial statements and the consolidated financial statements. Thus, the annual financial statements were adopted and the consolidated financial statements approved at the same time. The Supervisory Board followed the proposal of the Management Board on the appropriation of profits, according to which EUR 35,454,532.95 are used for distributing a dividend of EUR 2.40 per qualified share, and the remaining amount of 11,110,756.95 is carried forward to the next financial year.

Thanks

The Supervisory Board thanks the Management Board and all employees of the Bertrandt Group in Germany and abroad for their work in the year under review. Thanks to their great dedication, Bertrandt is enabled to continue its successful performance. The Supervisory Board also extends its cordial thanks to Daniela Brei, who departs from the Supervisory Board, for her many years of service on the Supervisory Board as employee representative.

Ehningen, 8 December 2014

Dr Klaus Bleyer
Chairman of the Supervisory Board

Member of the Supervisory Board of Bertrandt AG:

- **Dr Klaus Bleyer**
  Chairman of the Supervisory Board
- **Maximilian Wölfle**
  Deputy Chairman
- **Horst Binnig**
- **Prof. Dr-Ing. Wilfried Sihn**
- **Stefanie Blumenauer**
  Employee Representative
- **Astrid Fleischer**
  Employee Representative

HIGHLIGHTS OF THE YEAR
OCTOBER 2013 – SEPTEMBER 2014

October 2013
VDI BADEN-BADEN VEHICLE ELECTRONICS

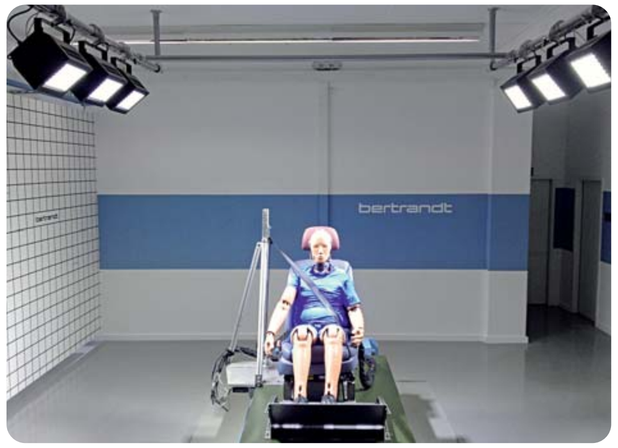
Bertrandt used this platform to present its development expertise with three examples of the work of its Electronics Competence Centre: an e-scooter, the "b.on" web server and the full-LED headlight.

October 2013
NEW VEHICLE ACOUSTICS CENTRE

The construction work on the new vehicle acoustics centre in Gaimersheim is now in full swing. The acoustics in modern vehicles, such as noise and vibration comfort, will be tested and optimised on an around 1,200 m²-large test site.

November 2013
BERTRANDT SERVICES AT THE FMB

Bertrandt Services took part at the supplier show for mechanical engineering in Bad Salzuflen. The discussions held by our specialists centred on the development of custom and special purpose machines.



November 2013
MODERN E-LINER SLED TEST PUT TO WORK

The Bertrandt Munich site expanded its development and testing activities in the field of vehicle safety by installing a new sled test system. In contrast to conventional sled test systems, this machine has an ultra-modern drive system.

December 2013
ANNUAL FINANCIAL RESULTS AND ANALYST CONFERENCE

The annual financial results and analyst conference was held on 12 December 2013. CEO Dietmar Bichler presented the annual report for 2012/2013 and the newly published business figures. He then went on to answer questions on business performance in the previous year.

December 2013
LIGHT RESEARCH

The KIT (Karlsruhe Institute of Technology) Light Technology Institute visited Ehningen on 3 December and presented new research vehicles in the Bertrandt Technikum.

February 2014
ANNUAL GENERAL MEETING ON 19 FEBRUARY 2014

Dr Klaus Bleyer, Chairman of Bertrandt's Supervisory Board, welcomed over 500 shareholders to the annual general meeting on 19 February 2014. The representatives of the shareholders were re-elected to the Supervisory Board. The annual general meeting passed a resolution approving the dividend of EUR 2.20 for the previous financial year 2012/2013 proposed by the Management Board and the Supervisory Board.

March 2014
BERTRANDT AT THE VDI "PLASTICS IN AUTOMOTIVE ENGINEERING" CONGRESS

The Vehicle Body/Interior Development Competence Centre put its latest development work in the field of innovative plastics engineering – including its innovative, in-house cockpit "gesture control system" – on display at the Plastics in Automotive Engineering Congress in Mannheim.

April 2014
NEW SITE IN STUTTGART

Since April, the Bertrandt Technikum has also had a presence in Stuttgart-Wangen. The new site offers services which cover the entire value creation process in product development.

April 2014
AIRCRAFT INTERIORS EXPO HAMBURG

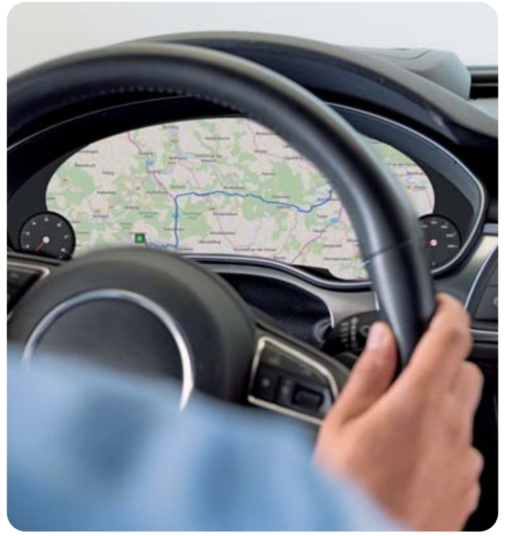
This year's exhibition concentrated on innovations in the field of aircraft interiors. Members of Bertrandt's Hamburg team were available to answer visitors' questions on all aspects of aerospace development. The quadropcopter with the inertial sensor system for flight attitude stabilisation was on display. This system plays a key function in a number of applications, such as flight navigation.

April 2014
HANOVER FAIR

Bertrandt Services and the specialists from the company's electronics team together presented an all-purpose software control package which demonstrates long-term load and functional tests using the example of a robot system.

May 2014
BERTRANDT GROWS IN RÜSSELSHEIM

The Electronics Development Competence Centre now has more space in Rüsselsheim. With around 750 m² at its disposal, Bertrandt is now in an even better position to fulfil the requirements of the market and its customers.



June 2014
"ADVANCES IN AUTOMOTIVE ELECTRONICS" CONGRESS

Bertrandt's electronics development specialists showcased their capabilities with the Audi A7 cockpit at the "Advances in Automotive Electronics" Congress in Ludwigsburg on 3 and 4 June.

June 2014
CHASSIS.TECH PLUS

The Chassis and Powertrain Competence Centres participated at the fifth International Munich Chassis Symposium from 24 to 25 June. The key themes of this year's symposium were new chassis, enhanced safety and growing requirements for ride comfort. In this context, Bertrandt presented its in-house driving dynamics simulator.

May 2014
CAPITAL MARKET DAY

The company's ninth Capital Market Day was held in Ehningen on 14 May 2014. The key topics were digitisation and connected vehicles. Guest speakers Dr Juergen Reiner from Oliver Wyman Consulting and Gerhard Baum from IBM discussed and illuminated these issues to representatives from banks, analysts and journalists. CEO Dietmar Bichler presented the figures for the first six months of fiscal 2013/2014.

June 2014
START OF TEST RUNS IN THE NEW ACOUSTICS CENTRE IN INGOLSTADT

On premises with 1,200 m² of testing area and 1,800 m² of office space, the acoustics of modern vehicles will be tested and optimised. The range of services extends from acoustic studies regarding insulation, powertrains, chassis or exhaust systems through to analyses of entire vehicles.

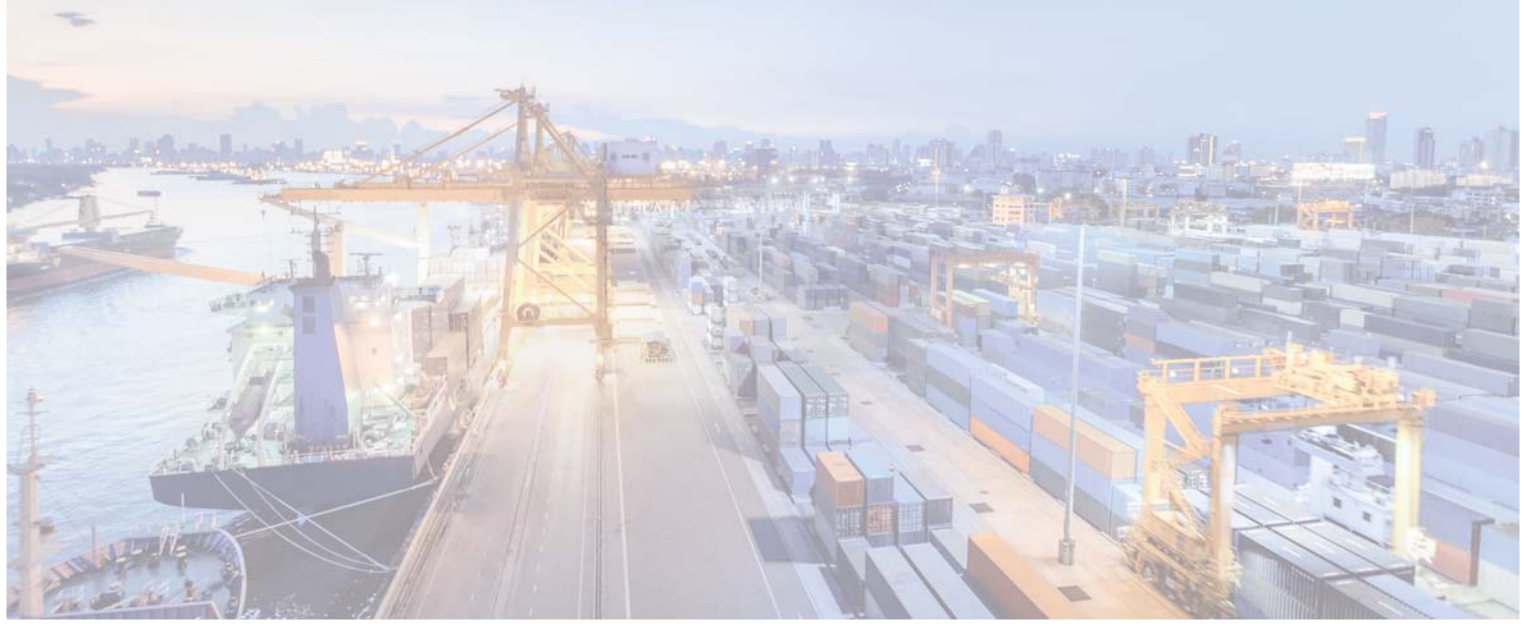
September 2014
INDUSTRY EXHIBITION "VDI AUTOMOTIVE ELECTRONICS IN FOCUS"

The Electronics Development Competence Centre showcased its know-how at the two-day event from 23 to 24 September in Baden-Baden. The event concentrated on HMI and Multicore.

I CHANGE. KNOWLEDGE. GROWTH.

Interview with Klaus Bräunig, Managing Director of the German Association of the Automotive Industry (VDA): Fuel efficiency and a degree of road traffic safety, which in the past would have been thought impossible, are the fruit of top-level research and intensive development work. Page 22

Connectivity: The “Internet of Things“ is waiting in the wings, and it's only a matter of time before it catches up with motor vehicles, too. In the future, vehicles and infrastructure will be connected to an information network which will be responsive to actual traffic events: this will completely redefine our whole conception of what mobility means. Page 26



“THE SPIRIT OF INNOVATION IS THE KEY TO LONG-TERM SUCCESS“

Klaus Bräunig is one of the three managing directors of the German Association of the Automotive Industry where his responsibilities include general policy issues. We spoke to him about the changes to which the industry will need to adapt to and how it can do this successfully.

"Our 'diversification strategy' includes all the important options, because nobody is in a position today to say with absolute certainty what type of drive will win through in the end."

Klaus Bräunig, Managing Director of the German Association of the Automotive Industry (VDA)

With sinking consumption and emissions, the low hanging fruit of continuing technological development has already been plucked. Will it be possible to achieve the kind of reductions in CO_2 emissions for which there is political demand with the technology currently available to us?

Bräunig: The whole process is much more ambitious than many people in public life and politics often believe. Last year alone, the average CO_2 emissions of newly registered German Group brand cars fell by 3.8 percent to 136 grammes. Our manufacturers now offer 878 models on the German market which emit a maximum of 130 grammes CO_2/km. 528 models emit even less than 120 grammes CO_2. This boost in efficiency makes us pioneers in mitigating climate change.

But it's not enough simply to optimise conventional engines – be they diesel or petrol. If future CO_2 thresholds are to be met, we will need more vehicles on our roads with alternative drive technologies. We are also approaching the limits of what is technically feasible. The cost of every single gramme of CO_2 which is saved is increasing.

The "diversification strategy" favoured by the VDA on the way towards sustainable mobility pervades vehicle development right down to the smallest technical detail. Do you ever find yourself asking who's going to pay for it all?

Bräunig: Our "diversification strategy" includes all the important options, because nobody is in a position today to say with absolute certainty what type of drive will win through in the end. At the moment, we assume that there will be different, tailored powertrains for different purposes, with small electric drive cars for cities and fuel cell vehicles for longer distances. And that's why the German automotive industry is investing around EUR 27 billion in research and development worldwide every year. The efforts we have made in this direction have propelled us into the pole position which is now ours; and that's precisely where we intend to stay. But we can't afford to rest on our laurels. Our manufacturers and suppliers know only too well that the spirit of innovation is the key to long-term success.

Another goal is to improve road safety. However, passive safety alone will not be enough to achieve the vision of accident-free driving. Is the ultimate goal of producing autonomous vehicles essential simply in order to achieve greater road safety?

Bräunig: A large proportion of road accidents are the result of human error. Road safety will be enhanced by more intelligent assistance systems and automated driving functions which relieve people of more and more of the work involved in driving vehicles. At present there are still various stages of evolution on the way towards autonomous driving: partially automated, highly automated and fully automated. Highly automated driving will, in the long term, be appropriate for motorway driving and in traffic jam situations, for example. In other words, particularly in monotonous driving situations in which people tire easily and become distracted.

How are you going to persuade us that on-board electronics and sensor technology will get us safely to our destination when we are all so convinced that we are particularly skilful and careful drivers?

Bräunig: I don't expect to see fully autonomous vehicles on the roads for a few years yet. Automated driving functions are an evolutionary development which builds on the kind of advanced driver assistance systems which are already being mass produced today. Automated driving functions will be offered to car buyers as „optional" extras. The success of the assistance systems which are already available show that our customers are keen to have this kind of help in the car. Blind spot information systems and emergency brake assistants provide greater safety, while rear view cameras and vehicle parking assistant technology simply make driving a more comfortable experience.

27

billion euros were invested by the German automotive industry in research and development in 2013.

Do you think that the issues which have been raised about self-driving vehicles by legal experts can be resolved?

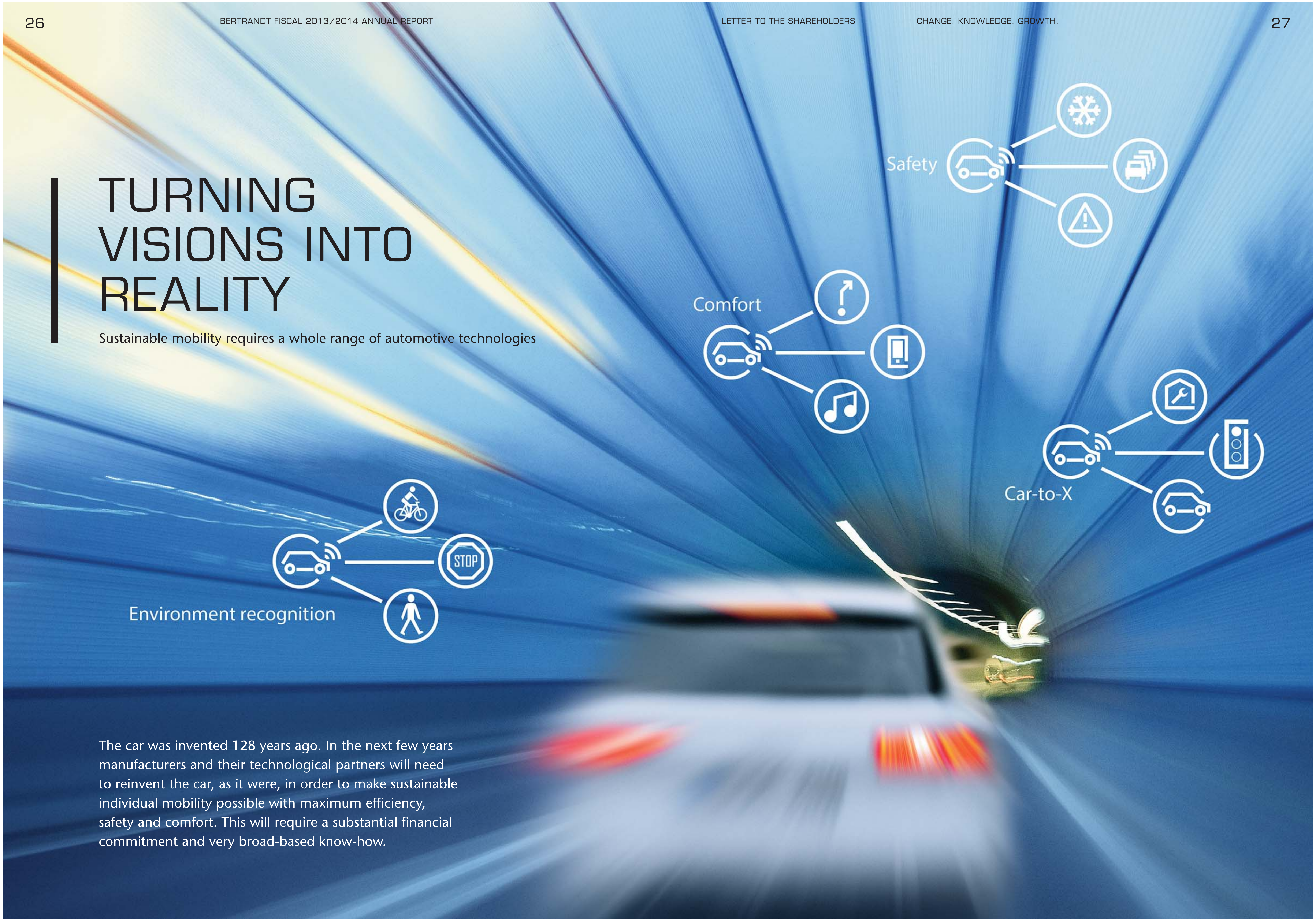
Bräunig: As things stand, there are no legal regulations which apply to highly and fully automated systems. The most important legal venue for clarifying these questions is the United Nations. Germany is represented in the relevant UNECE committees by the German government. As far as the legal issues are concerned, I believe the key aim must be to come up with some clear rules on liability. Legislators must consider the infrastructure and technical challenges which automated driving inevitably poses. Legal certainty is required – close cooperation with national and international policymakers to ensure that we can shape the mobility of the future.

The digital revolution is making the car as a product an interesting proposition for players who have not to date been involved in the industry. Do you think that in the future companies like Apple or Google will also be VDA members alongside Audi, Bertrandt and Continental?

Bräunig: The big digital players such as Google and Apple are very interesting partners for the automotive and automotive parts industry. We are very keen to work with these companies. In fact, we have already co-operated successfully in a number of areas. But let there be no doubt: we are determined to stay in the driver's seat when it comes to developing the mobility of the future.

TURNING VISIONS INTO REALITY

Sustainable mobility requires a whole range of automotive technologies



The car was invented 128 years ago. In the next few years manufacturers and their technological partners will need to reinvent the car, as it were, in order to make sustainable individual mobility possible with maximum efficiency, safety and comfort. This will require a substantial financial commitment and very broad-based know-how.

The German automotive industry is already investing EUR 27 billion a year on research and development (R&D) on vehicles and traffic concepts. That adds up to almost a third of total R&D expenditure in our economy. This competition for innovation is not driven by the desire for "faster, further, higher", but by the goals of "more sustainable, safer, more comfortable".

The industry has achieved some notable successes in these disciplines in recent years. However, the to-do lists of R&D departments have still tended to get longer rather than shorter. Technical know-how is in great demand – and not just in "classic" automotive domains such as combustion engines or vehicle body development. Reductions in consumption and CO_2 emissions of up to 40 percent, which is what we are aiming for, can only be achieved with new, basically electric drive concepts. The entire technology, from E-engines through to the interplay between different drive units, battery storage and charging technology or the practicalities of fuel cell technology all present new challenges for automotive manufacturers, engineering service providers and suppliers.

> "Many of these developments are still visions for the future. Nonetheless, engineers from Bertrandt are already providing their know-how highly effectively to enable customers to exploit these benefits step by step in their vehicles."

Connected: in the car, in traffic and in life

Modern information technologies are not only revolutionising our everyday life and the world of work, they have long since found their way onto the "passenger seat", allowing people to play the music of their choice, to keep in touch when they are travelling by car and ensuring that drivers arrive precisely at their destination. Networking technologies are predestined to manage traffic flows so intelligently that all vehicles reach their destination as quickly as possible – which is one more way of minimising consumption and CO_2 emissions.

40

percent reductions in fuel consumption and CO_2 emissions are only possible with new drive concepts.

Networking will enable calls for help to be made automatically if, after an accident, the occupants of a vehicle are unable to do so themselves. It will open up an information corridor for approaching emergency vehicles, warn drivers of icy roads, a sudden fog bank or mobile roadworks ahead or inform drivers of a broken down vehicle still on a lane but not yet visible around the next bend in the road.

Experts from the automotive industry and their engineering service providers and suppliers, as well as telecommunications and internet providers, are currently building the necessary networks. These networks will themselves change just as dynamically as the flow of traffic itself: networks connecting vehicles with other vehicles, vehicles with the road infrastructure such as traffic lights – and commercial vehicles with their logistics and control centres or servers, which will send their services and information directly to vehicles via the internet.

Many of these developments are still visions for the future. Nonetheless, engineers from Bertrandt are already providing their know-how highly effectively to enable customers to exploit these benefits step by step in their vehicles. Some development tasks will go way beyond classic vehicle design. Bertrandt has adopted a special name for this line of development: "b.on" – "be always on" as shorthand for connected, that is safe and comfortable, mobility.

Vision Zero: From assisted to autonomous driving

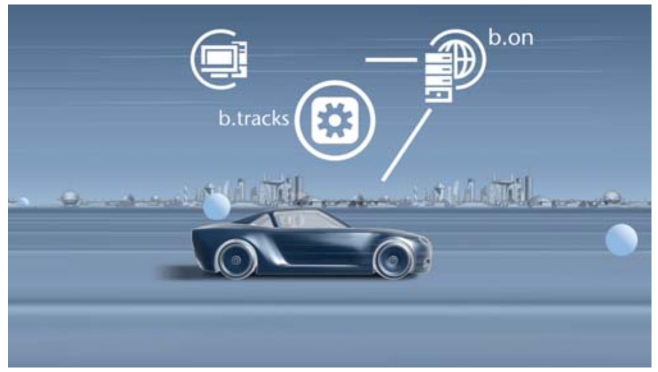
Accident-free road transport? What may have seemed illusory and an idealistic vision just a few years ago is now becoming an increasingly realistic objective. Passive-safety devices, such as airbags, seat belt pretensioners or systems designed to protect pedestrians do not go far enough – they mitigate the impact of accidents, but cannot prevent them from happening in the first place.

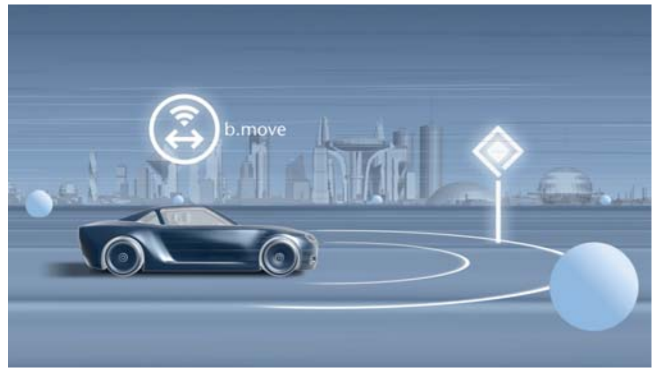
This is only possible with assistance systems. These intervene actively in the driving process itself in response to the misjudgements or inattentiveness, which increase the danger of a collision. Advance driver assistance systems (ADAS), which "keep an eye on" the distance to and speed of other vehicles, parking assistance, lane departure and blind spot warning systems are now being built into mass-produced cars as standard.

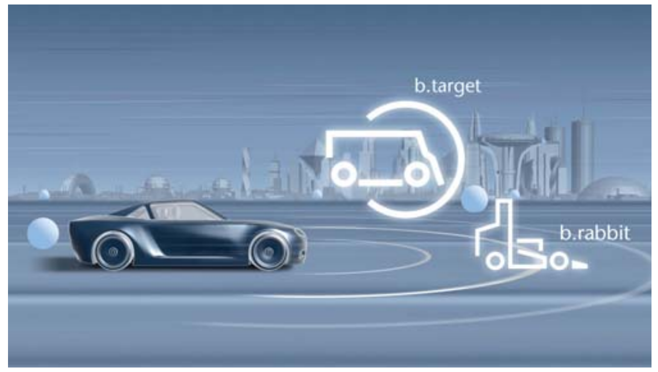
For Bertrandt engineers the reliable testing of such complex systems in customers' vehicles represents completely new territory in a number of different respects:

- The reliability of sensors must be checked.
- The evaluation software must also be inspected to ensure that it interprets sensor data correctly.
- It must be possible to test ADAS systems in action to ensure they respond correctly in critical situations.
- At the same time, it is also important that ADAS systems do not incorrectly – in other words, in situations in which there is no real danger – trigger a cascade of distracting warnings and interventions.

Bertrandt is now able to offer its customers test facilities in the shape of b.move, b.target or b.rabbit, which make it possible to carry out realistic and reproducible tests on the ways in which ADAS functions record the presence of other road users, such as pedestrians, bicyclists or joggers or situations at the end of a traffic jam. With the testing solution b.wire Bertrandt engineers can help customers to advance to the "supreme discipline" in driver assistance systems – validating assistance in cross traffic and at crossings.



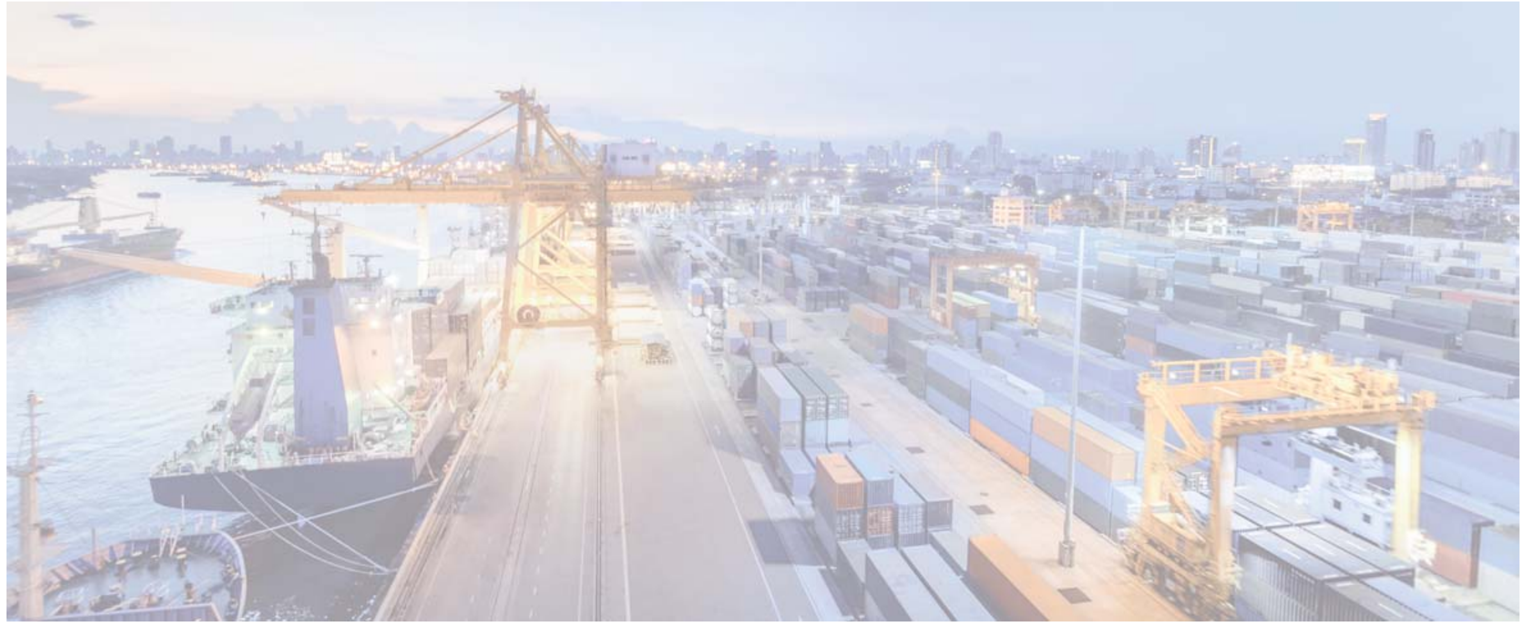




CHANGE.
KNOWLEDGE.
GROWTH.

Interview with heads of competence centres: Mario Cannata (Testing), Matthias Rühl (Powertrain) and Klaus Härtl (Electronics): On interfaces, integrated processes and, above all, customer orientation. Page 32

Vehicle acoustics: With a new acoustics centre in Ingolstadt Bertrandt's development specialists are now superbly equipped to ensure that the overall sound of every new model is just right. Page 38



“THE CUSTOMER MUST BE CONVINCED THAT WE CAN COVER THE WHOLE SPECTRUM OF DEVELOPMENT WORK.“

Three Bertrandt competence centres in particular are involved as soon as the two definitive trends in vehicle development come into play – efficiency and safety. The heads of these competence centres, Mario Cannata (Testing), Matthias Rühl (Powertrain) and Klaus Härtl (Electronics) discuss the competences, attitudes of mind and working methods which are important for engineering service providers if customers are to feel that their needs are being taken care of.

Mario Cannata, Head of the Testing Competence Centre

Is the setup of your three competence centres fit for the tasks which Bertrandt will need to meet for its customers in the future as an engineering service provider?

Cannata: We work in a matrix function to provide outcome-focused services for our customers in areas such as electrical systems/electronics, powertrain, interior/exterior, simulation and in-design services. Our testing services, and the Testing Competence Centre itself, are relevant in all the areas we have just mentioned. This is bound to lead to some overlap, of course, with some issues being addressed and services provided by more than one competence centre.

Rühl: Powertrain works exclusively with engines and drive systems – which is a clearly defined area of specialism. Electronics also has a clear technical focus as well as a cross-cutting function. It therefore makes perfect sense to assign responsibilities the way we have done. The problem lies in recognising the points of contact, identifying business opportunities and then defining the structures so that they can work together.

Härtl: Yes, that's exactly how I see it. The crucial factor is mastering the interfaces. The aim is for all of us to do what we are best at. But we mustn't draw the dividing lines too narrowly. On the contrary, we have to ensure that what we do fits together as a whole. Customers want to be sure that, with Bertrandt, they are in the right hands and must also be convinced that we cover the whole spectrum of development work.

Cannata: Exactly. Proximity to our customers and their acceptance are decisive. Ultimately, we are perceived as fully-fledged developers.

How precisely are the interfaces between the three competence centres defined?

Härtl: Well, let's take Testing as an example. More and more components have electrical or electronic functions. Functions which used to be mechanical are now electrified. So, we're talking about mechatronics. This means that boundaries are blurred during the development of a new component. Nonetheless, the specialists who actually put ideas into practice in each of the competence centres contribute their own, very specific skills and abilities. Mechanical engineers have a different background and understanding of their work than the engine and drive specialists in Matthias Rühl's team. Their strength lies more in thermodynamics and in specialist knowledge and approaches to the presenting issues which neither a typical testing expert nor a typical electronics engineer can provide.

Let's talk about how that applies to battery technology. Anyone from outside would assume that this was something for Klaus Härtl's Electrical Systems/Electronics Competence Centre, wouldn't they?

Rühl: That may not be the simplest, but it's certainly a fitting example. Not, for instance, because it's completely new to have a battery in a car, but because batteries have now taken on a wholly new dimension in the way they interact with the vehicle. In the past it was merely a way of storing power before it was used in devices like radios or ignition systems. Today, the battery is an essential means of making a vehicle more efficient.

Matthias Rühl, Head of the Powertrain/Chassic Competence Centre

So, our customers' powertrain departments now have to think very carefully about how big a battery needs be in order to bring about specific kinds of reductions of consumption in vehicles. This means that there is a great deal more predevelopment involved. There is a huge amount of design work which needs to be done. And then comes energy management. This is where electronics engineers come into their own.

Once our colleagues have completed their task, the next step is to run through all the different test cycles, testing drive for drive to determine whether the consumption identified in the simulation matches real consumption. Finally, we perform product-related tests, for instance, on discharging behaviour, durability or tests on the impact of different climate conditions. In organisational terms, there are many different ways in which these contents could be assigned. However, ultimately it all comes down to whether or not we have mastery of the interfaces.

Our responsibility in many areas extends beyond narrow organisational boundaries, but nevertheless the crucial thing is whether, at the interfaces, we are able to integrate project topics within a proper development process.

Cannata: Simple plug and play is a thing of the past. The all-round nature of projects means that, at the interfaces, we have to feed back all the information which our colleagues need for their part of the work.

Härtl: That is a very important aspect. An electronics engineer on his or her own will not be able to work out the operating strategy. What use is the very best battery if it is not possible to achieve outstanding levels of efficiency right through to the wheels.

In some cases it's a matter of semantics. If we three, for example, talk about "functional development", we will probably all be thinking of something quite different.

So, the first task is to reach a common understanding of what we mean. We have to define what a particular project is all about. In the process, it also becomes clear who has which competences and only then is it possible to create an integrated development process.

Klaus Härtl, Head of the Electrical Systems/Electronics Competence Centre

Drive technology has evolved in a variety of directions in automotive engineering. It must be much more difficult for an engineering service provider to maintain competences for all sorts of different drive options. How do you manage to focus on those fields which, in the end, are one step ahead both technically speaking and in the market?

Rühl: At Bertrandt, we have processes for closely observing what the next ten years will bring in terms of technology. We do trend scouting and our experience and the stability of our customer relationships are valuable resources for this analysis. After all, Bertrandt has been active in the automotive industry for 40 years. And thirdly, we are also active in bodies which consider how a particular kind of technology can be developed up to the precompetition stage. As a result, in our three competence centres we can decide on the trends in which we have to be involved and in what areas we need to develop our competence if we want to be stronger in five years' time than we are today.

"Today we can offer customers projects, draw on various disciplines, and are in a position to secure performance of the technical aspects of projects."

Klaus Härtl, Head of the Electrical Systems/Electronics Competence Centre

As far as your question concerning the variety of drives goes, there are not quite as many different types as you might think: There are combustion engines, different degrees of hybridisation with internal combustion engines and electric motors through to purely electric vehicles. And then there are the different types of fuel plus fuel cell drives. These different variants can be neatly categorised into particular topologies. Appropriate variants also then emerge relatively quickly.

“Bertrandt has processes for closely observing what the next ten years will bring in terms of technology.“

Matthias Rühl, Head of the Powertrain/Chassic Competence Centre

Härtl: Finally, the market decides on how successful a technology is. That is why it is important for us to identify the technologies which will be ready for market in two to three years. We can then develop these and arrive at an appropriate business model. The balancing act we have to achieve is to find out the role a particular customer is playing, what the customer's business model looks like, where the customer's core competencies are and in what fields the customer needs a partner after reaching the decision: “well, for me, this aspect is not a core competence – but it is nonetheless important because without competent work in this field the technology would not function at all.“

Information networking between vehicles and traffic infrastructure is certainly not just a passing fashion, but a real megatrend in the development of automobiles and concepts for mobility. What position are you aiming to adopt as the features of this new field gradually emerge?

Härtl: In the past, information was processed separately in the vehicle. Now, however, we are talking about the internet of things. And in that connection we need to ask ourselves questions like: “What kind of interfaces will we need? How will a vehicle be integrated in an infrastructure. And then we need to be sure where our current strengths lie and what we will need in order to remain fit for the market in the future. Then we have to define what it means to be sure we are equipped for the job.

And we have to demonstrate credibly to the customer that we have the necessary competences. In the field of connectivity we have done just that with the b.on – “on“ for always on – project. Today we can offer customers projects, draw on various disciplines, and are in a position to secure performance of the technical aspects of projects.

One obstacle in the way of acceptance of networking functions in cars is that, in many cases, the utility which they offer buyers depends to a certain extent on how many other drivers use the same technology. How do you know when the right moment has come for an investment to be made in this kind of technology?

Rühl: That is a highly complex issue. This is where technological aspects overlap with questions about the ways in which these are actually used in a vehicle and, thirdly, it is also relevant to the distribution of added value and what the development process should look like.

We must identify the practical contents which are significant for us as engineering service providers and identify how we can provide these services and who will use them. This means we have to search for trends and decide on the projects we want to make a splash with. This strategy may not be groundbreakingly new, but it is one of the few ways of really plunging into this complex array of issues.

Driver assistance systems now do far more than just warn drivers of dangers. Increasingly they are intervening in the dynamics of driving itself, and are doing this in ever more complex traffic situations. How is it possible to ensure that these technical systems work properly in every possible conceivable situation?

Cannata: It all begins with the components: sensors, displays, actuators and finally bringing all this information together to enhance active vehicle safety.

“Proximity to our customers and their acceptance are decisive. Ultimately, we are perceived as fully-fledged developers.“

Mario Cannata, Head of the Testing Competence Centre

The advantage is that the task itself can be broken down into several steps.

The first of these is to verify specific parameters. This means that we begin by testing certain components which, as part of the overall functioning of the system, trigger or perform particular responses. Perhaps more simply put, we carry out physical and electric tests on the functional and signal quality of sensor and actor technology in line with stipulated parameters, parameter sets and standards. This implies environmental simulations, vibrations and much more in both active and passive operating modes.

The second step involves testing the driver assistance system as a module under similar conditions and, finally, vehicle tests or integration tests are carried out in every test series. This is where our test drive specialists come in. These systems may represent a wholly new field of vehicle development, but they use components which for the most part we are already familiar with.

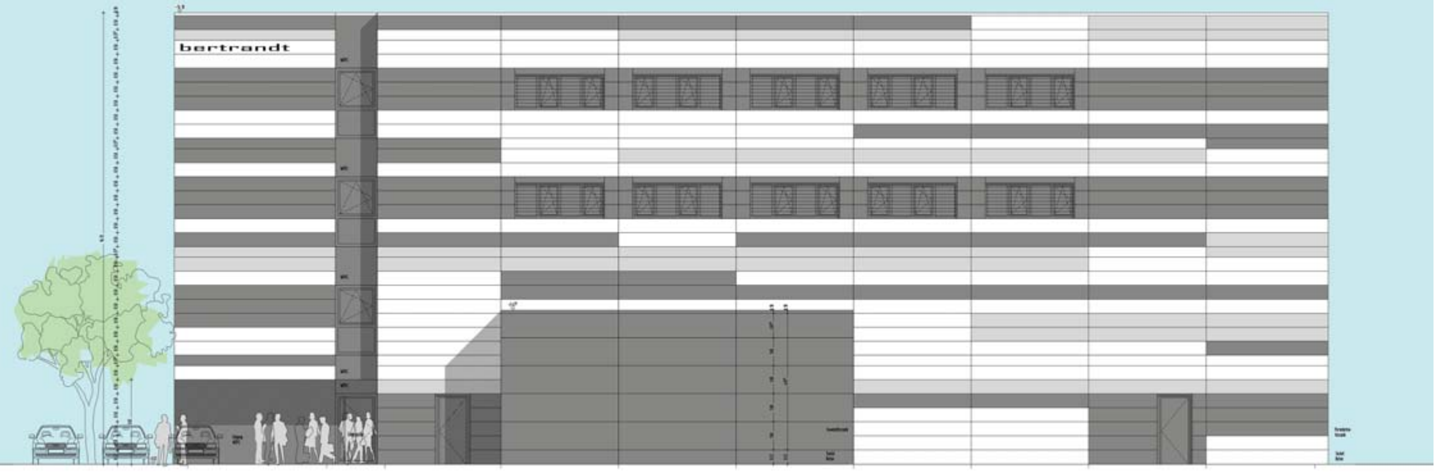
Härtl: The point is not only to have a fixed catalogue of tests. For automated driving we will need a database which has been fed with a huge amount of basic values and knowledge garnered from the real world. We will then be using methods such as predictive analysis to ask questions like: "What will most probably happen next in this particular situation?" and we will then be able to predict how the driver will probably respond in a given traffic situation. We have only just started to tackle this task and still have a great deal to learn before, at the end of the process, we can say that we can produce reliable evaluations of every possible situation.

Rühl: These days validation no longer just means building a test rig and validating a function on it. Validation begins much earlier, in the virtual world. Methods of performing real time simulations of very real driving situations have developed in leaps and bounds. At Bertrandt we have developed a simulator which enables us to validate the control functions of driver assistance systems in the virtual world. A flesh-and-blood person sits in the simulator and evokes practically every possible conceivable traffic situation. In this way we can produce a large number of test situations which can then be validated in a virtual setting. The aim is to minimise as far as possible the actual number of cases which need to be tested in reality. So, it is the exclusive responsibility of the Testing Competence Centre to perform validation. Which brings us back to the starting point of this discussion: We must have mastery of our interfaces.

WHAT SHOULD THE NEW E SOUND LIKE?

Vehicle acoustics present us with completely new challenges.

Bertrandt has opened a new acoustics centre for its customers in Ingolstadt. Experts at the centre deploy state-of-the-art test stand technology to meet the new acoustic challenges posed by new vehicle developments: What should an electric motor actually sound like, for instance? And how can modern lightweight materials be used to create a pleasant and comfortable acoustic environment?



"Acoustics arise from the interplay of classic mechanics and subjective perceptions – but in every case, acoustics involve very complex physics," is how Hannes Ullmann would sum up his particular area of expertise. Hannes Ullmann is an engineer and head of the components and acoustics testing department in Ingolstadt. In recent years, he and his colleagues have had much more work than usual on their plates. Since 2012 they have also been involved in planning a new centre for vehicle logistics where a change of direction was initiated technologically with the aim of designing the best test and inspection equipment which will be capable of meeting the challenges inherent in the vehicle acoustics of the future.

Sound provides comfort, driving pleasure and safety

One of these challenges is to know how "E" should actually sound? And we are not talking here about the musical note "E", but the electric motor in modern cars. Hannes Ullmann explains that vehicle acoustic engineers have to tackle this issue from at least two different perspectives: "Up to a certain speed, the drive unit in vehicles which are propelled solely by electric motor is practically inaudible for pedestrians. Which means that pedestrians can no longer rely on their own acoustic perceptions." The second perspective concerns vehicle passengers. What should an electric car sound like for them? Sporty or tasteful? The kind of noise we are familiar with from a combustion engine, or an alternative sound design, something that sounds completely different from the car noises that are so familiar to us?

There are as yet no new standards in this area, according to Hannes Ullmann, but "it's important that the noise which is emitted is consonant with a sense of high value". The acoustician therefore argues that, as is also true of vehicles with combustion engines, it is important that the sound of a vehicle matches its general image: the driving dynamism of a sporty car should also be audible. A luxury vehicle must emphasise its attractively comfortable features by being much quieter.

And as far as pedestrians are concerned, Hannes Ullmann is certainly not working on producing extremely irritating warning signals. What he could imagine, however, would be sound actuators which reproduce the typical noise from a vehicle as it is passing by.

2012
was the year when planning began for a new vehicle acoustics centre.

1.5
years may be needed for a single acoustic analysis.

The objective is to produce a realistic soundscape

One important tool in the hands of the Bertrandt team in Ingolstadt is the 4-wheel-drive acoustic rolling-road dynamometer which allows a much closer look to be taken at a vehicle's acoustics. For Hannes Ullmann this new system offers very real benefits by enabling testers to get a "more realistic picture of vehicle acoustics from the inside and outside". It is by no means the first time that rolling-road dynamometers have been used for acoustic testing purposes. However, in the past, the exhaust gases produced by running vehicle engines needed to be extracted directly using hoses attached to the vehicle's exhaust pipe. "However, in this recirculated air system, the outlet noise is also completely eliminated," explains Ullmann. The new test stand, in contrast permits "fresh air mode" in the hall: an additional air stream – experts refer in this context to an aero-acoustic wind channel – ensures correct air intake as if the car was actually driving on the road. Super silent ventilation on the test stand roof prevents exhaust gases building up in the test stand box. The difficulty was then to design the plant technology for this form of air circulation in a way which did not superimpose itself on or even worse distort the sound produced in or from the car.

This system has been in regular operation since October 2014 and is designed to provide Bertrandt engineers and their customers with acoustic analyses which are as true to reality as possible. Every single analysis can take up to 1.5 years to complete. What comes out at the end is a completely new vehicle model consisting of between 1,000 and 1,500 single components all of which leave their own acoustic fingerprints or interact with each other. The rolling-road dynamometer helps engineers to really "sound out" vehicle components or subsystems. It allows a car to be "driven" without actually using its engine or motor to do so. The four rollers propel the wheels to simulate travel at 250 km/h if need be. Because the vehicle's own engine or motor is not running, the test can focus wholly on the noise produced by mechanical parts – the noise from the engine which would normally drown out and dominate any other sounds is completely absent.

"Acoustics arise from the interplay of classic mechanics and subjective perceptions – but in every case, acoustics involve very complex physics."

Hannes Ullmann, Head of the Components and Acoustics Testing Department

Sound at the touch of a button and new materials

"There will certainly be no shortage of exciting new issues to deal with". Hannes Ullmann has to smile at this point. The engineer talks about two particularly typical aspects. Customers who drive sportscars usually want the characteristics of their vehicles to be audible as well as visible. However, sportscar models are also used to drive long distances and the delight that the sound of an exhaust system might otherwise produce can become irritating after a few hours of driving. The fitting answer provided by acoustic engineers is sound design: "A counter-sound can be produced at the touch of a button on the car's sound system, for example, or can control throttles and resonators in the exhaust system to give the car's sound a more comfortable tinge," explains Ullmann. Special attention needs to be given to new materials used in the interior – such as parts made of recycled materials – or materials which have been primarily used as vehicle body parts to economise on weight, such as CFC materials. All these materials have an impact on the sound of a vehicle and call for a detailed analysis.

CHANGE.
KNOWLEDGE.
GROWTH.

Interview with Maximilian Wölfle, Deputy Chairman of the Supervisory Board: A discussion about the Bertrandt spirit, the company's history and looking ahead to the future. Page 44

Automation: Bertrandt Services offers its customers complex engineering services in many different branches. One good example is the new container terminal in the Port of Rotterdam. Page 48

“LOOKING BEYOND THE END OF OUR NOSES AND GROWING WHEREVER THE MARKET ALLOWS“

Maximilian Wölfle’s first encounter with Bertrandt took place around 30 years ago. He accompanied the change of ownership which took place at that time in the form of a management buyout, the company’s launch on the stock exchange and the enormous growth which has since turned it into an internationally operative engineering service provider. In discussion, the Deputy Chairman of the Supervisory Board looks back, which for him also inevitably implies “looking beyond the end of our noses“.

Many of the IT firms in the USA which are today among the industry's big names are proud of their garage roots and endeavour to sustain this "pioneering spirit" in their corporate cultures. If you look back to the early days of Bertrandt – that is back to 1974 – you won't end up in a garage, but in the apartment in which Harry Bertrandt first set up the company. Is this early pioneering spirit still anywhere to be felt in the company today?

Wölfle: I certainly have a very strong impression that this spirit has survived right through to the present day. And that has something to do with particular people. Harry Bertrandt himself, of course. I first met him when I was a member of the Management Board of the Schwäbische Bank, before he had sold his own shareholding. He was not only a highly gifted engineer with a dream, namely of building his own car. His other strength was that he always knew how to choose the right people and how to let them do what they knew best. For example, the former directors of the most important branches, Dietmar Bichler and Heinz Kenkmann who he subsequently sold the company to in 1993.

You have answered my question about the Bertrandt spirit by referring to particular people and their qualities. Can we now consider the values which reflect this spirit in the company?

Wölfle: One key aspect is the lived culture of teamwork, the responsibility people accept for their own work and the feeling that employees really do make a difference. Just as important is transparent communication. Employees are able to participate. The company's motto, after all, is to "be human and stay human". Working with each other, enabling others to participate that too contributes to success.

Perhaps I can tell you a little story to illustrate what I mean: The company celebrated its 25th anniversary in 1999. The Managing Board invited all its employees at the time, including their partners and children, to spend a weekend together on the Swabian Alb. There were 1,000 people, including employees from subsidiaries in France and England. Everyone, absolutely everyone, came along. The Supervisory Board also participated, and it was freezing cold – just ask my wife. The food was excellent and there was even entertainment organised for the children. The two Board members at the time managed in their speeches to convey just this special Bertrandt spirit to the employees. Today, you can ask anybody who has been working for the company for a little longer and they will still tell you just how marvellous that event was. It gave the company an enormous push forwards.

17

years: that's how long Maximilian Wölfle has been a member of the Bertrandt AG Supervisory Board.

What do you mean by "transparent communication"?

Wölfle: We are quite different from other big companies in that Bertrandt does not filter at the various hierarchical levels. The Management Board is very well informed about what is going on. And the employees know they can bring their concerns to the Board members.

The company opted for its initial public offering just three years after the management buyout. What were the reasons?

Wölfle: Dietmar Bichler surprised me one day with the idea of transforming Bertrandt into a public limited company. He practically ambushed me with his idea. But he also explained in great detail that the company, which was already extremely successful at the time, needed more capital if it was to grow. Capital which would not be available in the required volume from the banks. That made sense to me and after a careful preparatory phase Bertrandt became a public limited company in July 1996.

The incredible pace at which the company developed thereafter also entailed some risks. What mechanisms – what glue, perhaps – have held Bertrandt together and enabled it to grow without its corporate structure being endangered by the economic dynamics?

Wölfle: Both Board members know how to enthuse their executive personnel, and this sense of togetherness pervades the company from top to bottom. It was quite simply wonderful being part of Bertrandt. Our tasks were getting more and more complicated, and as such more attractive for really good engineers.

It's also very important to take a broader view – to look beyond the end of our noses. We developed new areas of business in directions we were pointed in by analyses we undertook very early on. Of course, our customers have to be willing to go along with us and place the orders we need. The meticulousness and care which goes into the work, and the quality of the goods we actually deliver our customers is clearly also a significant factor in our success.

The third factor is to develop incrementally. Our maxim is: step by step – which means not taking the second step, and certainly not the third step, before you have even started properly. In the early years, Bertrandt mainly provided body-related services to the automotive industry. The company very gradually diversified its range of expertise. Drive design and electrical systems/electronics came much later. But we have also moved successfully into other industries, such as aerospace and mechanical engineering.

Do you think there were any critical forks in the path at which the company might have developed and prospered in quite different ways?

Wölfle: There's no doubt that economic crises are critical markers in a company's development. But actually it has been precisely in such difficult phases that it became apparent that we had done the right thing when we first went public by pricing our shares moderately. The company's shares have never slipped below their initial issue price. I think that's something we can be proud of.

I well remember the last crisis in 2008. At the time, we had around 7,000 employees, and there were significantly fewer orders coming in. Nonetheless, we managed to close the financial year year with positive results.

That, too, is typical of the Bertrandt spirit. We are very well aware of this, especially now that we have around 11,500 employees. At the same time, of course, the range of products and services we offer has also become more diverse just think of our most recent subsidiary Bertrandt Services.

"Bertrandt Services comes into play where technology needs to be compatible with local conditions and a customer's very particular wishes."

Will diversification be Bertrandt's way of achieving growth in the future?

Wölfle: Absolutely. Having said that, our focus will continue to be on the automotive industry. Our motto is "Let the cobbler stick to his last". Nonetheless, I'm very glad that Bertrandt Services has been able to establish itself on the market and to offer its customers highly complex services in a number of different branches of industry in just a few years.

Is there a vision which you wish the company could realise?

Wölfle: We will grow as the market allows. And it is our vision and the aim of everything we do to stay ahead in the market, in line with our motto: step by step.

Growth requires more than expertise in new areas of technology; it also calls for considerable capital spending. Is the company prepared in this respect?

Wölfle: We are excellently equipped technically and are still reporting very good results. Capital strength is one of Bertrandt's advantage. And we use this strength for the company's ongoing development by ploughing back our profits into the business.

You are originally from the world of finance. What has impressed you most in the world of engineering?

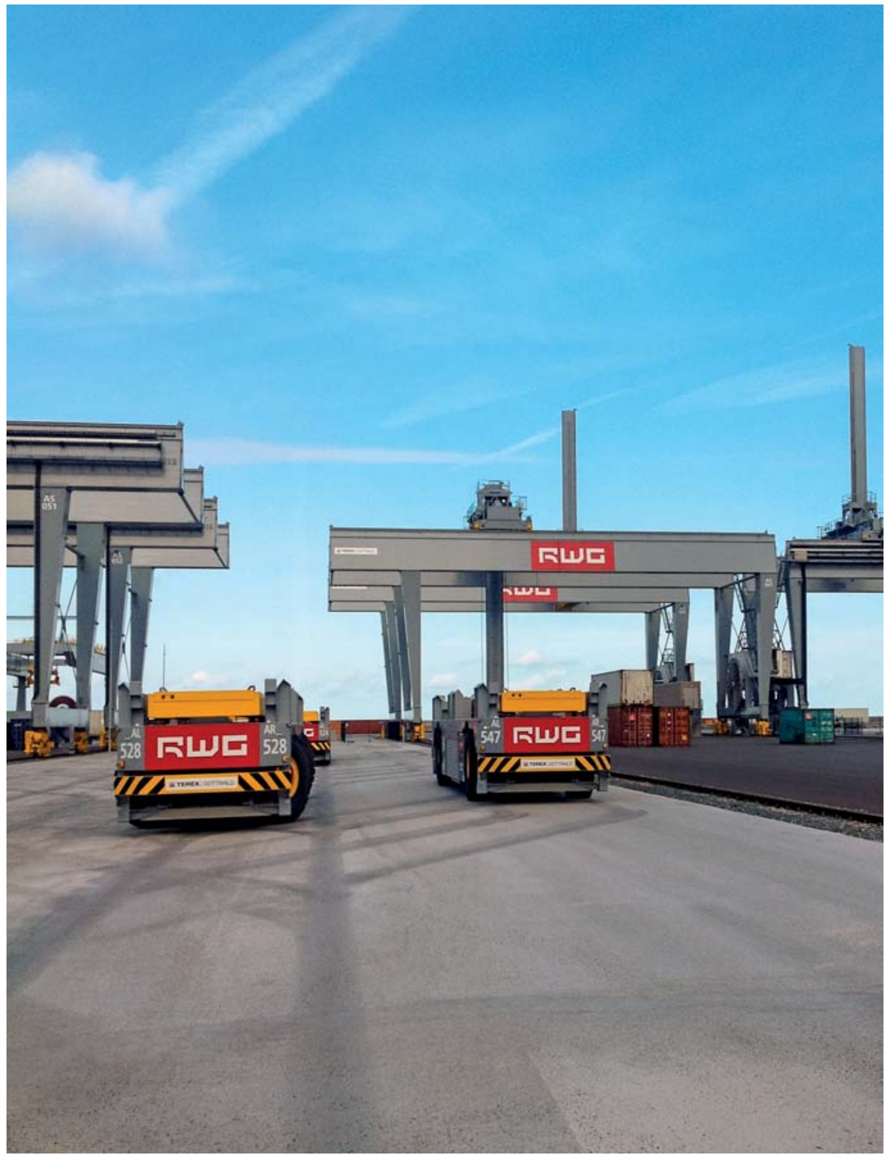
Wölfle: Everything, really absolutely everything is interesting, and above all the fascinating technology. I'm really excited about the enormous leaps being made in automotive engineering. If someone had asked me in the past: "Just what is a car door?" I wouldn't have known what they were getting at and would have answered: "Well, just a door". Now, of course, I appreciate that a component like a door can consist of well over 200 parts with their own motors, mechanics and electronics and goodness knows what else.

I've been a member of Bertrandt's Supervisory Board for 17 years now. Bertrandt is, as it were, my shop. But I don't own a single share in the company. It's just fun being part of it.

PRECISION WORK IN ROTTERDAM

Automated container port logistics

Ever bigger flows of goods and larger and larger container ships require ports which operate with the most up-to-date technology as well as reliable and safe automation concepts. Bertrandt Services' automation and software development team in Düsseldorf helps harbour equipment suppliers offer customers the know-how they need to achieve the most efficient processes in container port operations.



> “Containererisation probably reflects the dynamism of a globalised system of trade better than any other technical development“

The stage is brand new. The sophisticated technology as well: autonomous, battery-driven vehicles, or “automated guided vehicles“ (AGVs) in the industry jargon. They may not have a driver, but they do work to a plan – the AGVs which follow a sophisticated logistics plan on the container port grounds of the Rotterdam World Gateway (RWG) either pick up containers which have been discharged from container ships or bring them from the container store to the transfer stations for the distribution ships and rail gantry cranes. In the process, the containers are manoeuvred by fully-automated cranes centimetre by centimetre to AGVs or truck semi-trailers. The battery changing station, which is also fully automated, supplies run down batteries with a new lease of life, replacing the discharged batteries in AGVs with fresh 11-tonne powerpacks.

Control software which is custom-tailored to meet local requirements is used to control access at the gates, barriers and doors to the RWG terminal and also, in extreme cases, to ensure that all driving AGVs which are up to and over 20 km/h fast do not penetrate a “taboo zone“ which has been blocked off to allow port staff to carry out maintenance work. Last but not least, an error management system enables precise troubleshooting which – if any function should fail anywhere at all – notifies the people who are responsible immediately which of the more than 500 potential causes of a fault is relevant so that work can be resumed again as quickly as possible.

Containererisation probably reflects the dynamism of a globalised system of trade better than any other technical development: the idea of transporting freight over long distances by sea, road or rail in standard containers emerged in the USA in the 1950s. The basic unit for these standardised containers, the TEU, has remained the same right up to the present day. The abbreviation stands for twenty-foot equivalent unit. But while the original – at the time converted – container ships took on board a few hundred of these TEU containers, Triple E class container ships with a capacity of over 18,000 TEU will soon be navigating the world's oceans.

Efficiency through automation

All the actors are nervous, as one might expect at a dress rehearsal. Very soon now the first container ship will dock at the RWG unloading berth. Then it will become clear whether the complete loading and transport machinery works as smoothly as intended. The team from Bertrandt Services, which has worked on the implementation of the most state-of-the-art container port logistics, is just as nervous and on site to experience the dress rehearsal live. In this extremely tough business, modern means maximum possible efficiency. For shipping companies docking time in ports is expensive. But the bigger the ship, the longer the handling process is bound to take. Maximum speed when handling containers adds up to a huge competitive advantage for ports, in fact an advantage which can be critical in influencing shipping companies' decisions to dock their fleets at RWG terminals rather than at any other North Sea port.

The Bertrandt Services team's customer is Terex Port Solutions – a provider of complete port equipment, such as crane systems, AGVs and indispensable automation know-how: a one-stop shopping centre, as it were, for container port operators for whom Terex is a well-respected name.

The team provides custom-tailored solutions

The Bertrandt Services team comes into play where technology needs to be compatible with local conditions and a customer's very particular wishes, and especially when a system has to operate with as few hitches as possible, 24 hours a day, 7 days a week. This may mean, for example, that it must be possible for AGVs to reach a battery changing station with no difficulty at all through both of the building's roll doors where the battery blocks, in which nine 80V/63A lead-acid batteries are connected in series to provide the required operating voltage 720 V DC, can then be changed fully automatically. During the seven to eight hour charging time the software at the same time evaluates the status data from the powerpacks to detect any weaknesses which may occur in good time. A stacker accepts the run-down batteries and transports them via a hydraulic cylinder lift to a free charging box or removes a fully charged battery unit from one of the two shelves to give the AGV an energy boost for a further five to seven operating hours. Throughout the entire process there are certain details which must be born in mind: The creation of hydrogen is inherent to the battery charging process. This means that all charging boxes must have a reliable ventilation system. Sensors must also be in place to measure the concentration of gas on a continuous basis and to send these values to the control computer to exclude any risk of explosion.

18,000

TEU is the capacity of the new triple E class container ships.

Safety as top priority

Another equally tricky problem is designing the right kind of access control system. This system not only controls the gate, doors and secure access sluices on the RWG grounds, it also manages areas which, because maintenance personnel are working there, are out of bounds to AGVs and cranes. At the same time all automated transport systems continue to communicate perfectly with each other to ensure that vehicles and cranes move through these areas with the correct information. If a discrepancy does occur, the control system halts the relevant vehicle or crane until clarification has been obtained. The safety of the people working in the area always has top priority.

Rotterdam already handles more than 11 million TEU making it Europe's biggest container port. When RWG's construction project is complete it will have expanded its capacity by a further four million TEU. But the Bertrandt Services team will still have a plenty of work on its plate even then. Directly opposite, another port operator – APM, a company which is part of the Danish Maersk Group – is also building an automated container terminal which will provide the company with further capacity of 4.5 million TEU. And the existing container section of the Long Beach terminal complex in California is currently being modernised with a view to greater automation. In both cases the operators have opted for Terex technology and the know-how provided by Bertrandt Services.

BERTRANDT ON THE CAPITAL MARKET

Information on the share

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

The German equity market

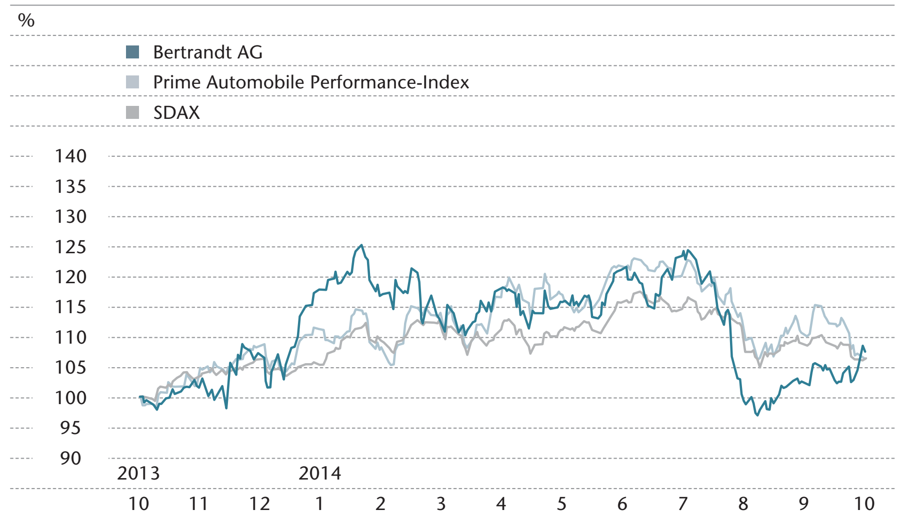
At the beginning of fiscal year 2013/2014, the world economy was in a phase of recovery. The enduring expansionary monetary policy pursued by central banks also had a positive effect. All of these factors were impulses for the overall positive development of global equity markets. In the course of 2014 the world economy's growth trend continued moderately, economic development being mixed across the eurozone. In the last few weeks of the period under review markets were affected by great uncertainties due to the ongoing crises in West Africa, the Middle East and Eastern Europe. This also had an adverse effect on market sentiment in Germany. The ifo Business Climate Index, for instance, declined for the fifth time in succession in September. As economic growth prospects for Germany were clouding over, the German equity market was affected by corrections.

9

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

On 1 October 2013, the German blue-chip stock market index, DAX started the first day of the period under review closing at 8,689 points. After hitting a low of 8,517 points on 9 October 2013, the DAX recovered strongly in the last months of the calendar year, reaching its high for the period under review of 10,029 points on 3 July 2014. However, although the index moved above the 10,000 mark it failed to stay there. On 30 September 2014 the index closed at 9,474 points and was thus 9 percent higher than at the beginning of the fiscal year. Both the SDAX and the Prime Automobile Performance-Index performed in line with the DAX over the whole of fiscal 2013/2014. Starting at 6,448 points, the SDAX hit its high of 7,571 on 9 June 2014 and closed at 6,853 at the end of the fiscal year. The Prime Automobil Performance-Index oscillated between 1,231 points (on 9 October 2013) and 1,541 points (on 6 June 2014), closing at 1,331 points on 30 September 2014.

Share price in comparison



119.85

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

Increased volatility of the Bertrandt share

The Bertrandt share started fiscal year 2013/2014 by closing in Xetra trading at EUR 94.25. The share performed well in the first few months of the period under review, clearly outperforming the SDAX and the Prime Automobile Performance-Index. On 20 January 2014 the Bertrandt share hit its high of EUR 119.85. Uncertainties about future developments in the automotive sector and the changed overall economic conditions led to an adjustment of analysts' assessments and a correction at the Frankfurt stock exchange which caused the share price to fall in the summer months. On the last day of trading in the financial year the share closed at EUR 101.30 or 7.5 percent higher than at the start of the financial year.

Key figures of the Bertrandt share

	2013/2014	2012/2013	2011/2012	2010/2011	2009/2010
Earnings per share (EUR)	6.19	5.69[4]	5.14	4.18	3.11
Dividend per share (EUR)	2.40[3]	2.20	2.00	1.70	1.20
Share price on 30 September (EUR)[1]	101.30	93.06	57.50	35.92	43.52
Share price, high (EUR)[2]	119.85	97.00	62.50	59.94	44.30
Share price, low (EUR)[2]	88.60	57.07	33.00	32.33	16.60
Shares outstanding on 30 September (number)	10,143,240	10,143,240	10,143,240	10,143,240	10,143,240
Market capitalisation on 30 September (EUR million)	1,027.5	943.9	583.2	364.3	441.4
Book value per share 30 September (EUR)	27.64	23.65	19.93	16.39	13.40
Cashflow from operating activities per share (EUR)	7.85	7.66	3.78	2.34	2.47
Average daily trading volume (number)	19,295	20,558	26,062	44,683	36,763
Total payout (EUR million)	24.344	22.152	20.122	17.084	12.048
P/E ratio	16.4	16.3	11.2	8.6	14.0

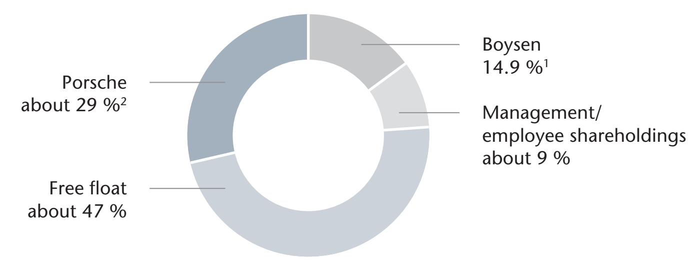
[1] Closing price in Xetra trading.
[2] In Xetra trading.
[3] Dividend proposed by the Management and Supervisory Board.
[4] Prior period comparative figures have been restated to reflect the amendments to IAS 19. An explanation of the effects of this restatement is provided in the Notes to the Consolidated Financial Statements.

47
percent of the shares are in free float.

Shareholder structure

As at the date when theses consolidated financial statements were prepared, shareholdings in Bertrandt AG broke down as follows: About 29 percent of the shares were held by Porsche AG, Stuttgart, Germany. Another 14.9 percent were held by Friedrich Boysen Holding GmbH, with registered offices in Altensteig, a subsidiary of Friedrich Boysen Unternehmensstiftung. Management and staff held around nine percent of the shares, while free float amounted to around 47 percent. Notifications of voting rights pursuant to the German Securities Trading Act are published in the Investor Relations section of Bertrandt's website.

Shareholder structure



[1] All data is based on disclosures made to the company pursuant to Section 21 et. seq. WpHG.
[2] All data is based on disclosures made to the company pursuant to Section 21 et. seq. WpHG and a press release.
As of 30 September 2014

Bertrandt's employee share scheme – a success story

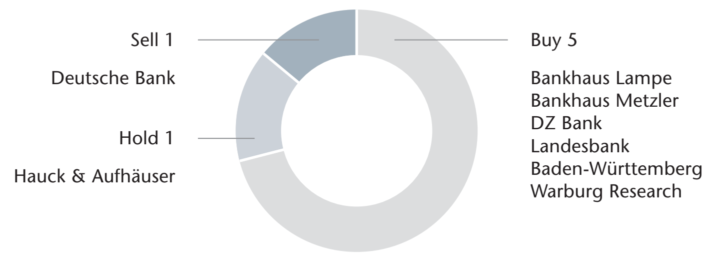
In May 2014, Bertrandt employees in Germany were offered the opportunity of buying Bertrandt shares with the advantage of preferential tax treatment. The shares were repurchased under a share buy-back programme. At around 22 percent of eligible employees, participation was slightly higher than in the prior period (21 percent). In total, 6,632 Bertrandt shares were transferred to employees.

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

Stock coverage by well-known analysts

The Bertrandt share is observed and regularly evaluated by well-known analysts. In the course of the fiscal year, analysts adjusted their targets for the Bertrandt share in the light of the changed economic environment in the German industry. Assessments by analysts are published in the Investor Relations section of Bertrandt's website.

Analyst recommendations



CAPITAL MARKET DAY

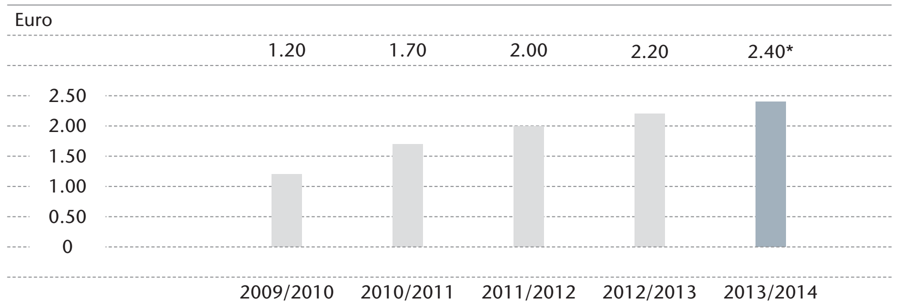
Representatives from banks, analysts and journalists – all in all more than 60 participants followed Bertrandt's invitation to the Company's ninth Capital Market Day in Ehningen on 14 May 2014. CEO Dietmar Bichler presented the Bertrandt Group's first-half figures. The Capital Market Day had two renowned guest speakers: Dr Juergen Reiner, Partner Automotive at Oliver Wyman Consulting GmbH and Gerhard Baum, Vice President Automotive Industry of IBM Deutschland GmbH. They especially discussed the topics of digitization and connectivity in the automotive industry and their impact on vehicles. For the first time, the guests were also invited on a tour around some areas of the testing halls at the Bertrandt Technikum.

2.40
euro dividend proposed by the Management Board and Supervisory Board to the annual general meeting.

Proposed dividend: EUR 2.40 per share

The Bertrandt Group has always pursued a consistent dividend policy. On the strength of the positive development of earnings in the period under review, the Management and Supervisory Boards will be asking the shareholders to approve a dividend of EUR 2.40 per share at the annual general meeting on 18 February 2015. This is an increase of more than nine percent over the previous year's figure of EUR 2.20. In this way we would like to thank our shareholders for their investment in our Company and the confidence shown in us.

Development of the dividend



*Dividend proposed by the Management and the Supervisory Board.

Sustained high level of investor relations activity

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

In the calendar year 2014 the Company continued to pursue a high level of investor relations activity. Bertrandt kept institutional investors and analysts up to date at several conferences and road shows in the finance centres in Europe and informed them about the group's business growth. Bertrandt presented itself to potential and existing institutional and private investors at 21 roadshows in Germany, Belgium, Denmark, France, UK, the Netherlands, Austria, Sweden and Switzerland. Moreover, visits to the locations in Ehningen, Munich and Tappenbeck were organised in 2014. In addition, the annual financial results and analyst conference provided information about the business performance to journalists and representatives of financial institutions. The Company's communication focuses on presenting Bertrandt's business model, the Company's strategic orientation as well as explaining the technical and business management background.

Bertrandt's website

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

CORPORATE GOVERNANCE

Declaration of conformity pursuant to Section 161 German Stock Corporation Act

The Management Board and Supervisory Board of Bertrandt AG declare in accordance with § 161 of the German Stock Corporation Act (AktG) that the recommendations of the Government Commission on the German Corporate Governance Code (GCGC), as amended on 13 May 2013 and published in the electronic Federal Gazette on 10 June 2013 have been and are being complied with, with the following exceptions: Sections 3.8 (3), 4.1.5, 4.2.2 (2) sent. 3, 4.2.3 (2) sent. 6, sub-sent. 1 and (3), 5.2 (2), 5.3.2 sent. 3, 5.4.1 (2) and (3), 5.4.2 sent. 1, 5.5.2, 5.5.3 sent. 1 and 7.1.2 sent. 4. Until 24 February 2014, the Company also deviated from Section 5.4.6 (2) sent. 2 GCGC.

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

Section 3.8 (3) GCGC

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

Section 4.2.2 (2) sent. 3 GCGC

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

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

Pursuant to the recommendations in Section 4.2.3 (2) sent. 6 sub-sent. 2 the variable portions of the compensation of the members of the Management Board are capped. However, Section 4.2.3 (2) sent. 6 sub-sent. 1 additionally provides that the amount of compensation shall be capped "overall". As the remuneration of the members of the Management Board is fixed and not variable, the Company holds the view that by capping variable compensation this recommendation is already implemented. However, as a precautionary measure a deviation from the GCGC is also declared in respect of this recommendation.

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

The compensation of the members of the Management Board is disclosed to the extent required by law. On 18 February 2009 the annual general meeting decided to continue with the Company's long-standing reporting practice adopting again a resolution on the non-disclosure of Management Board compensation in accordance with the German Disclosure of Management Board Compensation Act (Vorstandsvergütungs-Offenlegungsgesetz) of 10 August 2005.

Section 5.2 (2) GCGC

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

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

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

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

Section 5.4.6 (2) sent. 2 GCGC

Until 24 February 2014, compensation of the members of the Supervisory Board has had a fixed and a variable component for many years, with some minor exceptions. The compensation system did not contain any components, however, that reflected the sustainable development of the company. A deviation from Section 5.4.6 (2) sent. 2 GCGC is declared therefore for the period leading up to 24 February 2014.

By a resolution adopted by the annual general meeting on 19 February 2014 and entry of the related amendment to the Articles of Association in the commercial register, the compensation system for the members of the Bertrandt’s Supervisory Board was changed on 24 February 2014 into exclusively fixed compensation, the change being applicable to the current fiscal year. Thus Section 5.4.6 (2) sent. 2 GCGC has not been relevant to Bertrandt AG since this date. The compensation of the members of the Supervisory Board is disclosed in the Company’s Annual Report for the individual members.

Section 5.5.2 and Section 5.5.3 sent. 1 GCGC

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

Section 7.1.2 sent. 4 GCGC

On 17 February 2014 Bertrandt AG published its report on the first quarter of fiscal 2013/2014. In all of its reports, Bertrandt AG conforms to the strict quarterly reporting requirements in the Prime Standard of Frankfurt Stock Exchange. As long as the German Corporate Governance Code is not synchronised with the provisions of the Prime Standard, Bertrandt AG reserves the right to deviate from Section 7.1.2 sent. 4 GCGC.

Ehningen, 22 September 2014

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

REPORT PURSUANT TO SECTION 3.10 OF THE GERMAN CORPORATE GOVERNANCE CODE

On 22 September 2014, Bertrandt AG submitted the declaration pursuant to Section 161 German Stock Corporation Act (AktG) for the period under review stating whether the Company has conformed and is conforming to the recommendations of the German Corporate Governance Code (GCGC) or which recommendations were or are not applied. The declaration is reproduced in our annual report for fiscal 2013/2014 as part of the corporate governance declaration (pursuant to Section 289a of the German Commercial Code, HGB) in the Group Management Report and is also published at “http://www.bertrandt.com/en/investor-relations/corperate-governance.html“.

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

Management Board

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

Supervisory Board

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

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

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

Annual general meeting

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

Purchase or sale and holding of shares in the Company or of financial instruments related to shares by persons specified in Section 6.3 GCGC

In fiscal year 2013/2014, the CEO, Dietmar Bichler and Vermögensverwaltungsgesellschaft Familie Bichler bR disclosed the following sale transactions required to be reported under Section 15a of the German Securities Trading Act (WpHG):

Name	Dietmar Bichler
Reason for the duty of disclosure	Person with leadership responsibilities
Role	Management body
Issuer	Bertrandt AG, Birkensee 1, 71139 Ehningen
Financial instrument	Shares, ISIN: DE 0005232805, WKN: 523280
Type of transaction	Sale
Date/place	2 July 2014
Price/currency	EUR 100.00
Number of shares/transaction volume	100,000

Name	Vermögensverwaltungsgesellschaft Familie Bichler bR
Reason for the duty of disclosure	Person with leadership responsibilities
Role	Management body
Issuer	Bertrandt AG, Birkensee 1, 71139 Ehningen
Financial instrument	Shares, ISIN: DE 00052322805, WKN: 523280
Type of transaction	Sale
Date/place	2 July 2014
Price/currency	EUR 100.00
Number of shares/transaction volume	301,094

In fiscal year 2013/2014 no further transactions with shares in the Company or related financial instruments, which would be notifiable under Section 15a WpHG and Section 6.3 German Corporate Governance Code were reported by the members of the Management Board and the Supervisory Board of Bertrandt AG or any parties closely related to them. Bertrandt AG announces notifiable transactions immediately after their disclosure to the Company.

As at 30 September 2014, the CEO, Dietmar Bichler held 400,000 shares in Bertrandt AG (3.94 percent of the shares issued) within the meaning of Section 6.3. sent. 1 German Corporate Governance Code. All told, the members of the Management Board and the Supervisory Board held the following number of shares as at 30 September 2014:

Management Board	Supervisory Board
400,000	80

Disclosures on share option programmes and similar securities-based incentive schemes offered by the Company

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

Ehningen, 8 December 2014

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

I GROUP MANAGEMENT REPORT

THE GROUP GENERAL INFORMATION

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

Business model and strategy

As one of Europe's leading engineering partners, Bertrandt has been devising specific and tailored solutions with customers at 46 locations in Europe, Asia and the United States for 40 years now. Our services for the automotive and aerospace industries include all process steps in the project phases of conceptual design, CAD, development, design modelling, tool production, vehicle construction and production planning right through to start of production and production support. Furthermore, individual development steps are validated by simulation, prototype building and testing. At our technology centres in the immediate vicinity of our customers, we maintain dedicated design studios, electronics labs as well as testing facilities where projects of different sizes are managed independently. Our customer base comprises nearly all European manufacturers as well as numerous system suppliers. With our Bertrandt Services subsidiary, furthermore, we provide technological services outside the mobility industry in such forward-looking sectors as energy, medical technology, and electrical engineering as well as machinery and plant engineering throughout Germany. Consistency, reliability and forward-looking investments enable our customer relationships to thrive and are key success factors for Bertrandt.

Basis of the business model

Spurred by shorter lead times and new technologies the complexity of individual mobility solutions in the automotive and aerospace sectors is steadily increasing. Trends, for instance, towards increased comfort, safety, connectivity and environmentally friendly mobility solutions call for overarching technical know-how and lateral thinking in product development. We consider ourselves an active contributor to the development of the future of mobility, and therefore we are constantly adapting our range of services to customer needs as well as to changing market conditions. In order to meet complex demands in terms of new materials, intelligent electronic systems and advanced powertrains, Bertrandt maintains dedicated Competence Centres where experts in different disciplines deal with key engineering areas. Bertrandt's particular strength lies in linking up and further developing the knowledge of these experts, and this makes us one of the leading European partners on the market for engineering services. The engineering expertise Bertrandt Services has built up over many years of activity in the mobility industries provides a firm foundation upon which the Company can realise and take forward customised development solutions in new sectors. The market trends that drive Bertrandt's success are the following:

95

grammes of CO_2 per kilometre is the target set for fleets for 2020.

Environment

There is hardly any issue the car industry has been more preoccupied with over the last few years than statutory CO_2 reduction requirements. Already the EU target of 2012, requiring an average of 130 grammes of CO_2 per kilometre for European fleets, was an enormous challenge for car manufacturers. The target for the year 2020, allowing for a mere 95 grammes per kilometre, represents an even greater challenge for the OEMs. This target translates into consumption of no more than 3.6 litres of diesel or 4.1 litres of petrol per 100 kilometres. Penalties are likely to be due in the event the emissions of a manufacturer's fleet exceed the limit values.

To achieve such a level of efficiency and to be able to fulfil increasingly strict environmental requirements, both suppliers and OEMs in the car industry work untiringly on the development of future-proof mobility concepts. Optimising petrol and diesel engines, improving hybrid and electric drive technologies and reducing vehicle weights significantly are instrumental in this endeavour. In lightweight design, for example, there is an increased focus on modern composite structures using materials that meet design requirements while being optimised for weight, such as aluminium, magnesium and fibre-reinforced plastics.

Safety

Another key issue for the car industry is the continuous improvement of vehicle safety. The industry is stepping up its efforts to develop the most advanced driver assistance systems and to better integrate them with passive safety systems. Numerous statistics show that driver assistance systems are capable of significantly reducing the severity of accidents and of mitigating their consequences, or, under certain circumstances, even help to avoid crashes in the first place. This is why legal rules and regulations in this field are becoming more and more comprehensive.

Future generations of vehicle safety systems focus on the interface between, and interaction of, the driver, the vehicle and the environment. We will soon see systems that monitor the vehicle's environment by means of sensors and recognise traffic signs, supporting the driver by actively intervening in tricky traffic situations. In addition, they will be able to communicate with the environment and other vehicles. However, to enable this, many different technologies from the realms of mechanics, electronics, microelectronics, IT and software must be integrated both with regard to their functions and their physical installation in the vehicle. The need for continued integration of technologies in the vehicle is bound to lead to an even higher level of complexity in the interaction between functions and components in the vehicle.

Diversity of models and variants

The OEMs aim to increase their model ranges based on module and platform strategies. These module and platform strategies enable scale effects across several models and model series, so that it is possible to produce variants, even in small numbers, and still cover their extra costs. At the same time, the number of features and options available per vehicle has increased considerably. Car buyers now have a much greater range of options and features available to configure a car according to their individual wishes. In addition, the lifecycles of the car models of European manufacturers are becoming much shorter. As a rule, a model's lifecycle today is only six years. Two decades ago, typical model lifecycles lasted ten years.

The ultimate goal of this strategy is to cover major portions of the global market including smaller niches. On the other hand, the great diversity of variants and models increases the number of problem solutions to consider, all of which require testing. This is why more and more resources are needed.

RANGE OF SERVICES

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

Specialist services

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

General services

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

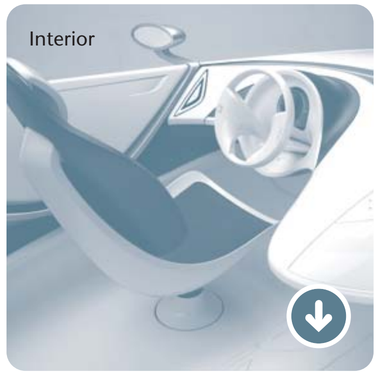
Module and derivative development

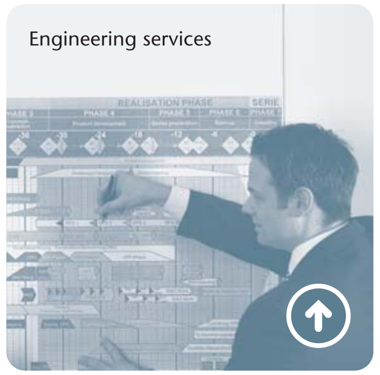
Bertrandt continually adjusts its range of services to meet the changing needs of its customers. OEMs are increasingly focusing on their core business, and therefore tend to contract out more complex development tasks. Because of our many years of experience in the industry and the specialists we employ, Bertrandt possesses the know-how required for component and module development through to complete derivative development. When we take on project responsibility in development tasks, we will, for example, manage all the interfaces between the customer, the system suppliers and Bertrandt, and we will control quality, costs and deadlines.

From the idea through to readiness for production we globaly develop solutions from Design Services to Vehicle body development, Interior, Electrical Systems/Electronics, Powertrain, Chassis, Simulation and Testing. The range of services is complemented by Engineering Services like project management, quality management, process validation and logistics.

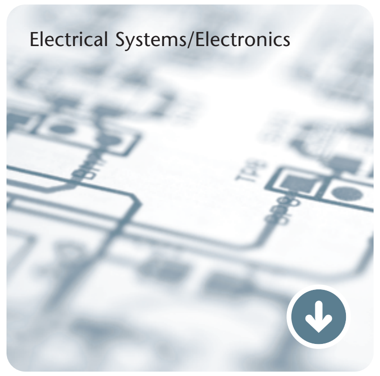

Design Services

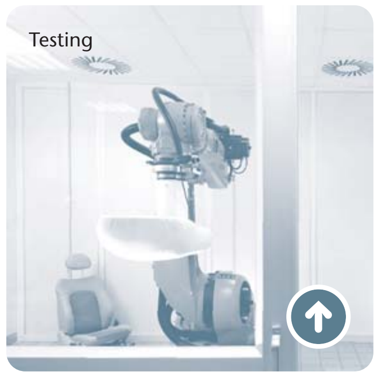

Vehicle body development

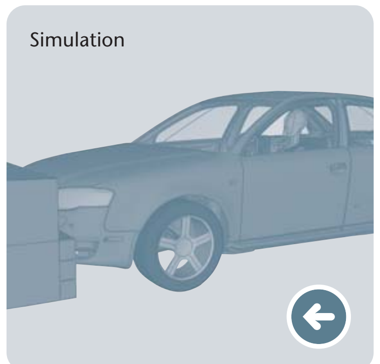

Interior


Engineering services

BERTRANDT RANGE OF SERVICES


Electrical Systems/Electronics


Testing


Simulation


Chassis


Powertrain

COMPETENCE CENTRES AT BERTRANDT

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

Design Services

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

Vehicle body development

Vehicle body development is marked by future CO_2 emissions limits, weight reduction in modern cars and aircraft, material expertise in composite materials, high-strength steel and aluminium and the latest developments in lighting and visibility. Bertrandt offers its customers competent and successful solutions for future challenges at an early stage. Our deep and broad spectrum of services in vehicle body development is based on our three core areas: Body-in-White, Exterior and Interior.

Interior

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

Electrical Systems/Electronics

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

Powertrain

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

Chassis

The focus of many new developments in the automotive sector is shifting increasingly towards the chassis. Its influence on dynamic handling plays a key role in the characteristics of a vehicle. The increasing use of electronic control and driver assistance systems requires a strong integration of electronics development into the development process. Not least, energy efficiency and the minimisation of power losses in the chassis have a significant influence on the CO_2 reduction potentials in the vehicle. For this purpose, Bertrandt uses its comprehensive expertise to solve complex problems, demonstrating its proficiency as a "networked service provider".

Simulation

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

Testing

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

Engineering services

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

DIVERSIFICATION

Quite deliberately, Bertrandt's business model also addresses customers outside the automotive industry. With its comprehensive range of services, Bertrandt delivers engineering services to customers in the aerospace industry, in the energy, medical technology, and electrical engineering sector, as well as in machinery and plant engineering.

Aerospace

The aviation market is characterised by dynamics and competition. Bertrandt offers comprehensive services to support our customers from the aviation industry in addressing these challenges. Bertrandt covers wide areas of aircraft development: from system, component, structure and cabin development to the interfaces between manufacturing and development (manufacturing engineering). In addition we make use of our comprehensive expertise as we use the synergies between aircraft and vehicle development to the benefit of both industries, for example in lightweight design, electronics and seat development.

Bertrandt Services

The machinery and plant engineering sectors as well as the energy, medical technology and electrical engineering industries are important markets which are instrumental in the growth of industrialised countries. As these industries are driven by important trends and requirements, new research and development potentials are emerging here all the time. Bertrandt provides its customers tailored support and consults them in the fields of design, development/CAD, electrical systems/electronics, simulation, testing and production planning through to engineering services. Bertrandt Services combines both subject-matter expertise and many years of engineering experience under one roof.

ECONOMIC REPORT

Economic development

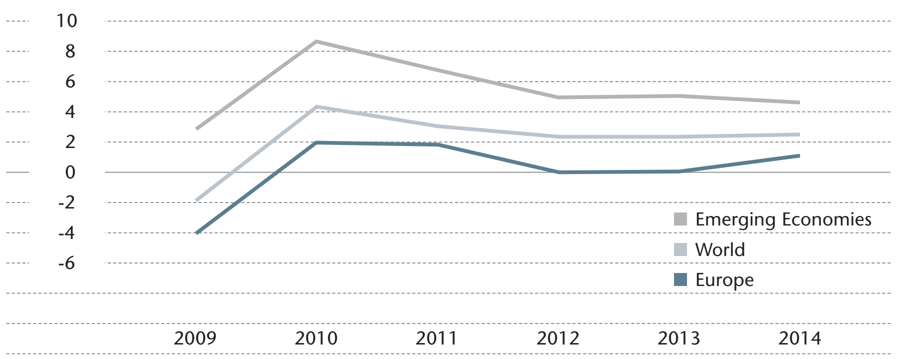
At the beginning of fiscal year 2013/2014, the world economy was in a phase of recovery. According to the experts of the Joint Economic Forecast Project Group on behalf of the Federal Ministry of Economics and Technology the recovery was attributable to the continued expansionary monetary policy of the central banks. Global industrial production and world trade rose more strongly than in the previous year. However, in the course of 2014, the expansion of the world economy lost momentum again. According to experts at the Kiel Institute for the World Economy (IfW) the reasons were interruptions of production in the US due to the unusually harsh winter, and crises in West Africa, the Middle East and Eastern Europe. Having grown at a rate of 3.6 percent in 2013, the growth rate dropped to only 2.6 percent in the first half of 2014.

Until the autumn of 2014, world output grew only slightly according to the experts of the Joint Economic Forecast Project Group. While the upswing continued in the US, economic recovery faltered in the eurozone contrary to what had been expected in spring. In addition, economic conditions in the emerging economies were mixed. Following a change of government, India's economy picked up additional speed, and in China, too, the economy continued to grow, albeit not at the same rate as in previous years. In Russia, in contrast, the economy slowed down owing to the sanctions that were the imposed in the context of the Ukraine conflict. Brazil, on the other hand, suffered from a decline in worldwide demand for raw materials as well as from high inflation.

The experts in the Joint Economic Forecast Project Group consequently revised their forecasts for 2014. For the US, the experts now expect 2.2 percent growth in economic output for the current year. GDP growth in the eurozone is expected to be 0.8 percent in 2014. With regard to China the research institutes expect economic growth of 7.4 percent for the whole year, while growth in India, too, is expected to continue, albeit at a somewhat lower rate of 5.9 percent. At 0.5 percent, Russia's economic growth will be on the verge of recession, whereas a decline in GDP is anticipated for Brazil.

Real gross domestic product

Change from the previous year %



Source: Joint Economic Forecast Project Group, Joint Economic Forecast Autumn 2014.

According to the experts in the Joint Economic Forecast Project Group, these circumstances influenced economic developments in Germany in the fiscal year 2013/2014. In 2013, an ambivalent economic environment resulted in economic growth of 0.4 percent, the rate forecast by the German economic research institutes in their autumn report. In the first quarter of 2014, real GDP grew again at a faster pace and, thanks to a mild winter, rose to 0.8 percent. In the further course of the year, however, economic output slowed to grow at an unexpectedly moderate rate, particularly in the eurozone. International crises such as the conflict between Russia and Ukraine and clashes in Syria or Iraq compounded the slow-down. Previously strong German domestic demand slackened significantly. Also, corporate capital expenditure began to decline from the second quarter onwards. All this caused experts to revise their forecasts for Germany as well and they currently expect GDP growth for the current year to be at 1.3 percent compared to the previous year.

72.2

million new cars were sold worldwide in 2013.

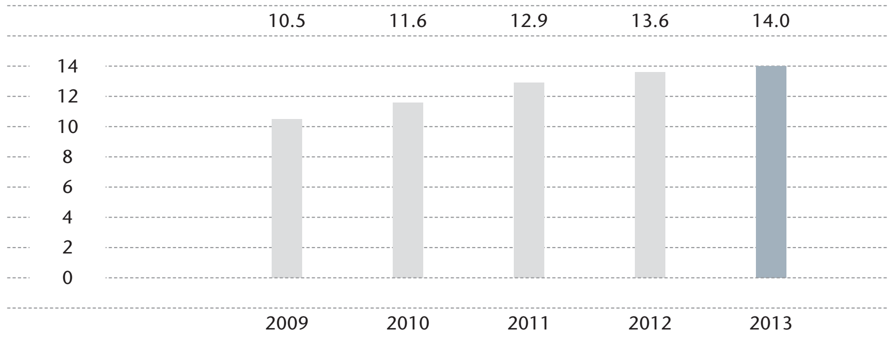
Development in the automotive industry

The German Association of the Automotive Industry (VDA) expressed satisfaction with the market performance of 2013. In total, the worldwide passenger car market grew by five percent to 72.2 million units. The important light vehicle market in the US performed better than it has done at any time since 2007. In total, 15.5 million new light vehicles were registered, nearly eight percent more than in the previous year. Also in Western Europe unit sales stabilised in the second half of the year. In total, 11.6 million new registrations are reported. Despite all this, the figures translate into a decline of 1.9 percent overall. The Chinese domestic market reported unexpectedly high growth of 23 percent for 2013, and with 16.3 million new vehicles sold, was the biggest single market in the world for the first time.

Thanks to this development, German passenger car manufacturers were again able to maintain a stable 20 percent share of the world market in 2013. German manufacturers benefit from what could be called "export diversification" with a 77 percent share of all units produced in Germany being exported to diverse markets around the world. Thus, unlike most of the other European car-making nations, the German automotive industry managed to fully utilise existing domestic capacities. Compared to the previous year, domestic passenger car production increased by one percent to 5.4 million. At the same time the production output of German carmakers outside Germany rose by five percent to over 8.6 million passenger car units. The reason for this is intensified globalisation which manifests itself in the form of rising demand for individual mobility, particularly in emerging markets.

Global car production of German manufacturers

Millions of cars



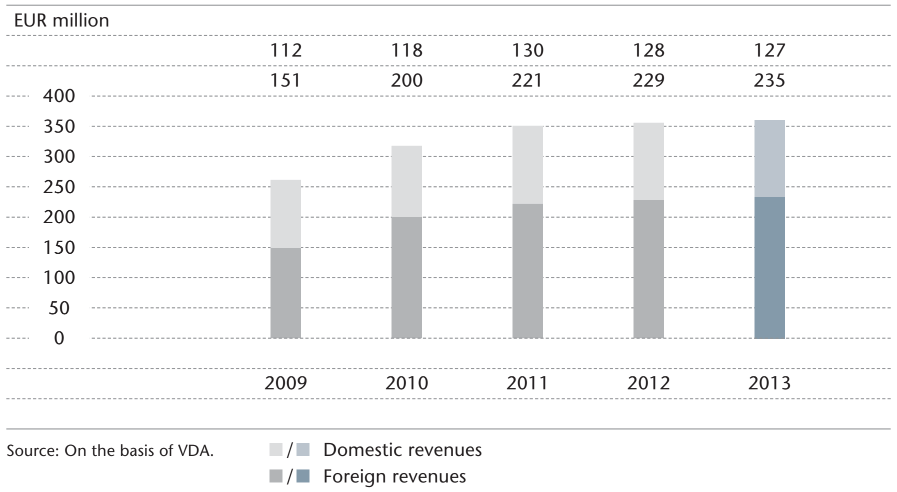
Source: On the basis of VDA.

361.5

billion euros in sales revenues were generated by the German car industry last year.

The German car industry was able to increase its sales revenues by approximately one percent over the previous year in 2013, scoring a new all-time high of EUR 361.5 billion. Increased export sales in particular contributed towards this positive development. Revenues from exports rose by nearly three percent and added up to EUR 234.6 billion, accounting for two thirds of total revenues. On the domestic market, in contrast, sales revenues shrank by one percent compared to the previous year to EUR 126.9 billion. This trend towards increasing internationalisation reflects the strong competitiveness of the German car industry.

Domestic revenues in the German automotive industry



Source: On the basis of VDA.

The worldwide positive trend in the automotive industry continued right up to the end of Bertrandt's fiscal year, which ends on 30 September 2014. In the first three quarters of the year, sales of light vehicles in the US rose to more than 12.3 million units, equal to an increase of 5.4 percent. The positive development also continued in China. Passenger car sales reached a volume of over 13 million units – a plus of 12.8 percent over the previous year. The Western European market continued on the path of recovery and, with more than 9.2 million new car registrations, previous-year figures were exceeded by 5.2 percent. Overall, the VDA expects global new car sales of approximately 73.7 million units which would correspond to a three-percent increase over the previous year.

Undoubtedly, the industry thrives on its rapid pace of innovation. Therefore, research and development expenditures have been stepped up in Germany alone by approximately one billion euros each year since 2009. On a worldwide basis, the German automotive industry invested more than EUR 27 billion in research and development worldwide in 2013, of which EUR 17.4 billion were invested in Germany. At present, OEMs and their suppliers are focusing on key issues such as emission limits, light-weight design and ways and means of connecting the car with its environment and the internet.

R&D expenditures in the German automotive industry

Source: On the basis of VDA.

4.6

billion euros were invested by the German aviation and aerospace industry in research and development in 2013.

These endeavours generate very high demand for engineers and skilled labour. In order to master these numerous challenges successfully, OEMs feel the need to rely on strategic partnerships. This need offers further potential for Bertrandt.

Development in aerospace

The German aviation and aerospace industry continued on its growth path in 2013 according to the German Aerospace Industries Association (BDLI). Sales revenues in the industry increased by 7.8 percent and reached an all time high of EUR 30.6 billion. The total workforce in the industry grew 4.8 percent to 105,500 employees, reaching the highest level ever. Expenditures for research and development moved in the same range as in the previous years with approximately EUR 4.6 billion, equaling roughly 15 percent of the industry's total revenue. The export share was stable at a level of around 60 percent.

Long-term studies project that civil aviation will take on even greater importance in the future. According to a forecast of the company Boeing the requirement for new aircraft for civil aviation will rise to 36,770 units in the period between 2014 and 2033. This translates into an annual market growth of 3.6 percent and a present market value of more than EUR 3.9 trillion. The aerospace group Airbus expects a slightly lower level of new aircraft demand in its forecast for the same period and predicts 31,358 new units by 2033. Because of a different calculation basis, this results in annual growth rate of 3.8 percent. Airbus estimates the market value of aircraft to be procured at more than EUR 3.5 trillion.

The driving forces behind this long-term growth trend are increasing fuel prices, global economic growth and environmental regulation at the national level. The high levels of research and development expenditure is therefore targeted at the optimisation of existing models. These development efforts mainly target technical solutions for the reduction of noise, air pollutants and greenhouse gases, the improvement of safety, as well as measures geared at increased resource and cost efficiency. Aircraft models produced today tend to consume up to 70 percent less aviation fuel than comparable models manufactured in the 1970s.

The Federal Ministry for Economic Affairs and Energy (BMWi) presented its new aviation strategy in May this year when it stated its intention to further strengthen the aerospace industry in Germany. With this strategy, the Federal Government intends to position Germany as a technology pioneer for an environmentally friendly, safe, high-performance, competitive and passenger-friendly aviation system. Numerous incentive schemes in the field of research and development are designed to help the German aerospace and aviation industry to continue on the growth path of the previous years.

Developments in other sectors

Current geopolitical tensions, particularly the crisis in the East of Ukraine and international sanctions against Russia, are placing a burden on the German economy, and the situation is not improved by the investment restraint on the part of German companies. These tensions also affected Bertrandt Services GmbH's main target industries

As forecast by the German Engineering Federation (VDMA) production output shrank by 1.5 percent in 2013 compared to the previous year. Due to the uncertain economic environment, sales revenues in the industry fell to EUR 205.8 billion. However, at EUR 149 billion, German machinery exports of 2013 only narrowly missed the record high of 2012. Due to a moderate upturn in demand in Germany and the eurozone the industry federation expects production output to grow by one percent in 2014.

The German Electrical and Electronic Manufacturers Association (ZVEI) reported a decline in sales revenues in the industry of 2.1 percent to EUR 167 billion for 2013. In addition to investment restraint, weaker exports affected the business performance of German electrical and electronic manufacturers. For 2014, however, the ZVEI forecasts a recovery for the industry. As a result, production output of the German electrical and electronic industry is expected to increase by two percent, which would correspond to total sales revenues of the industry of EUR 170 billion.

The trade association Medical Technology, a division of the German Hightech Industry Association (SPECTARIS) reported total sales revenues of EUR 22.8 billion for the year 2013. The increase in sales revenues of 2.2 percent over the previous year is based on growth in business both on the domestic and on export markets. A sector rather dependent on business cycles, it has experienced mainly export-driven revenue increases since 2009 thanks to the strong position of German medical technology in global competition. According to the trade association, sales revenues are forecast to increase by three percent in 2014.

The surge in orders expected in the context of the German energy transition failed to materialise in 2013, as the Power Engineering division of the ZVEI reported. The reason for this is that policy definitions at the Federal and State level on which the market depends are still pending, for example regarding the upgrading of power transmission lines. Production declined by five percent, sales revenues dropped seven percent compared to the previous year. The division has identified sales potential for the current year as spending on equipment investments in the US recovers, as well as in the context of the energy transition in Germany and the growing importance of energy efficiency related to increasing energy prices.

7.5

percent average revenue growth achieved by the 25 biggest engineering service providers.

Development in the engineering market

According to a study of the Stifterverband für die Deutsche Wissenschaft (an association of businesses and foundations for the promotion of science and research), German businesses plan to increase spending in the areas of research and development in 2014. The early indicator calculated for this purpose has picked up for the first time in three years. According to the study, 65 percent of the companies interviewed expect that their R&D spending will be higher in 2014 than it was in 2013. Thus, the sentiment in the sector seems to be more optimistic in this respect than in previous years.

According to study findings of the consultancy Berylls Strategy Advisors the European market for engineering services for the automotive industry grew by approximately two percent to nearly EUR 4.5 billion in 2014. The 25 biggest engineering service providers reported average revenue growth of 7.5 percent, and their combined market share was more than 50 percent. For 2014, too, the experts forecast further growth in the external sourcing of engineering services.

BUSINESS PERFORMANCE

Earnings situation

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

11.3

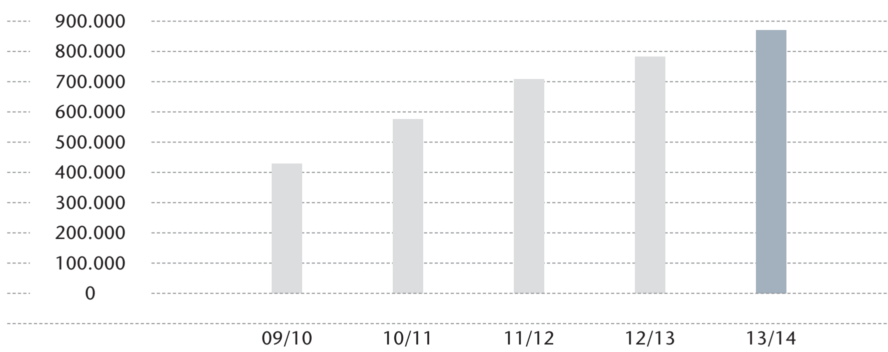
percent year-on-year revenue growth reported by Bertrandt.

Revenue growth

Revenues rose by 11.3 percent year on year to EUR 870.563 million (previous year EUR 782.405 million). All of the Group's divisions contributed to this growth. Bertrandt's foreign subsidiaries performed better than in the previous year, generating revenues of EUR 68.822 million, which is equivalent to an increase of 26.9 percent (previous year EUR 54.251 million). This was mainly due to the positive development of the US business and improved market conditions in France.

Consolidated revenues

EUR million	09/10	10/11	11/12	12/13	13/14
	428.834	576.238	709.323	782.405	870.563



Preliminary remark:
As a result of the amendments to IAS 19 Employee Benefits first applicable in respect of financial years ending on or after 1 October 2013, Bertrandt is required to restate its provisions for pensions. Hence reported comparative figures have been restated to account for the effects of the retroactive application of IAS 19. The adjusted figures are marked with an asterisk *. For an explanation of the impact of the amendments to IAS 19 see the Notes to the Consolidated Financial Statements.

Key expenditure figures

The key expenditure figures in the 2013/2014 fiscal year compared with the previous year as follows: Project-related cost of materials amounted to EUR 71.444 million (previous year EUR 62.862 million). Since the Group continued to recruit new employees, personnel expenses rose by 11.3 percent to EUR 624.141 million (previous year EUR 560.548 million*). The staff cost ratio was 71.7 percent (previous year 71.6 percent). Due to the sustained high level of capital spending, depreciation/amortisation expense rose from EUR 19.594 million in the previous year to EUR 22.234 million. The ratio of depreciation/amortisation to total revenues was 2.6 percent (previous year 2.5 percent). Other operating expenses were EUR 77.041 million (previous year EUR 71.558 million). The figure thus rose by 7.7 percent in the period under review, while in relation to total revenues it decreased from 9.1 percent to 8.8 percent.

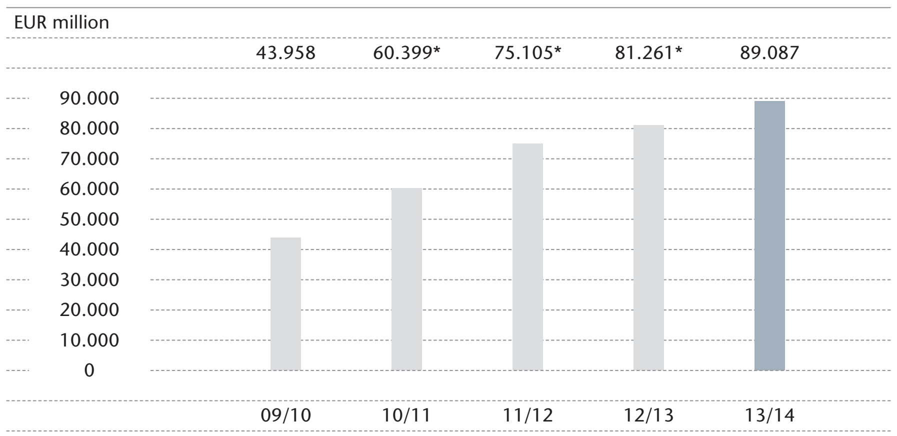
89.087

million euros operating profit generated in the 2013/2014 financial year.

Improved operating profit

Bertrandt generated an operating profit of EUR 89.087 million in fiscal 2013/2014 (previous year EUR 81.261 million*) and a 10.2 percent margin (previous year 10.4 percent). The increased operating profit is attributable primarily to the greater volume of business combined with strict cost management. Bertrandt's foreign subsidiaries generated an operating profit of EUR 5.393 million (previous year EUR 4.288 million). This increase is due to the improved US business and the market recovery in France. The other foreign businesses also witnessed a positive development.

Operating profit



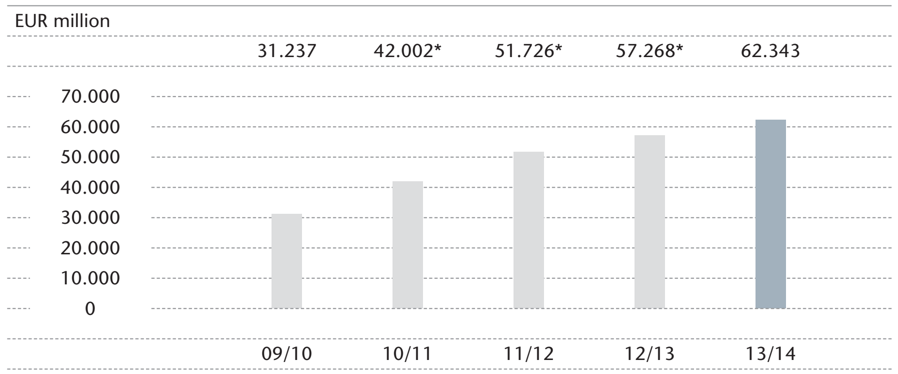
Net finance income

At EUR 0.432 million (previous year EUR 0.384 million), net finance income was positive. Net other finance income amounted to EUR 0.474 million (previous year EUR 0.566 million).

Post-tax earnings

Profit from ordinary activities in the period under review rose to EUR 89.519 million (previous year EUR 81.645 million*) translating into a growth of 9.6 percent. With income tax expense amounting to EUR 25.956 million (previous year EUR 23.229 million*), the tax rate for the period under review went up to 29.4 percent (previous year 28.9 percent). Post-tax earnings were EUR 62.343 million (previous year EUR 57.268 million*). This works out to earnings per share of EUR 6.19 (up from EUR 5.69* in the previous year).

Post-tax earnings



Performance by segments

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

In the Digital Engineering segment, which mainly covers the design of modules and components, revenues increased to EUR 511.654 million compared to EUR 456.131 million in the previous year. This is equivalent to an increase of 11.5 percent. This segment's operating profit accounts for a large proportion of total operating profit, amounting to EUR 46.961 million in the period under review (previous year EUR 43.388 million*).

The design modelling, testing, vehicle construction and rapid prototyping activities are bundled in the Physical Engineering segment. In the 2013/2014 financial year the segment's revenues climbed by 10.6 percent to EUR 183.249 million (previous year EUR 165.688 million). Operating profit rose year on year by EUR 2.358 million to EUR 21.904 million (previous year EUR 19.546 million*).

The Electrical Systems/Electronics segment generated revenues of EUR 175.660 million (previous year EUR 160.586 million), translating into a growth of 9.4 percent. Operating profit was also up, rising to EUR 20.222 million (previous year EUR 18.327 million*).

Financial position

The Company's balance sheet structure is based on the principle of matching maturities. The greater volume of business has an impact on total assets, which rose by 15.5 percent over the previous year to EUR 471.800 million (previous year EUR 408.420 million*). This growth was chiefly underpinned by the following items: Non-current assets rose year on year by EUR 45.420 million to EUR 166.314 million as a result of increased capital spending. Current assets climbed to EUR 305.486 million as compared to EUR 287.526 million in the previous year, due to the greater volume of business. By contrast, cash and cash equivalents were down from EUR 47.253 million to EUR 41.543 million. On the other hand, current trade receivables and other assets rose from EUR 176.900 million in the previous year to EUR 188.016 million. On the liabilities side, current liabilities increased to EUR 161.488 million (previous year EUR 145.147 million) as a result of increased business activity.

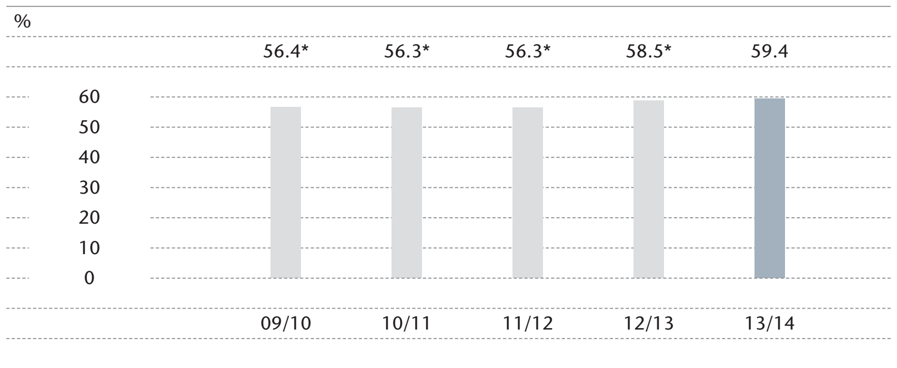
59.4

percent equity ratio as at 30 September 2014.

Solid equity base

The positive earnings situation and the systematic retention of earnings led to an increase of equity by EUR 41.311 million to EUR 280.324 million. The equity ratio therefore is 59.4 percent (compared to 58.5 percent* in the previous year), making Bertrandt a financially strong company in the automotive sector.

Equity ratio



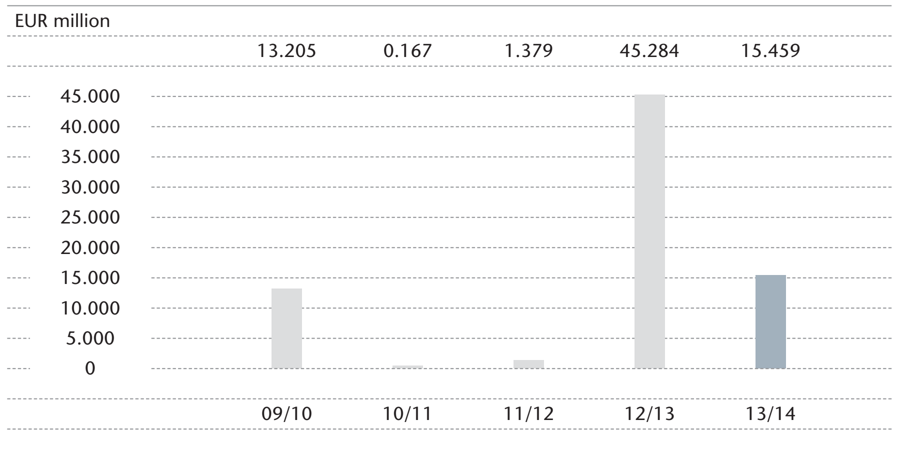
Financial position

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

Free cash flow

In fiscal 2013/2014 a positive free cash flow of EUR 15.459 million (previous year EUR 45.284 million) was generated. The decrease over the previous year is due to increased investing activities. Bertrandt's internal financing capacity enabled the Company to fund even the record level of capital expenditure out of its own capital. In addition, free cash flow also declined because more funds were tied up in current assets as a result of increased operating activities. In the fiscal year 2014/2015 there will be new promising business prospects for the Bertrandt Group. To tap these opportunities the Company expects to step up capital spending in this period. This will lay the foundations for future sustainable growth in the future and further strengthen Bertrandt's market position. Free cash flow will be periodically influenced by this development.

Free cash flow



66.843

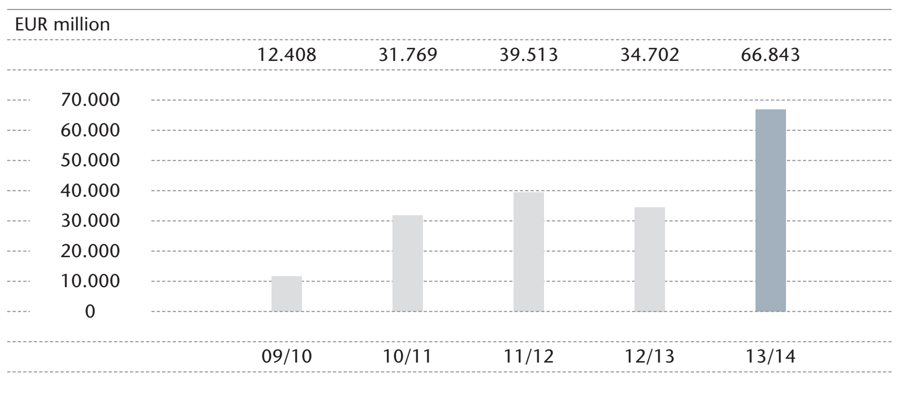
million euros invested by Bertrandt in the 2013/2014 financial year.

Capital expenditure

Spending on property, plant and equipment was high in 2013/2014, reaching a record level of EUR 36.619 million in total in the period under review (previous year EUR 30.524 million). Spending on intangible assets increased by EUR 1.885 million to EUR 4.984 million. Spending on financial assets amounted to EUR 1.232 million (previous year EUR 1.079 million). Investments in consolidated companies amounted to EUR 24.008 million, related solely to land acquisitions of previously rented properties.

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

Capital expenditure



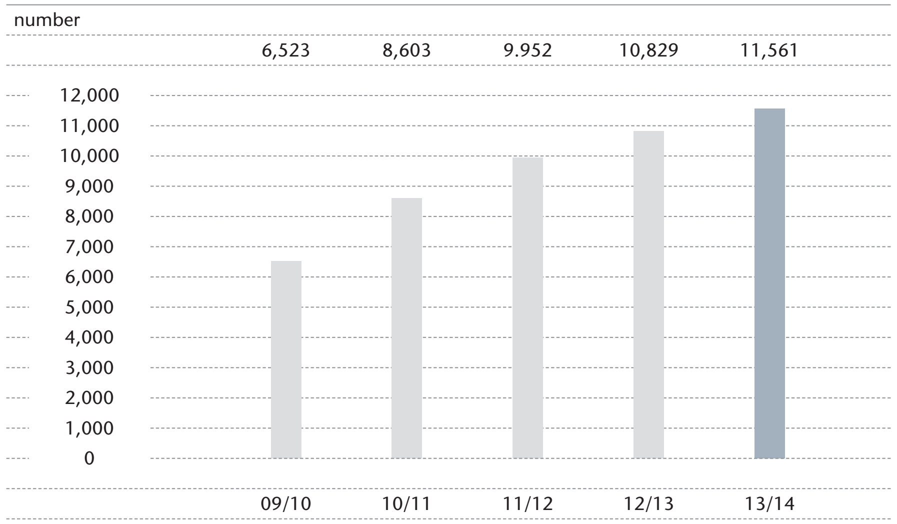
General statement on business performance

Bertrandt had a successful 2013/2014 financial year. The Company's Management Board judges the Company's business situation and prospects to be good. Bertrandt's revenues and earnings situation both improved again in this fiscal year. With an equity ratio of 59.4 percent the Company stands on a firm financial footing. Its good capital base and its investment activities have paved the way for lasting success in the future.

HUMAN RESOURCES MANAGEMENT

With 11,561 employees worldwide (previous year 10,829) Bertrandt reported its highest ever number of employees at the reporting date. On 30 September 2014 the Company had 10,396 employees (previous year 9,904) in Germany and 1,165 (previous year 925) in other countries. The headcount grew across all segments and locations.

Development of employees



Thus more than 11,500 people devise top-level customised development solutions for customers in Germany and abroad. Bertrandt's corporate culture is guided by the core principles of teamwork, flat hierarchies, providing an employee-friendly environment and a flexible, dynamic and performance-oriented approach to work. Following these principles the Company is able to grow and make progress and thereby to achieve successes which cannot be measured in figures alone. At Bertrandt, interaction and cooperation are based on values such as loyalty, trust and entrepreneurial spirit. At the same time, living these values is key to achieving a good corporate climate. This is the responsibility which must be assumed by each and every employee in the Company, every day, from the first day of employment.

Bertrandt as an attractive employer

In 2014, trendence, the leading research institution in the area of employer branding, personnel marketing and recruiting in Europe, named Bertrandt a top employer in the engineering sector yet again, ranking it 91st in its annual study. Universum also named Bertrandt once again as one of the hundred most attractive employers in Germany in 2014. In this index Bertrandt ranks at place 90. This goes to show that Bertrandt offers its employees attractive working conditions with interesting, varied and challenging activities, something which is also reflected in the higher number of job applications received.

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

Recruitment

Recruiting and inspiring qualified employees to work for and stay with Bertrandt both play a key role in the Company. In addition to specialist know-how social skills and personality play a major role. As a future-proof company Bertrandt seizes the opportunities offered by a large variety of events to address potential employees with a targeted employer branding campaign. The aim is not just to elicit passing interest but to make a lasting and convincing impression on potential employees. Bertrandt offers committed and qualified applicants a wide variety of entry options: from internships to working student placements including the writing of dissertations, through to direct entry. In the year under review, Bertrandt very successfully expanded its social media activities with a team especially established for this purpose.

Further training

Numerous technological innovations and our customers' high quality expectations call for continuous further training of our employees. Bertrandt is aware of this challenge. To be able to meet these high demands in the best possible way, the Company develops the know-how of its staff on an ongoing basis and ensures individual support for each staff member. The further training schemes continuously carried out by the Company provide the basis for lifelong learning: a broad range of technical and methodological trainings, management programmes and specific project management courses are offered in the Bertrandt knowledge portal, the Company's own training programme. All told, Bertrandt spent EUR 12.4 million (previous year EUR 10.9 million) on further training for staff and managers in the year under review.

Training

Training young talent has always been of key significance at Bertrandt. The company develops its own pool of talent by running and applying numerous training programmes and methods as well by cooperating closely with universities. For example, we also train postgraduates in the field of electromobility. As at 30 September 2014, 342 employees were participating in a training or study programme in technical or commercial disciplines. Our annual apprentice forum held in Ehningen had to be extended to two days this year to accommodate the higher number of participants.

REPORT ON SUBSEQUENT EVENTS

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

On 14 October 2014 the Supervisory Board of Bertrandt AG, Ehningen, Germany resolved to appoint and employ the members of the Management Board, Markus Ruf, Michael Lücke and Hans-Gerd Claus and the CEO, Dietmar Bichler for another term of five years following their respective current period of office. In this way, the Company intends to retain its proven and successful management team in the long-term.

GROUP ORGANISATION AND CONTROLLING

International Group structure

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

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

Enhancing enterprise value as a priority

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

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

Pertinent corporate governance practices

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

Compliance

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

Our value system: Bertrandt's mission statement

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

Risk management

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

Accounting and audit of the financial statements

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

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

Transparency

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

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

Working procedures of the Management Board and the Supervisory Board

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

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

The Management Board did not form any committees.

Composition and working procedures of the Supervisory Board

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

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

A list of all members of the Supervisory Board is available at "http://www.bertrandt.com/en/company/supervisory-board.html". Information on the professions of the Supervisory Board members and disclosures on other offices held in supervisory boards and other monitoring bodies can be found in the 2013/2014 Annual Report (section "Consolidated Financial Statements/Notes") which is available at "http://www.bertrandt.com/en/investor-relations/financial-reports.html" upon its publication on 11 December 2014.

Declaration of conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) dated 22 September 2014

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

The Management Board and Supervisory Board of Bertrandt AG declare in accordance with Section 161 of the German Stock Corporation Act (AktG) that the recommendations of the Government Commission on the German Corporate Governance Code (GCGC), as amended on 13 May 2013 and published in the electronic Federal Gazette on 10 June 2013 have been and are being complied with, with the following exceptions: Sections 3.8 (3), 4.1.5, 4.2.2 (2) sent. 3, 4.2.3 (2) sent. 6, sub-sent. 1 and (3), 5.2 (2), 5.3.2 sent. 3, 5.4.1 (2) and (3), 5.4.2 sent. 1, 5.5.2, 5.5.3 sent. 1 and 7.1.2 sent. 4. Until 24 February 2014, the Company also deviated from Section 5.4.6 (2) sent. 2 GCGC.

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

Section 3.8 (3) GCGC

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

Section 4.2.2 (2) sent. 3 GCGC

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

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

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

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

The compensation of the members of the Management Board shall be disclosed to the extent required by law. On 18 February 2009 the annual general meeting decided to continue with the Company's long-standing reporting practice adopting again a resolution on the non-disclosure of Management Board compensation in accordance with the German Disclosure of Management Board Compensation Act (Vorstandsvergütungs-Offenlegungsgesetz) of 10 August 2005.

Section 5.2 (2) GCGC

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

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

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

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

Section 5.4.6 (2) sent. 2 GCGC

Until 24 February 2014, compensation of the members of the Supervisory Board has had a fixed and a variable component for many years, with some minor exceptions. The compensation system did not contain any components, however, that reflected the sustainable development of the Company. A deviation from Section 5.4.6 (2) sent. 2 GCGC is declared therefore for the period leading up to 24 February 2014.

By a resolution adopted by the annual general meeting on 19 February 2014 and entry of the related amendment to the Articles of Association in the commercial register, the compensation system for the members of the Bertrandt's Supervisory Board was changed on 24 February 2014 into exclusively fixed compensation for the current fiscal year. Thus Section 5.4.6 (2) sent. 2 GCGC has not been relevant to Bertrandt AG since this date. The compensation of the members of the Supervisory Board is disclosed in the Company's Annual Report for the individual members.

Section 5.5.2 and Section 5.5.3 sent. 1 GCGC

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

Section 7.1.2 sent. 4 GCGC

On 17 February 2014 Bertrandt AG published its report on the first quarter of fiscal 2013/2014. In all of its reports, Bertrandt AG conforms to the strict quarterly reporting requirements in the Prime Standard of Frankfurt Stock Exchange. As long as the German Corporate Governance Code is not synchronised with the provisions of the Prime Standard, Bertrandt AG reserves the right to deviate from Section 7.1.2 sent. 4 GCGC.

Ehningen, 22 September 2014.

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

Ehningen, 8 December 2014

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

REMUNERATION REPORT

Compensation structure for the members of the Management Board

Compensation of Management Board members comprises fixed and variable components. Each member of the Management Board is entitled to a fixed annual salary payable in twelve equal instalments at the end of each month. The variable component is adjusted to the Bertrandt Group's earnings situation in the year under review. The system for Management Board compensation is oriented towards the sustainable growth of the Company within the meaning of Section 87 (1) sent. 2 AktG. Correspondingly, the smaller portion of the variable component is paid in the following fiscal year while the major share is paid at a later point in time depending on the performance of the business (bonus/malus system). In fiscal 2013/2014 the total compensation paid to all of the active and former members of the Management Board amounted to EUR 7.049 million (previous year EUR 6.698 million) with the variable portion exceeding the fixed component.

Bertrandt provides company cars to all members of the Management Board for business and private use. Furthermore, all Management Board members are insured under a group accident insurance policy. Pension commitments were made to one active and one former member of the Management Board. No share options have been granted to members of the Management Board, and there is currently no plan to do so.

In addition, for competitive reasons the compensation of the members of the Management Board is only disclosed to the extent required by the applicable accounting rules. On 18 February 2009 the annual general meeting decided to continue with the Company's long-standing reporting practice by adopting a resolution on the non-disclosure of Management Board compensation according to the provisions of the German Disclosure of Management Board Compensation Act (VorstOG).

Compensation structure for the members of the Supervisory Board

The compensation structure for the members of the Supervisory Board was amended by shareholder resolution during the annual general meeting on 19 February 2014. Compensation of Supervisory Board members is defined in Article 12 of the Articles of Association of Bertrandt AG whereby each member of the Supervisory Board is entitled to a fixed remuneration of EUR 0.032 million paid after the end of the fiscal year in addition to the reimbursement of expenses. The Chairman of the Supervisory Board receives two and a half times the amount and his deputy one and a half times the amount. Supervisory Board members who are also members of a committee additionally receive an amount equal to 25 percent of their fixed remuneration while members acting as committee chairmen receive another 25 percent of their fixed remuneration. However, the maximum amount received by Supervisory Board members in total is four times the fixed remuneration. Payment of the compensation is due after adoption by the annual general meeting of the resolution on the appropriation of profits. In total, compensation of the Supervisory Board members amounted to EUR 0.320 million in fiscal 2013/2014 (previous year EUR 0.268 million). Since the 2013/2014 financial year the Company has ceased to pay performance-based compensation to Supervisory Board members.

SHARE CAPITAL

Disclosures on subscribed capital and possible takeover restrictions (Section 315 (4) German Commercial Code)

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

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

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

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

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

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

At the annual general meeting of 16 February 2011, the shareholders authorised the Management Board to buy back the Company's own shares up to a proportion of share capital equivalent to the amount of EUR 1,000,000 until 31 January 2016. At the annual general meeting of 20 February 2013 the shareholders additionally authorised the Management Board to increase the share capital of Bertrandt AG pursuant to the Articles of Association with the approval of the Supervisory Board by issuing, in the period leading to 31 January 2018, new bearer shares on a cash or non-cash basis (including in the form of so-called mixed non-cash contributions), either once or several times, however by a maximum amount of EUR 4,000,000.

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

OPPORTUNITIES AND RISKS REPORT

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

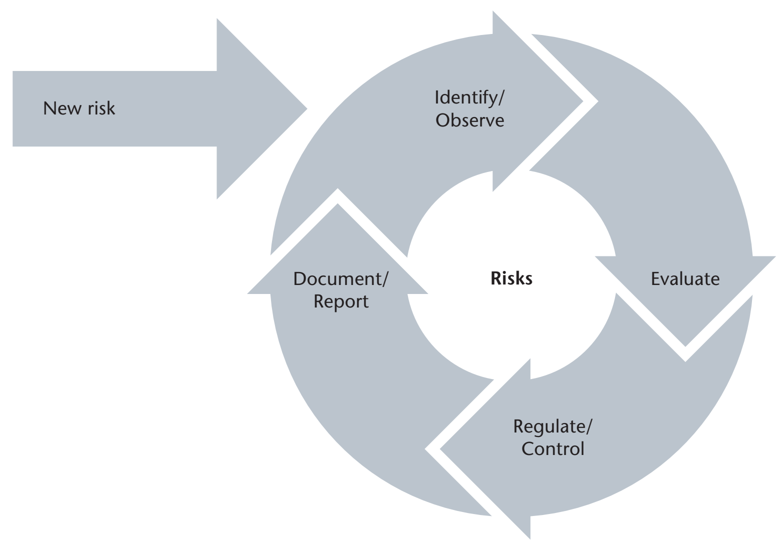
Description of the principal characteristics of the internal control system

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

Description of the principal characteristics of the risk management system

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

The Bertrandt risk management system



It is applicable to all Bertrandt Group companies, both domestic and foreign. The Management Board, the Managing Directors of the respective subsidiary and corporate functions such as Group Controlling work closely together in identifying risks and devising countermeasures. Both regular and ad-hoc risk reviews are carried out to assess all the identified risks that could affect our business performance with regard to amount of loss, probability of occurrence and importance. For this purpose, similar or identical risks affecting domestic and/or foreign Group companies are aggregated and their importance to the Group analysed at Group level. Depending on the results, appropriate countermeasures are devised with top priority and compared with best practices, and the corresponding strategy is implemented without delay by the responsible Managing Directors in cooperation with supporting corporate functions.

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

Amount of loss is described by the following categories:

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

Probability of occurrence is expressed in the following categories:

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

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

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

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

Bertrandt's risk profile is updated constantly and shows the following potential individual risks, broken down according to substantial and secondary risks as well as failure to realise potentials for the following fiscal year. Apart from this, risks of lesser importance were checked for plausibility but are not separately stated here because of a low probability of occurrence, expected amount of loss and lack of importance.

Substantial risks

Regarding substantial risks, Bertrandt's most recent risk portfolio has identified the following most important influencing factors:

Financial risk

As an engineering service provider operating on an international scale, the Bertrandt Group is exposed to a variety of financial risks: Default risks on trade receivables, liquidity risks as well as interest rate and currency fluctuation risks. Financial risk management is carried out by the central Treasury department. A liquidity forecast covering a fixed period into the future, credit facilities available to the Bertrandt Group but not utilised, as well as alternative financial instruments guarantee liquidity at all times. The Company uses derivative financial instruments as appropriate for managing individual fixed-interest periods and currency segments. The risk of possible defaults has decreased compared to the previous year. Preventive checks for creditworthiness continue to be carried out. Individual risks are addressed by means of credit guarantee insurance cover as required in individual cases. This risk is therefore classified as an A risk with a medium probability of occurrence.

Change in OEMs' external sourcing strategy

In recent years, the automotive industry has intensified the external sourcing of engineering services because of the rising number of different drive technologies, an increasing diversity of models and increasingly shorter model lifecycles. The new rules on employee leasing agreed by the coalition parties in the coalition agreement result in a strong increase in contracts for work. The impact of the legislative changes governing employee leasing or the contents of contracts for work cannot be conclusively assessed at this moment. In addition it is conceivable that OEMs will render engineering services themselves in some areas. This would result in a reduction of Bertrandt's current and future business volume, which may adversely affect the Company's revenue and earnings situation. Therefore, this is considered an A risk. Due to high demand for skilled labour, the numerous technology challenges and the fact that many OEMs plan an extension of their model range, the probability of occurrence is classified as medium.

Pricing

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

Secondary risks

The following three most important influencing factors were determined for secondary risks:

Implementation of new processes

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

In order to address this risk, Bertrandt installed a comprehensive management system which is applicable throughout the Group. Its purpose is to ensure that customer requirements are satisfied and that internal processes are optimised and refined. The management system supports Bertrandt's employees' endeavours to work effectively and without making mistakes, and to identify potential for optimisation.

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

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

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

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

Business processes are assessed along a 100 point scale with the values associated with the following findings:

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

The assessment procedure was carried out for the Bertrandt Group's business processes and the outcome for the fiscal year 2013/2014 is as follows for non-financial performance indicators:

	Assessment areas	Points
I.	**Performance of the management system**	86
II.	**Service delivery**	90
III.	**Continuous improvement**	85
IV.	**Risk management**	87
V.	**Employees and human resources**	92

The results can be regarded as indicators of the stability and sustainability of the business processes covered by the integrated management system of Bertrandt. The results for all assessment areas clearly exceed 75 points, the threshold which characterises the business processes as stable and controlled and ensures sustainability. Management's attention may thus be dedicated to maintaining this condition and to increasing the efficiency and optimising the performance of the processes in the Group. Activities must mainly focus on the continuous improvement of the processes and the core business of service delivery.

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

IT security

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

Human resources

Inadequate availability as well as fluctuation of qualified staff could have an inhibiting effect on the business performance. This category therefore also includes the shortage of qualified personnel and the risk arising from this situation. Recruitment of qualified staff as well as ongoing further training for employees ensure that the Company has the necessary skills and is able to grow. Bertrandt consistently aims to offer its employees attractive working conditions with interesting, varied and challenging activities. The fact that Bertrandt received awards as top employer from several different institutes once again in 2014 demonstrates that effective measures are being taken in this field. Still, a drain of staff to our customers, for example, can never be ruled out completely, since they are able to offer attractive career prospects as well. From our point of view, this risk is to be considered a category A risk, in conjunction with a medium probability of occurrence.

Overall risk

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

Opportunities

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

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

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

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

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

Growing model diversity

Bertrandt is continuously analysing the trends in the development of models of its existing and potential OEM customers. The market volume consists, on the one hand, of models of our customers already on the market, which receive facelifts or refinements, and successor models in regular intervals. In addition there are new models that are brought to the market without a predecessor. We expect our existing customers to launch 44 new models on the market by 2018. We assess the probability of occurrence for this scenario to be high in conjunction with a significant influence on total revenues. Our assessment of this has not changed compared to the previous fiscal year.

Technology progress

In 2013 alone, German manufacturers and suppliers are reported by the VDA to have invested around EUR 27 billion in research and development – more than any other industry in Germany. Thus the expectations with regard to the technology standard in the German automotive industry continue to be high. This is triggered by the worldwide rules and regulations on CO_2 emissions as well as on safety and comfort. The connectivity of cars is becoming increasingly important, too. In this context, factors such as quality, optimised fuel consumption, safety, comfort and design are of considerable importance for the success of German carmakers on global markets.

In the field of aircraft construction for civil aviation, the forecasts of the two big aircraft manufacturers, Airbus and Boeing, anticipate stable growth up to 2033. This growth is primarily due to growing internationalisation and tourist travel. Technology development trends are driven by demand for sustainability and comfort. Alternative materials and new engine technologies will help reduce both weight and fuel consumption. Modern cabins will make passengers' stay on board as comfortable as possible.

The key industries in which Bertrandt Services GmbH operates are currently benefiting from their strong focus on exports. Trends in the energy, medical and electrical, machinery and plant engineering sectors offer huge potential for external development partners such as Bertrandt. "Made in Germany" is associated with top quality products and high technological standards in areas from the energy transition, through to an ageing society, the smart grid or Industry 4.0. The two most important industry associations for these sectors, the German Engineering Federation and the German Electrical and Electronic Manufacturers Association do not anticipate any deterioration in business in the coming year.

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

External sourcing of engineering services

In recent years, the automotive industry has intensified the external sourcing of engineering services in response to the rising number of different drive technologies, an increasing diversity of models and increasingly shorter model lifecycles. A recent study of the industry by PricewaterhouseCoopers AG entitled "How to stay No.1" expects a further increase in external value added for the car industry. The consultancy Berrylls Strategy Advisors has found with regard to the OEMs' external sourcing strategies that there is a trend towards contracting out larger scopes. Furthermore, the new rules on employee leasing included in the coalition agreement result in a strong increase in contracts for work at the moment.

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

FORECAST

Economic environment

In their autumn report the leading German economic research institutes forecast continued global economic growth (3 percent) for 2015. The experts go on to explicitly emphasise that the world economy is faced with significant risks in the period reviewed. At present it is difficult to predict how the prevailing geopolitical tensions will develop. The situation is compounded by the rather slow recovery of the eurozone, the investment restraint demonstrated by companies and fragile private consumption. This is why the research institutes anticipate loose monetary policies for the period under review, so that capital market and credit interest rates are likely to stay low.

The most important progressive economies are expected to continue developing positively. In the US, growth of economic output is expected to accelerate to 3.2 percent. Both businesses and private households show a robust development here. Experts also expect economic output in the eurozone to increase by 1.1 percent in 2015. In 2015, positive momentum will primarily come from export activities, as the moderate recovery of world trade and a slightly lower external value of the Euro should strengthen exports.

The experts foresee further deceleration in the Chinese economy. Nonetheless, China's gross domestic product is forecast to grow by 7.1 percent. The remaining BRIC countries will show a somewhat mixed picture. The forecasts for India continue to be positive with growth of six percent. Developments in Russia will mainly depend on whether sanctions as a result of the Ukraine conflict are tightened or loosened. The development of Brazil's economy will mainly depend on the resolution of the country's structural problems. For these reasons, the experts expect the increase to be a mere 4.8 percent compared to the previous year for the emerging markets as a whole.

In the light of the increasing unpredictability of global developments the committee revised the finding in its spring report in which it anticipated a positive trend for the German economy. Given the current overall economic climate the forecasts for the German economy are now considerably less confident. Economic output for the coming year is now predicted to grow by just 1.2 percent. Despite lower forecast levels of growth the unemployment rate is expected to remain at 6.8 percent.

Situation in the industry

The VDA expects the market situation to remain positive, even though not all the regions where cars are sold will develop at the same level of dynamism. The VDA anticipates global new car sales to increase by two percent to 76.4 million units. For the US the experts foresee an increase of two percent to 16.4 million newly registered cars. Western Europe, too, should stabilise and grow two percent to 12.2 million units. Car sales in China, an important market, are likely to rise to another record high. Experts estimate the number of new car sales at more than 19 million, which would translate into a plus of six percent.

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

Although the aeronautics industry has been on a growth path for several years the challenges facing aircraft manufacturers are significant. The market demands efficient and environmentally friendly solutions against the backdrop of the ongoing CO_2 and climate protection debates. The use of new technologies and materials plays a major role here, too. In addition there are, again, numerous individual requirements of aircraft, such as reach, equipment and passenger volumes. Against this background demand for engineering in this market segment can be expected to increase, because the existing model range must be adjusted to live up to these requirements.

In its production forecast, the VDMA anticipates a plus of two percent for 2015. The association trusts that some positive momentum will come from a devaluation of the Euro and the resulting improved price competitiveness on world markets. The German electrical and electronic industry will most probably stagnate in 2015, according to the experts of Deutsche Bank AG. However, should the geopolitical situation stabilise again in the coming years, Industry 4.0 and energy efficiency, but also a favourable Euro exchange rate, could be drivers for growth. For medical technology the Hamburg economic research institute WeltWirtschaftsInstitut gGmbH (HWWI) anticipates good long-term growth prospects for this industry in Germany.

The prospects for engineering service providers are positive at present. Above all the European Automotive industry, which is of particular importance for Bertrandt, will continue to contract out engineering services to external partners according to the experts of Roland Berger Strategy Consultants. The consulting firm expects year-on-year growth in market volume of three percent up to 2020. Externally sourced engineering services in the European automotive industry were worth EUR 5.9 billion in 2013 and are expected to rise to EUR 7.4 billion by 2020. According to the expectations of the consultancy Berrylls Strategy Advisors, consolidation will be the order of the day in the industry in the coming years. The external sourcing strategies of the OEMs, which will be aimed at an increase of external responsibility, will lead to a new value added structure. There is a trend towards contracting out larger scopes, i.e. for example entrusting tier-1 engineering service providers with the responsibility for the full scope of engineering tasks associated with a whole model series, in complete autonomy. To meet this challenge, engineering service providers need to have a high level of expertise in systems and modules as well as in the field of vehicle integration. According to the estimates of Berrylls, this challenge can, in the long run, only be met by companies with revenues of more than EUR 500 million.

Despite the partly fragile macroeconomic environment, the engineering market thus benefits from a high and lasting demand from across the industry for new products and increased individual customer requirements. As a result there is great demand for engineers and specialists. Apart from the automotive and aviation sectors, industries such as energy, medical technology, electrical engineering as well as machinery and plant engineering are in need of specialists and of qualified engineering services.

Potentials

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

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

Well-targeted capital expenditure enables Bertrandt to continually optimise its range of services, because technology development for tomorrow requires the most advanced equipment. Based on solid business foundations the company's enterprise value is increased in a lasting and sustainable manner. The key factors for success are: greatest possible customer focus, committed employees and efficient cost and capacity management.

General statement on the expected development

Depending on the turn the described influencing factors take, they may result in opportunities or risks for the Bertrandt Group. Assuming that underlying economic conditions do not deteriorate again, that OEMs invest on a sustained basis in R&D for new technologies and models, that engineering work continues to be contracted out and that qualified staff is available, Bertrandt essentially expects revenues and earnings to keep rising in the next fiscal year, with earnings remaining at the same level as in the year here under review.

The segments Digital Engineering, Physical Engineering and Electrical Systems/Electronics will, according to our forecasts, show different levels of dynamism with regard to their revenue and earnings performance. In the field of Digital Engineering, we expect revenues and earnings to increase slightly next fiscal year. Dynamic development in the Physical Engineering segment will reflect corresponding capital expenditure. We assume revenues and earnings will grow more strongly than in the previous year. We expect a moderate increase in both revenue and earnings for the Electrical Systems/Electronics segment in the coming year.

With respect to non-financial performance indicators, it is our aim to maintain the high level also in the fiscal year 2014/2015.

The market will offer real business opportunities also in the coming year. Therefore, Bertrandt will consistently invest in building up and expanding its infrastructure. We therefore expect capital expenditure to remain at a sustained high level and also anticipate that it will be possible to pay for part of the investments from current cash flows. The Company therefore anticipates positive cash flow for the next year overall, which will rise in parallel to our revenue and earnings performance.

Ehningen, 26 November 2014

The Management Board

Dietmar Bichler
Chairman of the
Management Board

Hans-Gerd Claus
Member of the Member
of the Management Board
Engineering

Michael Lücke
Member of the
Management Board
Sales

Markus Ruf
Member of the Member
of the Management Board
Finance

I CONSOLIDATED FINANCIAL STATEMENT

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

Consolidated income statement and statement of comprehensive income

EUR million			
01/10 until 30/09.		2013/2014	2012/2013[2]
	Notes		
I. Income statement			
Revenues	[6]	**870.563**	**782.405**
Other internally generated assets	[7]	0.176	0.375
Total revenues		**870.739**	**782.780**
Other operating income	[8]	13.208	13.043
Raw materials and consumables used	[9]	-71.444	-62.862
Personnel expenses	[10]	-624.141	-560.548
Depreciation	[11]	-22.234	-19.594
Other operating expenses	[12]	-77.041	-71.558
Operating profit		**89.087**	**81.261**
Share of profit in associates		0.013	-0.138
Interest income/expense		-0.055	-0.044
Other net financial result		0.474	0.566
Net finance income	[13]	**0.432**	**0.384**
Profit from ordinary activities		**89.519**	**81.645**
Other taxes	[14]	-1.220	-1.148
Earnings before tax		**88.299**	**80.497**
Income taxes	[15]	-25.956	-23.229
Post-tax earnings		**62.343**	**57.268**
– attributable to minority interest		0.004	0
– attributable to shareholders of Bertrandt AG		62.339	57.268
Number of shares (million) – diluted/basic, average weighting		10.076	10.069
Earnings per share (EUR) – diluted/basic	[16]	6.19	5.69
II. Statement of comprehensive income			
Post-tax earnings		**62.343**	**57.268**
Exchange rate differences[1]		0.474	-0.030
Revaluation of pension obligations		-1.097	0.093
Tax effects of revaluation of pension obligations		0.329	-0.028
Other earnings after taxes		**-0.294**	**0.035**
Total comprehensive income		**62.049**	**57.303**
– attributable to minority interest		0.004	0
– attributable to shareholders of Bertrandt AG		62.045	57.303

[1] Components of Other earnings after taxes which will be recycled in the Income statements of the future quarterly and annual reports.
[2] Prior period comparative figures have been restated to reflect the amendments to IAS 19. This has an impact which is explained in the Notes to the Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEET

Consolidated balance sheet

EUR million				
		30/09/2014	30/09/2013[1]	01/10/2012[1]
	Notes			
Assets				
Intangible assets	[18]	15.548	14.262	13.936
Property, plant and equipment	[19]	132.365	89.488	76.410
Investment properties	[20]	1.672	1.737	1.803
Investments accounted for using the equity method	[21]	0.090	0.086	0.226
Other financial assets	[21]	4.795	5.269	6.095
Receivables and other assets	[22]	7.826	6.921	3.999
Income tax assets	[23]	0.301	0.446	0.586
Deferred taxes	[24]	3.717	2.685	2.376
Non-current assets		**166.314**	**120.894**	**105.431**
Inventories	[25]	0.614	0.749	0.560
Future receivables from construction contracts	[26]	75.081	62.443	58.695
Receivables and other assets	[22]	188.016	176.900	170.876
Income tax assets	[23]	0.232	0.181	0.339
Cash and cash equivalents	[27]	41.543	47.253	21.517
Current assets		**305.486**	**287.526**	**251.987**
Total assets		**471.800**	**408.420**	**357.418**
Equity and liabilities				
Issued capital	[28]	10.143	10.143	10.143
Capital reserves	[29]	27.734	26.984	26.625
Retained earnings	[30]	206.323	171.219	138.684
Consolidated distributable profit		35.455	30.666	25.706
Equity attributable to shareholders of Bertrandt AG		**279.655**	**239.012**	**201.158**
Minority interests	[31]	0.669	0.001	0.001
Capital and reserves		**280.324**	**239.013**	**201.159**
Provisions	[32] / [33]	12.374	9.690	8.914
Other liabilities	[34]	0.400	0.432	0.464
Deferred taxes	[24]	17.214	14.138	12.070
Non-current liabilities		**29.988**	**24.260**	**21.448**
Tax provisions	[35]	14.806	14.958	8.936
Other provisions	[33]	61.210	52.147	50.151
Borrowings	[36]	0.092	0.221	0.149
Trade payables	[37]	12.289	10.179	11.208
Other liabilities	[34]	73.091	67.642	64.367
Current liabilities		**161.488**	**145.147**	**134.811**
Total equity and liabilities		**471.800**	**408.420**	**357.418**

[1] Prior period comparative figures have been restated to reflect the amendments to IAS 19. This has an impact which is explained in the Notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated statement of changes in equity

EUR million	Issued capital	Capital reserves	Retained earnings					Consolidated distributable profit	**Equity attributable to shareholders of Bertrandt AG**	Minority interests	**Total**
			Non-distributed earnings	Currency translation reserve	Treasury shares	Hedging instruments	**Total retained earnings**				
Value on 01/10/2013	**10.143**	**26.984**	**173.765**	**-1.705**	**0**	**0**	**172.060**	**30.666**	**239.853**	**0.001**	**239.854**
Restatement according to IAS 19[1]			0.172			-1.013	**-0.841**		**-0.841**		**-0.841**
Value on 01/10/2013 after to restatement acc. to IAS 19	**10.143**	**26.984**	**173.937**	**-1.705**	**0**	**-1.013**	**171.219**	**30.666**	**239.012**	**0.001**	**239.013**
Post-tax earnings								62.339	**62.339**	0.004	**62.343**
Other earnings				0.474[2]		-0.768	**-0.294**		**-0.294**		**-0.294**
Total comprehensive income				**0.474**		**-0.768**	**-0.294**	**62.339**	**62.045**	**0.004**	**62.049**
Dividend payment								-22.152	**-22.152**		**-22.152**
Other non-operating changes			35.398				**35.398**	-35.398	**0**		**0**
Changes in minority interests										0.664	**0.664**
Change in treasury shares		0.750							**0.750**		**0.750**
Value on 30/09/2014	**10.143**	**27.734**	**209.335**	**-1.231**	**0**	**-1.781**	**206.323**	**35.455**	**279.655**	**0.669**	**280.324**
Previous year											
Value on 01/10/2012	**10.143**	**26.625**	**141.649**	**-1.675**	**-0.314**	**0**	**139.660**	**25.706**	**202.134**	**0.001**	**202.135**
Restatement according to IAS 19[1]			0.102			-1.078	**-0.976**		**-0.976**		**-0.976**
Value on 01/10/2012 after to restatement acc. to IAS 19	**10.143**	**26.625**	**141.751**	**-1.675**	**-0.314**	**-1.078**	**138.684**	**25.706**	**201.158**	**0.001**	**201.159**
Post-tax earnings								57.268	**57.268**		**57.268**
Other earnings				-0.030[2]		0.065	**0.035**		**0.035**		**0.035**
Total comprehensive income				**-0.030**		**0.065**	**0.035**	**57.268**	**57.303**		**57.303**
Dividend payment								-20.122	**-20.122**		**-20.122**
Other non-operating changes			32.186				**32.186**	-32.186	**0**		**0**
Change in treasury shares		0.359			0.314		**0.314**		**0.673**		**0.673**
Value on 30/09/2013	**10.143**	**26.984**	**173.937**	**-1.705**	**0**	**-1.013**	**171.219**	**30.666**	**239.012**	**0.001**	**239.013**

[1] The impact of the amendments to IAS 19 is explained in the Notes to the Interim Consolidated Financial Statements.
[2] Components of Other earnings after taxes which will be recycled in the Income statements of the future quarterly and annual reports.

CONSOLIDATED CASH FLOW STATEMENT

Consolidated cash flow statement

EUR million			
01/10 until 30/09		2013/2014	2012/2013[1]
1.	**Net profit for the period (including minority interests) before exceptionals**	**62.343**	**57.268**
2.	Income taxes	25.956	23.229
3.	Interest income/expense	0.055	0.044
4.	Other net financial result	-0.474	-0.566
5.	Share of profit in associates	-0.013	0.138
6.	Depreciation of non-current assets	22.234	19.594
7.	Increase/decrease in provisions	11.320	2.600
8.	Other non-cash expenses/income	-0.714	0.614
9.	Profit/loss from disposal of non-current assets	-0.223	0.050
10.	Increase/decrease in inventories, future receivables from construction contracts, receivables and other assets as well as other assets not assigned to investing or financing activities	-24.280	-12.585
11.	Increase/decrease in trade payables and other liabilities not assigned to investing or financing activities	7.425	2.286
12.	Income tax received/paid	-24.327	-15.457
13.	Interest paid	-0.035	-0.014
14.	Interest received	0.403	0.530
15.	**Cash flow from operating activities (1. - 14.)**	**79.670**	**77.731**
16.	Payments received from disposal of property, plant and equipment	0.926	0.774
17.	Payments received from the disposal of financial assets	1.706	1.487
18.	Payments made for investments in property, plant and equipment	-36.619	-30.524
19.	Payments made for investments in intangible assets	-4.984	-3.099
20.	Payments made for investments in financial assets	-1.232	-1.079
21.	Payouts stemming from the purchase or the disposal of consolidated companies and other business units	-24.008	-0.006
22.	**Cash flow from investing activities (16. - 21.)**	**-64.211**	**-32.447**
23.	Payment received from the sale of treasury shares	0.750	0.673
24.	Payments made to shareholders and minority shareholders	-22.152	-20.122
25.	Payments made for acquisition of treasury shares	0	0
26.	Payments received from issue of debt instruments and raising of loans	0	0
27.	Payments made for discharging debt instruments and repaying loans	0	0
28.	**Cash flow from financing activities (23. - 27.)**	**-21.402**	**-19.449**
29.	Changes in cash and cash equivalents (15. +22.+ 28.)	-5.943	25.835
30.	Effect of exchange rate changes on cash and cash equivalents	0.233	-0.099
31.	Cash and cash equivalents at beginning of period	47.253	21.517
32.	**Cash and cash equivalents at end of period (29. - 31.)**	**41.543**	**47.253**

The consolidated cash flow statement is explained in the notes under [38].
[1] Prior period comparative figures have been restated to reflect the amendments to IAS 19. This has an impact which is explained in the Notes to the Consolidated Financial Statements.

CONSOLIDATED NOTES

[1] Basis of preparation

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

As stipulated by EU Regulation (EC) No. 1606/2002 the consolidated financial statements of Bertrandt AG for the year ending 30 September 2014 have been prepared in accordance with the accounting standards issued by the International Accounting Standards Board (IASB), the International Financial Reporting Standards (IFRS) and IFRIC Interpretations, as adopted by the European Union. In addition, the requirements of Section 315a (1) of the German Commercial Code were observed.

All standards effective in the 2013/2014 fiscal year were applied. The consolidated financial statements have been prepared on the basis of historical cost with the exception of certain financial assets which are measured at fair value.

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

Presentation of financial statements

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

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

International Financial Reporting Standards and IFRIC Interpretations applicable as of fiscal 2013/2014

The following table sets out the International Financial Reporting Standards and IFRIC Interpretations that are applicable as of fiscal 2013/2014.

Standard/ Interpretation		Compulsory application[1]	Expected effects
IFRS 1	Amendments to IFRS 1: First-time Adoption of International Financial Reporting Standards – Government Loans	01/01/2013	None
IFRS 1	Amendments to IFRS 1: First-time Adoption of International Financial Reporting Standards:Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	01/01/2013	None
IFRS 7	Amendments to IFRS 7: Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities	01/01/2013	None
IFRS 13	Fair Value Measurement	01/01/2013	Disclosures in the notes
IAS 12	Amendments to IAS 12: Income Taxes - Deferred Tax: Recovery of Underlying Assets	01/01/2013	None
IAS 19	Employee Benefits	01/01/2013	Measurement/ Disclosures in the notes
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	01/01/2013	None
Improvements to IFRS	Individual amendments	01/01/2013	None

[1] Fiscal years beginning on or after the specified date.

Pursuant to the amended IAS 19 Employee Benefits which is first applicable as of the fiscal year 2013/2014, the Bertrandt Group is required to change its accounting policy with regard to provisions for pensions. Since the option of deferred recognition of actuarial gains and losses under the corridor approach is no longer available, actuarial gains and losses are directly recognised in other comprehensive income as they occur. Past service cost is directly recognised in profit or loss. This requires a retrospective application of a change in accounting policy pursuant to IAS 8 and consequently leads to a retrospective restatement of the respective items in the prior financial statements. The restated values are marked by an "*" in the Notes to the present consolidated financial statements.

The following tables show the impact of the amendments to IAS 19 on the Company's prior financial statements.

Effect of amendments to IAS 19

EUR million			
Changed items in consolidated balance sheet			
	30/09/2013 restated	**Restatement IAS 19**	**30/09/2013 as previously reported**
Deferred tax assets	2.685	0.360	2.325
Retained earnings	171.219	-0.841	172.060
Non-current provisions	9.690	1.201	8.489
	01/10/2012 restated	**Restatement IAS 19**	**01/10/2012 as previously reported**
Deferred tax assets	2.376	0.418	1.958
Retained earnings	138.684	-0.976	139.660
Non-current provisions	8.914	1.394	7.520
Changed items in consolidated income statement and comprehensive income statement			
01/10 to 30/09	**2012/2013 restated**	**Restatement IAS 19**	**2012/2013 as previously reported**
Personnel expenses	-560.548	0.100	-560.648
Income taxes	-23.229	-0.030	-23.199
Revaluation of pension obligations	0.093	0.093	0
Tax effects of revaluation of pension obligations	-0.028	-0.028	0
Earnings per share (EUR) – diluted/basic	5.69	0.01	5.68

Since the amendments to IAS 19 do not affect cash flow, they only give rise to movements between individual reconciliation items under operating activities without changing cash flow from operating activities.

If the previous IAS 19 had been applied, this would have led to the following changes in the consolidated balance sheet as well as the consolidated income statement and the consolidated statement of comprehensive income.

Effects of applying the former IAS 19

EUR million			
Changed items in consolidated balance sheet			
	30/09/2014 as reported	**Restatement IAS 19**	**30/09/2014 acc. to former IAS 19**
Deferred tax assets	3.717	0.662	3.055
Retained earnings	206.323	-1.547	207.870
Non-current provisions	12.374	2.209	10.165
Changed items in consolidated income statement and comprehensive income statement			
01/10 to 30/09	**2013/2014 as reported**	**Restatement IAS 19**	**2013/2014 acc. to former IAS 19**
Personnel expenses	-624.141	0.089	-624.230
Income taxes	-25.956	-0.027	-25.929
Revaluation of pension obligations	-1.097	-1.097	0
Tax effects of revaluation of pension obligations	0.329	0.329	0
Earnings per share (EUR) – diluted/basic	6.19	0.01	6.18

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

The following standards and interpretations have already been adopted by the IASB and to some degree endorsed by the European Union but were not yet effective in fiscal 2013/2014. Bertrandt will apply them for the accounting period for which they become effective.

Standard/ Interpretation		Compulsory application[1]	Expected effects
IFRS 9[2]	Financial Intruments	01/01/2018	Classification/ Measurement[3]/ Disclosures in the notes
IFRS 10	Consolidated Financial Statements	01/01/2014	None
IFRS 11	Joint Arrangements	01/01/2014	None
IFRS 11[2]	Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations	01/01/2016	None
IFRS 12	Disclosure of Interests in Other Entities	01/01/2014	Disclosures in the notes
IFRS 10, IFRS 11 and IFRS 12	Amendments to IFRS 10, IFRS 11 and IFRS 12 – Transition Guidance	01/01/2014	None
IFRS 10, IFRS 12 and IAS 27	Amendments to IFRS 10, IFRS 12 and IAS 27 – Investment Entities	01/01/2014	None
IFRS 10 and IAS 28[2]	Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	01/01/2016	None
IFRS 14[2]	Regulatory Deferral Accounts	01/01/2016	None
IFRS 15[2]	Revenue from Contracts with Customers	01/01/2017	Currently under examination
IAS 16 and IAS 38[2]	Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	01/01/2016	None
IAS 16 and IAS 41[2]	Amendments to IAS 16 and IAS 41: Bearer Plants	01/01/2016	None
IAS 19[2]	Amendments to IAS 19: Employee Benefits – Defined Benefit Plans: Employee Contributions	01/07/2014	None
IAS 27	Separate Financial Statements	01/01/2014	None
IAS 27[2]	Amendments to IAS 27: Equity Method in Separate Financial Statements	01/01/2016	None
IAS 28	Investments in Associates and Joint Ventures	01/01/2014	None
IAS 32	Amendments to IAS 32: Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities	01/01/2014	None
IAS 36	Amendments to IAS 36: Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets	01/01/2014	Disclosures in the notes
IAS 39	Amendments to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting	01/01/2014	None
IFRIC 21	Levies	17/06/2014	None
Improvements to IFRS[2]	Individual amendments	01/07/2014/ 01/01/2016	Single-case audit

[1] Fiscal years beginning on or after the specified date.
[2] Not yet endorsed by the EU.
[3] It is impossible to make a reliable estimate of the impact at the moment.

[2] Group of consolidated companies

The group of consolidated companies includes all operating subsidiaries under the legal and constructive control of Bertrandt AG. This specifically entails the following German companies: Bertrandt Ingenieurbüro GmbHs in Gaimersheim, Ginsheim-Gustavsburg, Hamburg, Cologne, Munich, Neckarsulm, Tappenbeck as well as Bertrandt Technikum GmbH, Bertrandt Projektgesellschaft mbH, Bertrandt Services GmbH and Bertrandt Ehningen GmbH in Ehningen, Bertrandt Fahrerprobung Süd GmbH in Nufringen, Bertrandt GmbH in Hamburg, Bertrandt Automotive GmbH & Co. KG in Pullach i. Isartal, Bertrandt München GmbH in Munich and Bertrandt Tappenbeck GmbH in Tappenbeck. Moreover, Bertrandt Immobilien GmbH & Co. KG, Pullach i. Isartal (formerly Krannich Immobilien GmbH, Weil der Stadt) and Inmuebles Baviera GmbH, Berlin were included for the first time in the consolidated financial statements.

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

Associates, i.e. entities which are not controlled by Bertrandt but over which the Company has significant influence are accounted for in the consolidated financial statements using the equity method. The following companies are associates: Bertrandt Entwicklungen AG & Co. OHG, Stuttgart, aucip. automotive cluster investment platform GmbH & Co. KG, Pullach i. Isartal, aucip. automotive cluster investment platform Beteiligungs GmbH, Pullach i. Isartal and MOLLIS Beteiligungsgesellschaft mbH, Pullach i. Isartal.

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

[3] Principles of Consolidation

The financial statements of the fully consolidated companies are prepared pursuant to IAS 27 using uniform accounting policies. The balance sheet day of the separate financial statements of the consolidated group companies corresponds to the fiscal year of Bertrandt AG, an exception being the entity in China and Inmuebles Baviera GmbH whose fiscal year is the calendar year.

The acquisition method is used for consolidation, i.e. the acquisition costs are offset with the pro-rata share of the remeasured equity which is attributable to the parent company on the acquisition date. If the purchase price of the investment exceeds the fair value of the identifiable assets net of liabilities the resulting difference is classified as goodwill and recognised as an asset on initial consolidation. Entities are consolidated for the first time on the date on which control is transferred to Bertrandt AG and deconsolidated when such control ceases.

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

Receivables and liabilities as well as revenues, expenses and income arising from transactions between consolidated entities are offset. The principles of consolidation are unchanged compared to the previous year.

[4] Foreign Currency Translation

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

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

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

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

Currency translation

relative to one euro		Average rate on balance sheet date		Annual average rate	
		30/09/2014	30/09/2013	2013/2014	2012/2013
China	CNY	7.7483	8.2637	8.3442	8.1162
United Kingdom	GBP	0.7783	0.8357	0.8193	0.8405
Turkey	TRY	2.8723	2.7505	2.8889	2.4260
Hungary	HUF	310.3300	297.9300	305.8600	293.3350
United States	USD	1.2594	1.3499	1.3571	1.3118

[5] Summary of significant accounting policies and accounting estimates and judgments

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

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

Recognition of income and expenses

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

Intangible Assets

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

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

Goodwill is tested for impairment annually in accordance with IAS 36 and IFRS 3. The impairment test is carried out at least once a year, however always upon the occurrence of material events or any change in circumstances. The impairment tests are based on the corporate forecast for a three-year period, which is considered sufficient to test goodwill for impairment. To determine the values in use, a WACC of 10.5 percent (previous year 14 percent) and a terminal growth rate of 9.5 percent (previous year 13 percent) are applied in the Digital Engineering segment. In the Physical Engineering segment, the WACC is 10.1 percent (previous year 14 percent) and the terminal growth rate is 9.1 percent (previous year 13 percent). The terminal growth rate is based on a growth factor of one percent (previous year also one percent). Adjusting the WACC by +/- five percent has no influence on the results of the impairment tests for goodwill.

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

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

Property, plant and equipment

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

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

Investment properties

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

Impairment losses

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

Financial Instruments

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

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

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

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

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

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

- Investments accounted for using the equity method

Investments in associates which are not controlled by Bertrandt but over which the Company has significant influence are accounted for using the equity method.

- Other investments

Loans are recorded at amortised cost.

- Other receivables and financial assets

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

- Future receivables from construction contracts

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

- Trade Receivables

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

- Cash and cash equivalents

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

- Liabilities

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

- Derivative financial instruments

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

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

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

Inventories

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

Deferred tax assets and liabilities

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

Minority interests

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

Provisions

- Provisions for pensions

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

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

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

- Tax provisions

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

- Other provisions

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

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

Government grants

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

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

Leases

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

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

Notes on items of the income statement

[6] Revenues

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

Of the consolidated revenues of EUR 870.563 million (previous year EUR 782.405 million), EUR 801.741 million (previous year EUR 728.154 million) were contributed by the domestic entities and EUR 68.822 million (previous year EUR 54.251 million) by the foreign companies. This breakdown reflects the regional segmentation of Bertrandt's operations.

The proportion of revenues calculated using the PoC method is EUR 415.295 million (previous year EUR 332.097 million). Overall, Bertrandt generated more than ten percent of its total revenues across all segments with two customers.

[7] Other own work capitalised

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

[8] Other operating income

Other operating income for fiscal 2013/2014 was comprised of the following:

Other operating income

EUR million	2013/2014	2012/2013
Work-related income	**6.865**	**7.154**
of which non-cash benefits to employees	3.418	3.097
of which rental income	3.447	4.057
Non-work-related income	**2.590**	**2.965**
of which income from disposal of assets	0.338	0.129
of which income from reversal of provisions	1.834	2.403
of which income from reversal of impairment losses	0.418	0.433
Miscellaneous other operating income	**3.753**	**2.924**
of which payments for damages received	0.125	0.063
of which income from exchange-rate differences	0.677	0.190
of which miscellaneous	2.951	2.671
Total	**13.208**	**13.043**

Grants for innovative projects are included in miscellaneous other operating income in the amount of EUR 1.066 million (previous year EUR 1.479 million) as well as in income from the reversal of provisions in fiscal 2012/2013 due to fixed assessments in the amount of EUR 1.072 million. Rental income of EUR 2.531 million (previous year EUR 3.113 million) is expected for the coming fiscal years. Of this, rental income of EUR 1.732 million (previous year EUR 2.395 million) arises from leases with a term of up to one year and EUR 0.799 million (previous year EUR 0.718 million) from leases with a term of one to five years.

[9] Cost of materials

The cost of materials was broken down as follows:

Raw materials and consumables used

EUR million	2013/2014	2012/2013
Expenditure on raw materials and consumables used	**10.018**	**9.188**
Expenditure on work purchased	**61.426**	**53.674**
of which CAD costs	11.449	11.238
of which external work	49.748	42.284
of which incoming freight	0.229	0.152
Total	**71.444**	**62.862**

In the year under review, the cost of materials increased by EUR 8.582 million.

[10] Personnel expenses

Overall, in the period under review the group employed an average of 11,252 people (previous year 10,398).

Employees in average

number	2013/2014	2012/2013
Technical employees	760	830
Office employees	9,685	8,819
Trainees/undergraduates	317	253
Interns/post-graduates	253	266
Temporary staff	237	230
Total	**11,252**	**10,398**

Personnel expenses include expenditure on wages and salaries in the amount of EUR 523.858 million (previous year EUR 471.354 million) as well as expenditure on social security of EUR 100.283 million (previous year EUR 89.194 million*) including the employer contribution to the statutory pension system presented under expenses for post-employment benefits and further defined contribution expense of EUR 47.756 million (previous year EUR 42.974 million):

Personnel expenses

EUR million	2013/2014	2012/2013*
Wages and salaries	**523.858**	**471.354**
Expenditure on social security	**100.283**	**89.194**
of which employer contribution to social security	52.329	46.030
of which expenditure on post-employment benefits	47.954	43.164
Total	**624.141**	**560.548**

Personnel expenses include government grants of EUR 1.014 million (previous year EUR 0.898 million) received under government economic stimulus packages.

Under an employee share scheme, Bertrandt AG provides a grant for the purchase of Bertrandt shares by staff (Notes [29] and [30]). A lock-up period of two years applies to the sale of these shares. This resulted in personnel expenses of EUR 0.375 million in fiscal 2013/2014 (previous year EUR 0.337 million). In addition, expenses were incurred in relation to a management share scheme amounting to EUR 0.778 million (previous year EUR 1.192 million).

[11] Depreciation/amortisation

Depreciation/amortisation expense was comprised of the following:

Depreciation/amortisation

EUR million	2013/2014	2012/2013
Depreciation/amortisation on		
intangible assets	3.704	2.754
property, plant and equipment	18.465	16.774
investment properties	0.065	0.066
Total	**22.234**	**19.594**

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

[12] Other Operating Expenses

Other operating expenses were comprised of the following:

Other operating expenses

EUR million	2013/2014	2012/2013
Miscellaneous manufacturing expenses	4.509	4.324
Office premises, furnishings and fittings	30.288	26.854
Miscellaneous personnel expenses	14.994	15.057
General administrative expenses	2.463	2.010
Distribution expenses	12.876	11.679
Expenditure on exchange-rate differences	0.174	0.529
Non-work-related expenses	1.551	2.701
Other expenses	10.186	8.404
Total	**77.041**	**71.558**

Miscellaneous other operating items primarily comprise fleet costs as well as legal and consulting fees. Expenditure on premises and inventory includes rental expenses of EUR 17.388 million (previous year EUR 16.068 million). Expenses for changes in personnel structure in fiscal 2013/2014 amounted to EUR 0.913 million (previous year EUR 0.611 million), while no restructuring expenses arose (previous year EUR 0 million).

[13] Net finance income

Net finance income was again positive with EUR 0.432 million (previous year EUR 0.384 million) and breaks down as follows:

Net finance income

EUR million	2013/2014	2012/2013
Share of profits in associates	0.013	-0.138
Finance costs	-0.055	-0.044
Other net financial result	0.474	0.566
Net finance income	**0.432**	**0.384**

The finance costs of EUR 0.055 million (previous year EUR 0.044 million) include interest expense on provisions of EUR 0.020 million (previous year EUR 0.010 million).

No interest expense was incurred on non-current bank borrowings in fiscal 2013/2014 (previous year EUR 0).

Other net finance income/finance costs for the period under review were comprised of interest income of EUR 0.474 million (previous year EUR 0.568 million) and losses in fair value of derivative financial instruments in fiscal 2012/2013 amounting to EUR 0.002 million.

[14] Other taxes

Foreign tax expenditure primarily involves the subsidiaries in France.

Other taxes

EUR million	2013/2014	2012/2013
Domestic tax expense	0.359	0.339
Foreign tax expense	0.861	0.809
Other taxes	**1.220**	**1.148**

[15] Income taxes

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

Income taxes thus can be broken down as follows:

Income taxes

EUR million	2013/2014	2012/2013*
Actual domestic tax expense	22.884	21.097
Actual foreign tax expense	1.049	0.415
Actual tax expense	**23.933**	**21.512**
Deferred tax expense	2.023	1.717
Income taxes	**25.956**	**23.229**

The income tax expense in the amount of EUR 25.956 million calculated for fiscal 2013/2014 was EUR 0.534 million less than the expected income tax expense of EUR 26.490 million that would have arisen had a tax rate of 30 percent (previous year 30 percent) been applied to consolidated pre-tax earnings.

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

Reconciliation of income tax

EUR million	2013/2014	2012/2013*
Earnings before income tax	88.299	80.497
Expected tax rate	30.0%	30.0%
Expected income tax expense	**26.490**	**24.149**
Taxation differences affecting foreign subsidiaries	0.174	0.432
Tax effects of payouts and pre-year tax assessments	-0.278	-0.386
Tax effect of non-deductible operating expenses and other tax modifications	-0.472	-0.993
Consolidation effects	0.051	0.033
Other effects	-0.009	-0.006
Actual income tax expense	**25.956**	**23.229**
Effective tax rate	29.4%	28.9%

The item "taxation differences affecting foreign subsidiaries" includes, among other things, additions in the amount of EUR 0.298 million (previous year EUR 0.201 million). There is no impairment of deferred tax assets from loss carry-forwards (previous year EUR 0.085 million). The item "tax effects of non-deductible operating expenses and other tax modifications" includes tax effects resulting from the tax-free grant of EUR 0.516 million (previous year EUR 1.100 million) and impairment of deferred tax assets from loss carry-forwards in the amount of EUR 0.057 million (previous year EUR 0). The deferred tax assets from loss carry-forwards utilised amounted to EUR 0.273 million (previous year EUR 0).

[16] Earnings per share

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

Calculation earnings per share

according to IAS 33	2013/2014	2012/2013*
Post-tax earnings (EUR million)	62.343	57.268
Minority interests (EUR million)	-0.004	0
Profit attributable to the shareholders of Bertrandt AG (EUR million)	**62.339**	**57.268**
– Number of shares (million)	10.143	10.143
– Number of treasury shares (million)	-0.067	-0.074
Number of shares which are entitled to dividend (million) – diluted / basic, average weighting	**10.076**	**10.069**
Earnings per share (EUR) – diluted / basic	**6.19**	**5.69**

[17] Further notes on the effects of financial instruments on the income statement

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

Net gains or net losses on financial instrument by category as defined in IAS 39

In TEUR	2013/2014	2012/2013
Financial assets at fair value through profit and loss	0	0.155
Loans and receivables	0.845	-1.127
Financial liabilities measured at amortised cost	-0.044	-0.013
Total	**0.801**	**-0.985**

The financial instruments at fair value through profit or loss comprised derivatives used for interest rate hedging in fiscal 2013/2014 as well in the previous year; in the previous year they also included foreign exchange forward contracts. The "loans and receivables" category comprises all other loans, trade receivables, other assets and cash and cash equivalents. Financial liabilities measured at amortised cost include liabilities to banks, trade payables and other liabilities.

Total interest income and expense for financial assets or liabilities that are not at fair value through profit and loss

In TEUR	2013/2014	2012/2013
Interest income	0.449	0.530
Interest expenses	-0.035	-0.011
Total	**0.414**	**0.519**

Due to the short maturities, the application of the effective interest method to trade receivables did not result in any interest expense or income in fiscal 2013/2014 as was also the case in the previous year.

Impairment losses on loans and receivables came to EUR 0.438 million in the period under review (previous year EUR 1.744 million).

Notes on items of the balance sheet

Assets

Non-current assets

[18] Intangible Assets

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

Goodwill is subjected to regular impairment testing in accordance with IAS 36. In fiscal 2013/2014, as in the previous year, this did not result in any impairment losses.

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

Intangible assets

EUR million	Concessions and licences	Internally generated software	Goodwill	Advance payments	Total intangible assets
Historical costs					
Value on 01/10/2013	29.932	0.841	9.002	0	39.775
Currency differences	0.006	0	0	0	0.006
Additions	4.954	0	0	0.030	4.984
Disposals	0.262	0	0	0	0.262
Reclassifications	0.017	0	0	0	0.017
Value on 30/09/2014	34.647	0.841	9.002	0.030	44.520
Amortisation					
Value on 01/10/2013	24.835	0.678	0	0	25.513
Currency differences	0.005	0	0	0	0.005
Additions	3.621	0.083	0	0	3.704
Disposals	0.250	0	0	0	0.250
Reclassifications	0	0	0	0	0
Value on 30/09/2014	28.211	0.761	0	0	28.972
Residual carring amount 30/09/2014	**6.436**	**0.080**	**9.002**	**0.030**	**15.548**
Residual carring amount 30/09/2013	**5.097**	**0.163**	**9.002**	**0**	**14.262**
Previous year					
Historical costs					
Value on 01/10/2012	27.496	0.772	9.002	0	37.270
Currency differences	-0.004	0	0	0	-0.004
Additions	3.030	0.069	0	0	3.099
Disposals	0.602	0	0	0	0.602
Reclassifications	0.012	0	0	0	0.012
Value on 30/09/2013	29.932	0.841	9.002	0	39.775
Amortisation					
Value on 01/10/2012	22.721	0.613	0	0	23.334
Currency differences	-0.003	0	0	0	-0.003
Additions	2.689	0.065	0	0	2.754
Disposals	0.572	0	0	0	0.572
Reclassifications	0	0	0	0	0
Value on 30/09/2013	24.835	0.678	0	0	25.513
Residual carring amount 30/09/2013	**5.097**	**0.163**	**9.002**	**0**	**14.262**
Residual carring amount 30/09/2012	**4.775**	**0.159**	**9.002**	**0**	**13.936**

[19] Property, plant and equipment

Items of property, plant and equipment are recognised at cost less depreciation in accordance with their respective useful lives. Impairment testing pursuant to IAS 36 did not result in any impairment loss for fiscal 2013/2014 (EUR 0 as opposed to EUR 0.081 million in the previous year). No collateral has been provided for land and buildings.

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

Property, plant and equipment

EUR million	Property and plant	Technical equipment and machinery	Other facilities, factory and office equipment	Advance payments and work in progress	Total PPE
Historical costs					
Value on 01/10/2013	39.184	57.884	74.555	7.053	178.676
Currency differences	0	0	0.018	0	0.018
Additions upon initial consolidation	25.112	0	0	0	25.112
Additions	3.315	5.846	13.401	14.382	36.944
Disposals	0.020	0.313	4.349	0	4.682
Reclassifications	3.015	2.060	0.107	-5.199	-0.017
Value on 30/09/2014	70.606	65.477	83.732	16.236	236.051
Depreciation					
Value on 0/10/2013	6.826	32.734	49.628	0	89.188
Currency differences	0	0	0.013	0	0.013
Additions	1.532	5.580	11.353	0	18.465
Disposals	0.003	0.289	3.688	0	3.980
Reclassifications	0	0	0	0	0
Value on 30/09/2014	8.355	38.025	57.306	0	103.686
Residual carring amount 30/09/2014	**62.251**	**27.452**	**26.426**	**16.236**	**132.365**
Residual carring amount 30/09/2013	**32.358**	**25.150**	**24.927**	**7.053**	**89.488**
Previous year					
Historical costs					
Value on 01/10/2012	32.308	50.121	68.725	2.670	153.824
Currency differences	0	0	-0.017	0	-0.017
Additions	6.516	6.333	11.035	6.812	30.696
Disposals	0.032	0.372	5.411	0	5.815
Reclassifications	0.392	1.802	0.223	-2.429	-0.012
Value on 30/09/2013	39.184	57.884	74.555	7.053	178.676
Depreciation					
Value on 01/10/2012	5.594	28.223	43.597	0	77.414
Currency differences	0	0	-0.013	0	-0.013
Additions	1.232	4.827	10.715	0	16.774
Disposals	0	0.316	4.671	0	4.987
Reclassifications	0	0	0	0	0
Value on 30/09/2013	6.826	32.734	49.628	0	89.188
Residual carring amount 30/09/2013	**32.358**	**25.150**	**24.927**	**7.053**	**89.488**
Residual carring amount 30/09/2012	**26.714**	**21.898**	**25.128**	**2.670**	**76.410**

[20] Investment properties

As of 30 September 2014, the fair values of the investment properties approximated their carrying amounts. Fair value is measured using the same method as that applied to goodwill (Note [5]) subject to a WACC of 9.1 percent (previous year 9.1 percent) and a terminal growth rate of 8.1 percent (previous year 8.1 percent). The terminal growth rate is based on a growth factor of one percent (previous year also one percent). No external independent expert's valuation was used for this purpose. In the period under review rental income of EUR 233 million (previous year EUR 0.233 million) was recorded. Maintenance expense came to EUR 0.004 million (previous year EUR 0.004 million).

Investment properties

EUR million	Investment properties
Historical costs	
Value on 01/10/2013	4.626
Additions	0
Disposals	0
Reclassifications	0
Value on 30/09/2014	4.626
Depreciation	
Value on 01/10/2013	2.889
Additions	0.065
Disposals	0
Reclassifications	0
Value on 30/09/2014	2.954
Residual carring amount 30/09/2014	**1.672**
Residual carring amount 30/09/2013	**1.737**
Previous year	
Historical costs	
Value on 01/10/2012	4.626
Additions	0
Disposals	0
Reclassifications	0
Value on 30/09/2013	4.626
Depreciation	
Value on 01/10/2012	2.823
Additions	0.066
Disposals	0
Reclassifications	0
Value on 30/09/2013	2.889
Residual carring amount 30/09/2013	**1.737**
Residual carring amount 30/09/2012	**1.803**

[21] Investments accounted for using the equity method and other investments

The equity method is used for all investments in associates.

The share of the Bertrandt Group of the profit/loss of these associates amounted to a profit of EUR 0.013 million (in the previous year a loss of EUR 0.138 million) and is recorded under additions and disposals.

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

Investments accounted for using the equity method and other investments

EUR million	Investments accounted for using the equity method	Non-current loans granted	Total financial assets
Historical costs			
Value on 01/10/2013	0.086	5.269	5.355
Additions	0.025	1.232	1.257
Disposals	0	0	0
Reclassifications	0.021	1.706	1.727
Value on 30/09/2014	0.090	4.795	4.885
Depreciation			
Value on 01/10/2013	0	0	0
Additions	0	0	0
Disposals	0	0	0
Value on 30/09/2014	0	0	0
Residual carring amount 30/09/2014	**0.090**	**4.795**	**4.885**
Residual carring amount 30/09/2013	**0.086**	**5.269**	**5.355**
Previous year			
Historical costs			
Value on 01/10/2012	0.226	6.095	6.321
Additions	0.005	1.079	1.084
Disposals	0	0	0
Reclassifications	0.145	1.905	2.050
Value on 30/09/2013	0.086	5.269	5.355
Depreciation			
Value on 01/10/2012	0	0	0
Additions	0	0	0
Disposals	0	0	0
Value on 30/09/2013	0	0	0
Residual carring amount 30/09/2013	**0.086**	**5.269**	**5.355**
Residual carring amount 30/09/2012	**0.226**	**6.095**	**6.321**

[22] Current and non-current receivables and other assets

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

Receivables and other assets

EUR million	30/09/2014	< 1 year	1-5 years	> 5 years
Trade receivables	174.262	174.262	0	0
Other assets	21.580	13.754	5.433	2.393
Total	**195.842**	**188.016**	**5.433**	**2.393**
Previous year				
	30.09.2013	< 1 year	1-5 years	> 5 years
Trade receivables	164.770	164.770	0	0
Other assets	19.051	12.130	4.754	2.167
Total	**183.821**	**176.900**	**4.754**	**2.167**

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

Other non-current asset comprise, amongst other items, reinsurance amounting to EUR 2.393 million (previous year EUR 2.167 million) and derivative financial instruments amounting to EUR 0 (previous year EUR 0). The carrying amount represents the maximum default risk for the derivative financial instruments.

Provisions for impairment amounted to EUR 3.867 million (previous year EUR 3.847 million).

[23] Current and non-current income tax assets

Of the corporate income tax credit in accordance with the Act on Accompanying Tax Measures for the Introduction of the European Company and the Modification of Further Tax Law Provisions (SEStEG), an amount of EUR 0.301 million (previous year EUR 0.446 million) is recorded under non-current income tax assets and an amount of EUR 0.170 million (previous year EUR 0.170 million) within current income tax assets. Current income tax assets also comprise tax refund claims in the amount of EUR 0.062 million (previous year EUR 0.011 million).

[24] Deferred tax balances

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

Deferred tax assets and liabilities were comprised of the following:

Deferred tax assets an liabilities

EUR million	30/09/2014		30/09/2013*	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Non-current assets	0.012	2.525	0.015	2.304
Inventories	0	14.617	0	11.609
Post-retirements benefit provisions	0.778	0	0.441	0
Other provisions	2.022	0	1.352	0
Unused tax losses	0.708	0	0.651	0
Other items	0.197	0.072	0.226	0.225
Total	**3.717**	**17.214**	**2.685**	**14.138**

Of the deferred tax assets, EUR 1.850 million (previous year EUR 1.432 million*) have a residual maturity of more than one year. Of the deferred tax liabilities, EUR 14.620 million (previous year EUR 11.751 million) are current and EUR 2.594 million (previous year EUR 2.387 million) are non-current liabilities.

A deferred tax asset was capitalised in the amount of EUR 0.097 million (previous year EUR 0.097 million) for companies that in the previous year or the current year generated a negative taxable income as the realisation of the related tax benefit is probable based on projected future taxable profit/loss.

In addition to the deferred tax assets arising from tax losses carried forward, there are unused tax losses in the amount of EUR 6.875 million (previous year EUR 5.270 million), which as a rule will be available for an unlimited time period. In individual countries, utilisation is restricted to between five and 15 years.

No deferred tax liabilities have been recognised on the temporary differences in the carrying amounts of investments which amounted to EUR 17.556 million (previous year EUR 14.491 million) because these will not reverse in the foreseeable future.

Current assets

[25] Inventories

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

Inventories

EUR million	30.09.2014	30.09.2013
Raw materials and consumables used	**0.614**	**0.749**

[26] Future receivables from construction contracts

Future receivables from construction contracts were comprised of the following:

Future receivables from construction contracts

EUR million	30/09/2014	30/09/2013
Construction contracts before advance payments	155.429	129.191
Advance payments received on construction contracts	-80.348	-66.748
Total	**75.081**	**62.443**

In addition there are provisions for construction contracts where the losses to be expected exceed the costs incurred, in the amount of EUR 0.333 million (previous year EUR 0.459 million), which are included in other current provisions (Note [33]). Advance payments for these construction contracts have so far not been received (previous year EUR 0).

[27] Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances and cheques. Foreign currency balances were translated into the Group currency at the mean closing rate prevailing on the balance sheet date, 30 September 2014. The changes of cash and cash equivalents are stated in the cash flow statement.

Equity and liabilities

Equity

[28] Share capital

On 30 September 2014 the share capital of Bertrandt AG was EUR 10,143,240.00 as in the previous year and was paid in full. It is thus divided into 10,143,240 no-par-value shares with an arithmetic par value of EUR 1.00.

Authorised capital

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

[29] Capital reserves

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

As of the balance sheet date, treasury stock comprised 67,543 shares (previous year 74,175 shares), equivalent to 0.7 percent (previous year 0.7 percent) of the Company's share capital. This change is due to a staff share scheme implemented in fiscal 2013/2014 under which a grant was provided for 3,316 shares (previous year 4,032 shares), with a weighted average fair value of EUR 113.05 (previous year EUR 83.50).

[30] Retained earnings

Exchange differences of EUR 0.474 million (previous year EUR -0.030 million) resulting from the consolidation of the subsidiaries' equity are offset with retained earnings.

The change in provisions for pensions of EUR -1.097 million (previous year EUR 0.093 million*) due to actuarial gains/losses in the fiscal year was offset with the tax effects allocable thereto according to IAS 19 and recognised under retained earnings in the amount of EUR 0.329 million (previous year EUR -0.028 million*).

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

[31] Minority interests

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

Non-current liabilities

[32] Provisions for pensions

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

Assumptions for determining pension obligations

diverse information	30/09/2014	30/09/2013
Interest rate	2.10 %	3.30 %
Assumed rate of salary increase	0 % / 2.50 %	0 % / 2.50 %
Assumed rate of pension increase	1.75 % / 2.50 %	1.75 % / 2.50 %
Probability of mortality and invalidity according to Heubeck	2005 G	2005 G
Valuation of widow (pension) entitlement	Collective	Collective
Retirement age	65 years	65 years
Average remaining life expectancy of persons with active entitlement	1 - 8 years	1 - 9 years

As of 30 September 2014 the provisions for pensions increased EUR 1.295 million (previous year EUR 0.097 million*) to EUR 5.307 million (previous year EUR 4.012 million*). Of this increase in pensions provisions, EUR 0.198 million (previous year EUR 0.190 million*) are recognised in personnel expenses and EUR 1.097 million (previous year EUR -0.093 million*) are recognised in other comprehensive income. As of the balance sheet date the weighted average duration of the retirement benefit obligations was 20.3 years (previous year 20.3 years).

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

Actuarial present value of pension obligations

EUR million	2013/2014	2012/2013
Present value on 01/10	**4.012**	**3.915**
Service cost	0 .065	0.064
Interest expense	0.133	0.126
Actuarial gains (-)/losses (+) from changes in financial assumptions	1.108	-0.080
Actuarial gains (-)/losses (+) from historical adjustments	-0.011	-0.013
Present value on 30/09	**5.307**	**4.012**

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

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

[33] Current and non-current other provisions

Other provisions are comprised of the following:

Current and non-current other provisions

EUR million	Personnel provisions	Provisions for ongoing business operations	Other provisions	Total of other provisions	of which less than 1 year	of which more than 1 year
Value on 01/10/2013	**39.368**	**3.234**	**15.223**	**57.825**	**52.147**	**5.678**
Currency difference	0.018	0	0.006	0.024		
Additions upon initial consolidation	0	0	0.135	0.135		
Utilisation	34.239	3.218	6.076	43.533		
Reversal	0.223	0.013	1.598	1.834		
Addition	44.615	3.389	7.656	55.660		
Value on 30/09/2014	**49.539**	**3.392**	**15.346**	**68.277**	**61.210**	**7.067**

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

Provisions for obligations related to ongoing business operations essentially comprise provisions for guarantee obligations and contingent losses from pending transactions. Provisions for construction contracts where the losses are expected to exceed the costs incurred, account for EUR 0.333 million (previous year EUR 0.459 million). Other provisions have been set aside for numerous discernible individual risks. Of the non-current other provisions EUR 5.315 million (previous year EUR 4.236 million) account for provisions for personnel expenses and EUR 1.752 million (previous year EUR 1.442 million) for other provisions. No provisions for restructuring are included in other current provisions (EUR 0 compared to EUR 0.330 in the previous year). Non-current provisions comprise interest expense totaling EUR 0.111 (previous year EUR 0.134 million), of which a sum of EUR 0.020 million (previous year EUR 0.010 million) is reported within net finance income/costs. Moreover, the provisions for personnel expenses include provisions for obligations arising from a management retention scheme (EUR 2.966 million).

[34] Current and non-current borrowings

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

Current and non-current other liabilities

EUR million	30/09/2014	< 1 year	1-5 years	> 5 years
Taxes	15.501	15.501	0	0
Payroll and church tax	7.389	7.389	0	0
Social security	2.137	2.137	0	0
Wages and salaries	0.723	0.723	0	0
Personnel obligations	32.402	32.402	0	0
Advance payments received for outstanding	11.373	11.373	0	0
Miscellaneous other	3.966	3.566	0.400	0
Other liabilities	**73.491**	**73.091**	**0.400**	**0**
Previous year				
	30/09/2013	< 1 year	1-5 years	> 5 years
Taxes	14.021	14.021	0	0
Payroll and church tax	6.828	6.828	0	0
Social security	1.924	1.924	0	0
Wages and salaries	0.911	0.911	0	0
Personnel obligations	30.336	30.336	0	0
Advance payments received for outstanding	10.066	10.066	0	0
Miscellaneous other	3.988	3.556	0.432	0
Other liabilities	**68.074**	**67.642**	**0.432**	**0**

Miscellaneous other liabilities include an investment grant of EUR 0.432 million (previous year EUR 0.464 million) which was received as a government grant for a realised investment. In accordance with IAS 20, an amount of EUR 0.032 million (previous year EUR 0.032 million) was released to the income statement in the period under review based on the useful lives of the assets concerned. Progress billings came to a total of EUR 91.721 million (previous year EUR 76.814 million), of which EUR 80.348 million (previous year EUR 66.748 million) were offset with receivables from construction contracts (Note [26]).

Current liabilities

[35] Tax provisions

Tax provisions relate to income taxes. Deferred tax assets/liabilities are shown as separate items in the balance sheet.

[36] Current financial liabilities

As of the balance sheet date no non-current financial liabilities were recorded by the Company. The reported current financial liabilities in the amount of EUR 0.092 million (previous year EUR 0.221 million) essentially comprise issued cheques that have not yet been presented for payment.

The credit facilities available were used for a short time only during the year. As in the previous year, ongoing capital expenditure was financed from the cash flow from operating activities.

As of 30 September 2014 the domestic and non-domestic interest rates on current financial liabilities amounted to 0.7 percent and six percent (previous year 1.1 and six percent). The carrying amounts reported for current financial liabilities equal their fair values.

[37] Trade Payables

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

Trade payables

EUR million	30/09/2014	30/09/2013
Trade payables	**12.289**	**10.179**

[38] Notes on the cash flow statement

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

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

Using post-tax earnings as a basis, the cash flow statement was prepared using the indirect method whereby profit or loss is adjusted for the effects of transactions of a non-cash nature. Allowing for changes in working capital, cash flow from operating activities is EUR 79.670 million (previous year EUR 77.731 million). There was a net cash outflow from investing activities of EUR -64.211 million (previous year EUR -32.447 million), which primarily comprised cash outflows for additions to assets. The payments made in connection with the acquisition of consolidated entities mainly relate to purchases of previously leased property. With EUR 15.459 million (previous year EUR 45.284 million) free cash flow decreased year on year due to the Company's increased investing activities and the tying up of funds in current assets as a result. Cash used in financing activities amounted to EUR -21.402 million (previous year EUR -19.449 million) and was due mainly to dividend payments. Cash and cash equivalents are at EUR 41.543 million (previous year EUR 47.253 million).

[39] Notes on segment reporting

The Group uses the operating segments Digital Engineering, Physical Engineering and Electrical Systems/Electronics as a basis for controlling the Group's activities. Non-current assets within the meaning of IFRS 8 are measured at EUR 149.585 million (previous year EUR 105.487 million). Of this total, domestic non-current assets account for EUR 144.802 million (previous year EUR 101.312 million) while foreign non-current assets account for EUR 4.783 million (previous year EUR 4.175 million).

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

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

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

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

Segments

EUR million	Digital Engineering		Physical Engineering		Elektrical Systems/ Electronics		Total for all divisions	
01/10 until 30/09	2013/2014	2012/2013*	2013/2014	2012/2013*	2013/2014	2012/2013*	2013/2014	2012/2013*
Revenues	519.243	465.803	185.782	169.119	178.916	162.433	883.941	797.355
Transfer between segments	7.589	9.672	2.533	3.431	3.256	1.847	13.378	14.950
Consolidated revenues	**511.654**	**456.131**	**183.249**	**165.688**	**175.660**	**160.586**	**870.563**	**782.405**
Operating profit	**46.961**	**43.388**	**21.904**	**19.546**	**20.222**	**18.327**	**89.087**	**81.261**
Scheduled depreciation	7.378	6.344	12.853	11.189	2.003	1.980	22.234	19.513
Exceptional depreciation	0	0.041	0	0.039	0	0.001	0	0.081

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

Other disclosures

[40] Collateral provided

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

[41] Contingent liabilities

As of the balance sheet date, the Company has recorded a contingent liability of EUR 0.516 million (previous year EUR 0.516 million) pertaining to ongoing appeal proceedings against a tax authority outside Germany.

[42] Other financial obligations

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

Other financial obligations

EUR million	30/09/2014	30/09/2013
< 1 year	52.429	38.498
1-5 years	30.756	30.516
> 5 years	5.338	5.491
Total	**88.523**	**74.505**

Of these obligations, EUR 38.017 million (previous year EUR 44.659 million) arise from real estate rental contracts and leases. In addition, there are other financial obligations under supplier contracts for intangible assets of EUR 1.121 million (previous year EUR 0.179 million) and items of property, plant and equipment in the amount of EUR 15.408 million (previous year EUR 7.116 million).

[43] Further notes on the effects of financial instruments on the balance sheet

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

Reconciliation of the line items of the balance sheet with the categories of financial instruments

EUR million	Measured at fair value through profit and loss	Measured at amortised cost		Outside the scope of IFRS 7/ No measurement category under IAS 39	**Balance sheet item 30/09/2014**
	Carrying amount	Carrying amount	Fair value	Carrying amount	
Non-current assets					
Shares in associates				0.090	**0.090**
Other financial assets		4.795	4.795		**4.795**
Receivables and other assets		2.572	2.572	5.254	**7.826**
Current assets					
Forderungen aus Fertigungsaufträgen		75.081	75.081		**75.081**
Forderungen und sonstige Vermögenswerte		177.920	177.920	10.096	**188.016**
Liquide Mittel		41.543	41.543		**41.543**
Non-current liabilities					
Other liabilities				0.400	**0.400**
Current liabilities					
Borrowings		0.092	0.092		**0.092**
Trade payables		12.289	12.289		**12.289**
Other liabilities		15.570	15.570	57.521	**73.091**

Previous year	Measured at fair value through profit and loss	Measured at amortised cost		Outside the scope of IFRS 7/ No measurement category under IAS 39	**Balance sheet item 30/09/2013**
	Carrying amount	Carrying amount	Fair value	Carrying amount	
Non-current assets					
Shares in associates				0.086	**0.086**
Other financial assets		5.269	5.269		**5.269**
Receivables and other assets		2.290	2.290	4.631	**6.921**
Current assets					
Receivable from construction contracts		62.443	62.443		**62.443**
Receivables and other assets		168.032	168.032	8.868	**176.900**
Cash and cash equivalents		47.253	47.253		**47.253**
Non-current liabilities					
Other liabilities				0.432	**0.432**
Current liabilities					
Borrowings		0.221	0.221		**0.221**
Trade payables		10.179	10.179		**10.179**
Other liabilities		13.558	13.558	54.084	**67.642**

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

[44] Management of financial risks

Hedging policies and principles of financial risk management

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

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

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

Liquidity risks can arise from deterioration in operating business or as a result of credit and market price risks. The Bertrandt Group manages liquidity risks by means of short- and long-term liquidity planning in the light of existing credit facilities. These plans are monitored and updated on an ongoing basis. As a matter of principle, Bertrandt AG maintains cash pooling arrangements with its German subsidiaries via banks. The foreign subsidiaries are provided with funds by means of loans from banks or Group entities. Moreover, the Bertrandt Group has sufficient – unused – credit facilities and also has access to alternative financing instruments. A material part of the facilities agreements is secured on a medium-term basis. Under the terms of an option agreement, the Group may face a maximum theoretical liquidity and credit risk involving a gross liability of EUR 2.000 million (previous year EUR 11.460 million) in the event of immediate exercise of the option. We do not expect the option to be exercised. Moreover, collateral is available for immediate liquidation, hence a net liability of close to EUR 0 is recorded, as in the previous year.

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

Originated financial liabilities

EUR million	Carrying amount	Payment obligations		
	30/09/2014	2014/2015	2015/2016 until 2017/2018	2018/2019 ff.
Borrowings	0.092	0.092	0	0
Trade payables	12.289	12.289	0	0
Other liabilities	15.570	15.570	0	0
Previous year	30/09/2013	2013/2014	2014/2015 until 2016/2017	2017/2018 ff.
Borrowings	0.221	0.221	0	0
Trade payables	10.179	10.179	0	0
Other liabilities	13.558	13.558	0	0

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

The Group has policies in place to ensure that its contractual parties fulfil certain creditworthiness criteria prior to the conclusion of a contract and during its term. The risk of default is limited to the greatest possible extent by means of preventive credit rating checks and ongoing monitoring of accounts receivable. There were no material payment defaults during the 2013/2014 financial year. The risk of default in the future is also rated as minor thanks to the mainly good creditworthiness of our customers and our proactive receivables management. Individual, single risks are covered as required by case-based credit insurance. The default risk of trade receivables reported as of the balance sheet date is covered by the provisions for impairment. The carrying amount of EUR 275.718 million (previous year EUR 251.533 million) of the trade receivables, other assets and other loans recorded in the balance sheet comprises the maximum default risk.

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

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

Credit and default risk of financial assets

EUR million				
	Neither overdue nor impaired	Overdue but not impaired	Impaired	**30/09/2014**
Other loans	4.795	0	0	**4.795**
Future receivables from construction contracts	75.081	0	0	**75.081**
Trade receivables	138.553	34.879	4.545	**177.977**
Other assets	6.230	0	0.152	**6.382**
	224.659	**34.879**	**4.697**	**264.235**
Previous year	Neither overdue nor impaired	Overdue but not impaired	Impaired	**30/09/2013**
Other loans	5.269	0	0	**5.269**
Future receivables from construction contracts	62.443	0	0	**62.443**
Trade receivables	132.274	31.439	4.752	**168.465**
Other assets	5.552	0	0.152	**5.704**
	205.538	**31.439**	**4.904**	**241.881**

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

Age of financial assets past due as the reporting date but not impaired

EUR million				
	until 30 days	31 to 90 days	more than 90 days	**30/09/2014**
Trade receivables	15.595	10.921	8.363	**34.879**
Previous year				
	until 30 days	31 to 90 days	more than 90 days	**30/09/2013**
Trade receivables	16.239	8.385	6.815	**31.439**

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

As of the balance sheet date, the provisions for impairment of trade receivables and other assets were as follows:

Adjustments made to financial assets

EUR million		
	2013/2014	2012/2013
Value on 01/10	**3.847**	**2.536**
Addition	0.438	1.744
Utilisation	0.012	0.108
Reversal	0.406	0.325
Currency difference	0	0
Value on 30/09	**3.867**	**3.847**

In the year under review, expense from derecognised receivables came to EUR 0.012 million (previous year EUR 0.111 million).

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

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

Hedging instruments

EUR million	Nominal volume		Fair value	
	30/09/2014	30/09/2013	30/09/2014	30/09/2013
Caps	**3.000**	**3.000**	**0**	**0**
< 1 year	3.000	0	0	0
1 - 5 years	0	3.000	0	0
5 - 10 years	0	0	0	0

In accordance with IFRS 7, sensitivity analyses are performed to present the interest risks to which the Company is exposed. These analyses show the effects of changes in market interest rates, interest payments as well as interest income and expense. If interest rates in the market were 100 basis points higher (lower), profit or loss would increase by EUR 0.415 million or decrease by EUR 0.473 million (previous year EUR 0.474 million higher or EUR 0.568 million lower).

Financial instruments measured at amortised cost and subject to a fixed rate of interest are not exposed to any interest risks as defined in IFRS 7.

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

[45] Disclosures on capital management

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

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

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

Its equity corresponds to the equity shown on the balance sheet. As of 30 September 2014, the ratio of equity to total assets (equity ratio) was 59.4 percent (previous year 58.5 percent*).

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

[46] Disclosures pursuant to the German Securities Trading Act (WpHG)

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

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

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

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

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

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

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

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

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

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

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

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

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

Disclosure pursuant to Section 21 (1) WpHG

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

Disclosure pursuant to Section 21 (1) WpHG

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

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

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

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

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

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

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

All of the aforementioned 2.537.095 voting rights are attributable to the disclosing entity in accordance with Section 22 (1) sent. 1 no. 1 WpHG via the following controlled companies whose share of voting rights in Bertrandt AG are or exceed three percent in each case: Wolfgang Porsche GmbH, Familie Porsche Beteiligung GmbH, both with registered offices in Grünwald and Porsche Automobil Holding SE, Porsche Zwischenholding GmbH and Dr. Ing. h.c. F. Porsche Aktiengesellschaft, all with registered offices in Stuttgart.

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

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

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

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

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

We were informed by Friedrich Boysen Holding GmbH with registered offices in Altensteig, Germany that its share of voting rights in Bertrandt AG had exceeded the threshold of 10 percent of voting rights on 21 February 2011 and stood at 14.9 percent (1,511,343 voting rights) as of that date.

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

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

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

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

In a letter dated 1 March 2011, received by us on the same day, J.P. Morgan Chase Bank, National Association, United Kingdom, notified us as follows:

I. On behalf of J.P. Morgan Asset Management (UK) Limited with registered offices in London, United Kingdom, we hereby notify you in accordance with Section 21 (1) WpHG that the share of the voting rights held by J.P. Morgan Asset Management (UK) Limited in Bertrandt AG had fallen below the threshold of 3 percent of voting rights on 24 February 2011 and stood at 2.99 percent (303,640 voting rights) as of that date. 2.97 percent of the aforementioned voting rights (301,425 voting rights) are attributable to the company pursuant to Section 22 (1) sent. 1 no. 6 WpHG; a further 0.02 percent of the aforementioned voting rights (2,215) are attributable pursuant to Section 22 (2) WpHG.

II. On behalf of J.P. Morgan Investment Management Inc. with registered offices in New York, USA, we hereby notify you in accordance with Section 21 (1) WpHG that the share of the voting rights held by J.P. Morgan Investment Management Inc. in Bertrandt AG had fallen below the threshold of 3 percent of voting rights on 24 February 2011 and stood at 2.99 percent (303,640 voting rights) as of that date. 0.02 percent of the aforementioned voting rights (2,215 voting rights) are attributable to the company pursuant to Section 22 (1) sent. 1 no. 6 WpHG; a further 2.97 percent of the aforementioned voting rights (301,425 voting rights) are attributable pursuant to Section 22 (2) WpHG.

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

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

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

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

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

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

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

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

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

I. In a letter dated 7 February 2013, received by us on the same day, Fidelity Funds SICAV with registered offices in Luxembourg, Luxembourg, notified us as follows:

This is to inform you in accordance with Section 21 (1) WpHG that the share of voting rights in Bertrandt AG, Ehningen, Germany, held by Fidelity Funds SICAV with registered offices in Luxembourg, Luxembourg, fell below the threshold of three percent on 7 February 2013 and as of that day stood at 2.99 percent (304,37 voting rights).

II. In a letter dated 8 February 2013, received by us on the same day, FIL Holdings Limited with registered offices in in Hildenborough, United Kingdom, notified us as follows:

This is to inform you in accordance with Section 21 (1) WpHG that the share of voting rights in Bertrandt AG, Ehningen, Germany, held by FIL Holdings Limited with registered offices in Hildenborough, United Kingdom, fell below the threshold of three percent on 8 February 2013 and as of that day stood at 2.75 percent (278,836 voting rights).

All of the voting rights are attributable to FIL Holdings Limited with registered offices in Hildenborough, United Kingdom, in accordance with Section 22 (1) sent. 1 no. 6 in conjunction with Section 22 (1) sent. 2 WpHG.

III. In a letter dated 8 February 2013, received by us on the same day, FIL Investments International with registered offices in Hildenborough, United Kingdom, notified us as follows:

This is to inform you in accordance with Section 21 (1) WpHG that the share of voting rights in Bertrandt AG, Ehningen, Germany held by FIL Investments International with registered offices in Hildenborough, United Kingdom, fell below the threshold of three percent on 8 February 2013 and as of that day stood at 2.75 percent (278,836 voting rights).

All of the voting rights are attributable to FIL Investments International with registered offices in Hildenborough, United Kingdom, in accordance with Section 22 (1) sent. 1 no. 6 WpHG.

IV. In a letter dated 8 February 2013, received by us on the same day, FIL Limited with registered offices in Hamilton, Bermuda, United Kingdom, notified us as follows:

This is to inform you in accordance with Section 21 (1) WpHG that the share of voting rights in Bertrandt AG, Ehningen, Germany held by FIL Limited with registered offices in Hamilton, Bermuda, United Kingdom, fell below the threshold of three percent on 8 February 2013 and as of that day stood at 2.75 percent (278,836 voting rights).

All of the voting rights are attributable to FIL Limited with registered offices in Hamilton, Bermuda, United Kingdom, in accordance with Section 22 (1) sent. 1 no. 6 WpHG.

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

In a letter dated 12 August 2013, received by us on the same day, we were informed by LK Holding GmbH, Salzburg, Austria, in accordance with Section 21 (1) WpHG that its share of voting rights in Bertrandt AG had exceeded the thresholds of 3 percent, 5 percent, 10 percent, 15 percent, 20 percent and 25 percent of voting rights on 10 August 2013 and stood at 25.01 percent (equivalent to 2,537,095 voting rights) as of that date. All of the aforementioned 2.537.095 voting rights are attributable to LK Holding GmbH, Salzburg, Austria in accordance with Section 22 (1) sent. 1 no. 1 WpHG via the following companies controlled by it whose share of voting rights in Bertrandt AG is or exceeds three percent in each case: Dr. Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart, Porsche Holding Stuttgart GmbH, Stuttgart, Volkswagen Aktiengesellschaft, Wolfsburg, Porsche Automobil Holding SE, Stuttgart, Familien Porsche-Kiesling Beteiligung GmbH, Grünwald and Louise Daxer-Piëch GmbH, Grünwald.

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

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

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

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

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

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany held by Ahorner Beta Beteiligungs GmbH with registered offices in Grünwald, Germany, exceeded the thresholds of3 percent, 5 percent, 10 percent, 15 percent, 20 percent and 25 percent on 11 September 2014 and as of that day stood at 25.01 percent of voting rights (equivalent to 2,537,095 voting rights).

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

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

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany held by Louise Daxer-Piech GmbH with registered offices in Salzburg, Austria, exceeded the thresholds of 3 percent, 5 percent, 10 percent, 15 percent, 20 percent and 25 percent on 11 September 2014 and as of that day stood at 25.01 percent of voting rights (equivalent to 2,537,095 voting rights).

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

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

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

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

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

In a letter dated 8 October 2013, which we received on the same day, Allianz Global Investors Europe GmbH with registered offices in Frankfurt am Main, Germany provided the following disclosure of voting rights pursuant to Section 21 (1) WpHG:

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany held by Allianz Global Investors Europe GmbH with registered offices in Frankfurt am Main, Germany, fell below the threshold of 3 percent on 3 September 2014 and as of that day stood at 2.99 percent of voting rights (equivalent to 302.779 of the total of 10,143,240 voting rights).

Of these voting rights, 0.85 percent (equivalent to 86,222 of the total of 10,143,240 voting rights) are attributable to Allianz Global Investors Europe GmbH with registered offices in Frankfurt am Main, Germany, in accordance with Section 22 (1) sent. 1 no. 6 WpHG.

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

In a letter dated 4 December 2013 received by us on the same day, Porsche Wolfgang 1. Beteiligungsverwaltungs GmbH with registered offices in Stuttgart, Germany, informed us in accordance with Section 21 (1) WpHG that its share of voting rights in Bertrandt AG with registered offices in Ehningen, Germany had exceeded the 3 percent, 5 percent, 10 percent, 15 percent, 20 percent and 25 percent thresholds on 2 December 2013 and as of that date stood at 25.01 percent (equivalent to 2,537,095 of the total of 10,143,240 voting rights).

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

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

In a letter dated 18 February 2014, which we received on the same day, Bankhaus Lampe KG with registered offices in Bielefeld, Germany, provided the following disclosure of voting rights pursuant to Section 21 (1) WpHG:

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany held by Bankhaus Lampe KG exceeded the thresholds of 3 percent and 5 percent on 14 February 2014 and as of that day stood at 5.95 percent (604,000 voting rights).

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

In a letter dated 25 February 2014, which we received on the same day, Bankhaus Lampe KG with registered offices in Bielefeld, Germany, provided the following disclosure of voting rights pursuant to Section 21 (1) WpHG:

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany held by Bankhaus Lampe KG fell below the thresholds of 5 percent and 3 percent on 24 February 2014 and as of that day stood at 0 percent (0 voting rights).

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

In a letter dated 27 May 2014, received by us on the same day, we were informed by William Blair & Company L.L.C. with registered offices in Chicago, Illinois/USA, pursuant to Section 21 (1) WpHG that its share of voting rights in Bertrandt AG fell below the threshold of 3 percent of voting rights on 22 May 2014 and stood at 2.62 percent (266,111 voting rights) as of that date. Pursuant to Section 22 (1) sent. 1 no. 6 WpHG, all of these voting rights are attributable to the disclosing party.

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

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

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

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

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

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

Correction to a disclosure pursuant to Section 26 (1) WpHG of 7 July 2014

In a letter dated 4 July 2014, received by us on the same day, we were informed by Universal-Investment-Gesellschaft mit beschränkter Haftung with registered offices in Frankfurt am Main, Germany, pursuant to Section 21 (1) WpHG that its share of voting rights in Bertrandt AG had exceeded the threshold of 3 percent of voting rights on 1 July 2014 and stood at 3.004 percent (304,677 voting rights) as of that date. Of these voting rights, 2.79 percent (283,267 voting rights) are attributable to Universal-Investment-Gesellschaft mit beschränkter Haftung, with registered offices in Frankfurt am Main, Germany, in accordance with Section 22 (1) sent. 1 no. 6 WpHG.

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

In a letter dated 22 July 2014, received by us on the same day, we were informed by Universal-Investment-Gesellschaft mit beschränkter Haftung with registered offices in Frankfurt am Main, Germany pursuant to Section 21 (1) WpHG that its share of voting rights in Bertrandt AG fell below the threshold of 3 percent of voting rights on 17 July 2014 and stood at 2.94 percent (298,449 voting rights) as of that date. Of these voting rights, 2.73 percent (277,039 voting rights) are attributable to Universal-Investment-Gesellschaft mit beschränkter Haftung, with registered offices in Frankfurt am Main, Germany, in accordance with Section 22 (1) sent. 1 no. 6 WpHG.

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

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

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany, held by Allianz Global Investors Europe GmbH with registered offices in Frankfurt am Main, Germany, exceeded the threshold of 3 percent on 25 September 2014 and as of that day stood at 3.10 percent of voting rights (equivalent to 314.388 of the total of 10,143,240 voting rights).

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

[47] Declaration of conformity to the German Corporate Governance Code

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

[48] Material events after the reporting period

There were no material events after the reporting period of 1 October 2013 to 30 September 2014.

[49] Disclosure on the Company's corporate governance bodies

Management Board

Dietmar Bichler, Chairman of the Management Board
- President of the Board of Directors Bertrandt France S.A., Bièvres
- Member of the Board of Directors of b.invest AG, Ehningen
- Member of the Supervisory Board of MAHLE GmbH, Stuttgart (since 24/10/2013)

Hans-Gerd Claus, Member of the Management Board, Engineering

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

Markus Ruf, Member of the Management Board, Finance
- Member of the Board of Directors of Bertrandt France S.A., Bièvres

The total remuneration for current and former member of the Management Board for fiscal 2013/2014 is EUR 7.049 million (previous year EUR 6.698 million) and includes a fixed amount and a performance-related component. Of this total, EUR 7.049 million (previous year EUR 6.548 million) have been paid to current members of the Management Board and EUR 0 to former members of the Management Board (previous year EUR 0.150 million). The additions to provisions for pensions for Management Board members include service cost of EUR 0.065 million for the current fiscal year (previous year EUR 0.064 million). Furthermore, provisions amounting to EUR 1.844 million have been set aside to cover post-retirement benefits payable to former members of the Management Board (previous year EUR 1.497 million*).

The following table provides an overview of the holdings of Bertrandt shares of Management Board members during the 2013/2014 fiscal year:

Shares owned by members of the Management Board

number		
	Balance at 30/09/2014	Balance at 30/09/2013
	Shares	Shares
Dietmar Bichler	400,000	801,094
Hans-Gerd Claus	0	0
Michael Lücke	0	0
Markus Ruf	0	0
Total	**400,000**	**801,094**

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

Supervisory Board

Dr Klaus Bleyer, Chairman of the Supervisory Board
- Chairman of the Supervisory Board of MAHLE GmbH, Stuttgart
- Chairman of the Supervisory Board of Lindauer Dornier GmbH, Lindau
- Chairman of the University Council of the University of Ulm, Ulm (until 30/09/2014)
- Chairman of the Supervisory Board of Jost-Global GP S.à r.l., Luxemburg

Maximilian Wölfle, Deputy Chairman
- Chairman of the Advisory Board of J. WIZEMANN GmbH & Co. KG, Stuttgart
- Chairman of the Advisory Board of Heinrich von Wirth GmbH & Co. KG, Stuttgart
- Member of the Board of Directors of Westiform Holding AG, Bürglen
- Chairman of the Advisory Board of Kaiser-Brauerei W. Kumpf GmbH & Co. KG, Geislingen/Steige
- Deputy Chairman of the Advisory Board of SÜDWESTBANK AG, Stuttgart
- Member of the Advisory Board of PAUL LANGE & Co. OHG, Stuttgart
- Member of the Supervisory Board of Schwabenverlag AG, Ostfildern

Horst Binnig
- Member of the Management Board of KSPG AG, Neckarsulm (member until 31/12/2013, Chairman since 01/01/2014)
- Member of the Management Board of Rheinmetall AG, Düsseldorf (since 01/01/2014)
- Chairman of the Board of Directors of Kolbenschmidt Pierburg Shanghai Nonferrous Components Co., Ltd., Shanghai (Director until 23/03/2014, Chairman since 24/03/2014)
- Vice Chairman of the Board of Directors of Kolbenschmidt Shanghai Piston Co., Ltd., Shanghai (Director until 23/03/2014, Vice Chairman since 24/03/2014)
- Director of KS Kolbenschmidt US, Inc., Marinette (until 31/03/2014)
- Member of the Supervisory Board of Shriram Pistons & Rings Ltd., New Delhi (until 30/10/2013)
- Director of Kolbenschmidt de Mexico S. de R.L. de C.V., Celaya (until 22/05/2014)
- Chairman of the Supervisory Board of KS Aluminium-Technologie GmbH, Neckarsulm
- Chairman of the Supervisory Board of KS Kolbenschmidt GmbH, Neckarsulm (member until 27/11/2013, Chairman since 28/11/2013)
- Chairman of the Supervisory Board of KS Gleitlager GmbH, St.-Leon-Rot (member until 27/11/2013, Chairman since 28/11/2013)
- Director of KSLP (China) Co. Ltd., Kunshan (until 15/04/2014)
- Director of Kolbenschmidt USA, Inc., Marinette (until 31/03/2014)
- Chairman of the Supervisory Board of Pierburg GmbH, Neuss (member until 25/11/2013, Chairman since 26/11/2013)
- Member of the Board of Directors of Pierburg Gestión S.L., Abadiano, Spain (until 31/03/2014)
- Member of the Board of Directors of Pierburg S.A., Abadiano (until 31/03/2014)
- Member of the Board of Directors of Pierburg Systems S.L., Amorebieta, Spain (until 31/03/2014)
- Chairman of the Board of Managers of Pierburg US, LLC, Fountain Inn (until 31/03/2014)
- Board Member of MS Motor Service Istanbul Dis Ticaret Ve Pazarlama A.S., Istanbul
- Vice Chairman of the Board of Directors of Pierburg HUAYU Pump Technology Co. Ltd., Shanghai
- Chairman of the Supervisory Board of KS ATAG GmbH, Neckarsulm (member from 01/01/2014 to 11/03/2014, Chairman from 11/03/2014 to 31/07/2014)
- Director of KSPG Holding USA, Inc, Marinette (since 02/01/2014)

Prof. Dr-Ing. Wilfried Sihn
- Professor of Operating Engineering and System Planning at the Institute of Management Science of the Technical University of Vienna, Vienna
- Managing Director of Fraunhofer Austria Research GmbH, Vienna
- Deputy Chairman of the Supervisory Board of WITTENSTEIN AG, Harthausen (until 31/03/2014)
- Member of the Board of Directors of Baumer Holding AG, Frauenfeld
- Member of the Board of Directors of Glutz AG, Soloturn
- Member of the Supervisory Board of MELECS AG, Vienna
- Member of the Advisory Board of Herrmann Ultraschall GmbH & Co. KG, Karlsbad Ittersbach
- Member of the Advisory Board of Karl Klink GmbH, Niefern-Öschelbronn

Stefanie Blumenauer, Employee representative (since 01/04/2014)
- Commercial clerk

Daniela Brei, Employee representative (until 31/03/2014)
- Commercial clerk

Astrid Fleischer, Employee representative
- Technical draughtswoman

Compensation of the Supervisory Board members for their activity amounted to EUR 0.320 million in fiscal 2013/2014 (previous year EUR 0.268 million). The total of these EUR 0.320 million (previous year EUR 0.110 million) is fixed remuneration, as the compensation structure for the members of the Supervisory Board was amended and no longer comprises a variable portion (previous year EUR 0.0158 million).

The amounts paid to the individual members of the Supervisory Board were as follows:

Supervisory Board compensation

EUR	Fixed
	2013/2014
Dr Klaus Bleyer	112,000
Maximilian Wölfle	64,000
Horst Binnig	40,000
Prof. Dr-Ing. Wilfried Sihn	40,000
Stefanie Blumenauer[1]	16,000
Daniela Brei[2]	16,000
Astrid Fleischer	32,000
Total	**320,000**

[1]Member of the Supervisory Board since 1 April 2014.
[2]Member of the Supervisory Board until 31 March 2014.

The employee representatives on the Supervisory Board received usual salaries as provided for in their employment contracts. Other than this, the members of the Supervisory Board did not receive any compensation or benefits in the 2013/2014 fiscal year for services provided in a personal capacity, in particular those involving consulting and brokerage services.

The Bertrandt shares held by members of the Supervisory Board are broken down as follows:

Shares owned by members of the Supervisory Board

number	Balance at 30/09/2014	Balance at 30/09/2013
	Shares	Shares
Dr Klaus Bleyer	0	0
Maximilian Wölfle	0	0
Horst Binnig	0	0
Prof. Dr-Ing. Wilfried Sihn	0	0
Stefanie Blumenauer	0	n/a[1]
Daniela Brei	n/a[2]	138
Astrid Fleischer	80	76
Total	**80**	**214**

Options are not disclosed here as there is currently no option programme.
[1]Member of the Supervisory Board since 1 April 2014.
[2]Member of the Supervisory Board until 31 March 2014.

[50] Shareholdings of Bertrandt AG

Shares owned by Bertrandt AG

%	Share in equity capital
Germany	
Bertrandt Ehningen GmbH, Ehningen[1]	100.0
Bertrandt Fahrerprobung Süd GmbH, Nufringen[1]	100.0
Bertrandt GmbH, Hamburg[1]	100,0
Bertrandt Ingenieurbüro GmbH, Gaimersheim[1]	100,0
Bertrandt Ingenieurbüro GmbH, Ginsheim-Gustavsburg[1]	100.0
Bertrandt Ingenieurbüro GmbH, Hamburg[1]	100.0
Bertrandt Ingenieurbüro GmbH, Köln[1]	100.0
Bertrandt Ingenieurbüro GmbH, München[1]	100.0
Bertrandt Ingenieurbüro GmbH, Neckarsulm[1]	100.0
Bertrandt Ingenieurbüro GmbH, Tappenbeck[1]	100.0
Bertrandt München GmbH, München	100.0
Bertrandt Projektgesellschaft mbH, Ehningen[1]	100.0
Bertrandt Services GmbH, Ehningen[1]	100.0
Bertrandt Tappenbeck GmbH, Tappenbeck	100.0
Bertrandt Technikum GmbH, Ehningen[1]	100.0
Bertrandt Automotive GmbH & Co. KG, Pullach i. Isartal[1]	94.9
Bertrandt Immobilien GmbH & Co. KG, Pullach i. Isartal[1] (formerly Krannich Immobilien GmbH, Weil der Stadt)	94.9
Inmuebles Baviera GmbH, Berlin	94.9
Bertrandt Entwicklungen AG & Co. OHG, Stuttgart	30.0
aucip. automotive cluster investment platform GmbH & Co. KG, Pullach i. Isartal	24.9
aucip. automotive cluster investment platform Beteiligungs GmbH, Pullach i. Isartal	24.9
MOLLIS Beteiligungsgesellschaft mbH, Pullach i. Isartal	24.9
Non-Germany	
Bertrandt Engineering Shanghai Co., Ltd., Shanghai, China	100.0
Bertrandt France S.A., Bièvres, France	100.0
Bertrandt S.A.S., Bièvres, France	100.0
Bertrandt Otomotiv Mühendislik Hizmetleri Ticaret Limited Sirketi, Istanbul, Turkey	100.0
Bertrandt UK Limited, Dunton, United Kingdom	100.0
Bertrandt US Inc., Detroit, Michigan, United States	100.0

[1]In accordance with Section 264 (3) ou 264b of the German Commercial Code, the annual financial statements as of 30 September 2014 have not been disclosed.

The breakdown of voting rights is largely in accordance with the shareholder structure.

With effect from 26 March 2014 Bertrandt Ehningen GmbH, Ehningen acquired 94.9 percent of the shares in Bertrandt Immobilien GmbH & Co. KG, Pullach i. Isartal (formerly Krannich Immobilien GmbH, Weil der Stadt) for EUR 2.130 million. As at the date of purchase the company had EUR 5.612 million in property, plant and equipment, EUR 0.002 million in other assets, EUR 2.963 million in liabilities, EUR 0.404 million in deferred tax liabilities and EUR 0.002 million in provisions. Minority interests as at the date of purchase amounted to EUR 0.114 million and were measured according to the corresponding share in the equity of the purchased company. Upon the acquisition of the shares, loans in the amount of EUR 2.961 million were repaid. In the present consolidated financial statements, Bertrandt Immobilien GmbH & Co. KG accounts only for intragroup income in the amount of EUR 0.116 million and post-tax earnings of EUR 0.047 million.

With effect from 31 August 2014 Bertrandt Ehningen GmbH, Ehningen acquired 94.9 percent of the shares in Inmuebles Baviera GmbH, Berlin for EUR 10.236 million. As at the date of purchase the company had EUR 19.500 million in property, plant and equipment, EUR 2.444 million in cash and cash equivalents, EUR 0.150 million in other assets, EUR 0.142 million in deferred tax assets, EUR 11.226 million in liabilities and EUR 0.199 million in provisions. On initial consolidation, income of EUR 0.024 million was recognised. Minority interests as at the date of purchase amounted to EUR 0.551 million and were measured according to the corresponding share in the equity of the purchased company. Upon the acquisition of the shares, loans in the amount of EUR 11.192 million were repaid. In the present consolidated financial statements, Inmuebles Baviera GmbH accounts only for intragroup income of EUR 0.119 million and post-tax earnings of EUR 0.035 million.

The operating results and financial positions of associates were as follows:

Net assets and results of associated companies

EUR million	30/09/2014	30/09/2013
Assets	12.195	9.977
Liabilities	11.968	9.772
Revenues	8.204	5.480
Post-tax earnings/Total comprehensive income	0.062	-0.451

The companies aucip. automotive cluster investment platform GmbH & Co. KG, aucip. automotive cluster investment platform Beteiligungs GmbH and MOLLIS Beteiligungsgesellschaft mbH, adopted the calendar year as their financial year. Bertrandt Entwicklungen AG & Co. OHG has the same balance sheet date as the Bertrandt Group.

The supply/delivery relationships between Bertrandt AG and its associates were based on arm's length prices. Receivables from associates amounted to EUR 0.050 million as of the balance sheet date (previous year EUR 0 million). The revenues of fully consolidated group entities generated from transactions with Bertrandt Entwicklungen AG & Co. OHG were EUR 0.004 million in the period under review (previous year EUR 0.641 million).

On 2 July 2014 Dr. Ing. h.c. F. Porsche AG, Stuttgart, increased its shareholding in Bertrandt AG by nearly four percentage points. After the purchase of the shares, Volkswagen indirectly held around 29 percent of voting shares in Bertrandt. The company will continue to desist from exercising influence on the Supervisory Board or the Management Board. From the date of the purchase of the shares, Bertrandt AG will be accounted for as an associate in the consolidated financial statements of the Volkswagen group under the equity method. Accordingly, the Volkswagen group has to be classified as a related party pursuant to IAS 24. All supply/delivery relationships between Bertrandt AG and the Volkswagen group were based on arm's length prices. The revenues arising from transactions with all Volkswagen group companies amounted to EUR 356.400 million in the period under review. In addition, other operating income of EUR 1.909 million and expenses of EUR 2.569 million have been recognised. As of the balance sheet date, receivables amounted to EUR 82.778 million and payables to EUR 0.032 million. Provisions for impairment of trade receivables were EUR 0.030 million in the 2013/2014 financial year.

[51] Auditor fees

The auditor's fees which are expensed in accordance with Section 319 (1) of the German Commercial Code were comprised of the following:

Auditor's fee

EUR million	2013/2014	2012/2013
Audit of financial statements	0.249	0.245
Other certification services	0	0
Tax consulting services	0.021	0.047
Other services	0.137	0.031
Total	**0.407**	**0.323**

[52] Profit allocation proposal

In accordance with Section 58 (2) of the German Stock Corporation Act, the dividend distributed by Bertrandt Aktiengesellschaft is based on the distributable profit as shown in the financial statements prepared according to German commercial law for the year ending 30 September 2014.

The Management Board proposes using Bertrandt AG's distributable profit of EUR 35,454,532.95 to pay a dividend of EUR 2.40 per qualified share, and carry forward the remaining amount of EUR 11,110,756.95 to the next financial year. In accordance with the German Stock Corporation Act, any treasury shares held by Bertrandt AG at the time the proposal is adopted by the annual general meeting are not entitled to a dividend. The amount applicable to such shares is also carried forward.

[53] Dividend for the fiscal year 2012/2013

The Management Board's dividend proposal for the previous year of EUR 2.20 was adopted by the annual general meeting.

[54] Day of release for publication

The Management Board of Bertrandt AG has submitted the consolidated financial statements to the Supervisory Board which will make a decision concerning these on 8 December 2014.

Ehningen, 26 November 2014

The Management Board

Dietmar Bichler
Chairman of the Management Board

Hans-Gerd Claus
Member of the Management Board
Engineering

Michael Lücke
Member of the Management Board
Sales

Markus Ruf
Member of the Management Board
Finance

Auditor's Report

We have audited the consolidated financial statements prepared by Bertrandt Aktiengesellschaft, Ehningen – comprising the balance sheet, statement of comprehensive income, statement of equity movements, cash flow statement and notes – and the management report for the fiscal year from 1 October 2013 to 30 September 2014. The preparation of the consolidated financial statements and the Group management report in accordance with the International Financial Reporting Standards (IFRS), as they are to be applied in the EU, and the additional accounting provisions in accordance with Section 315a (1) HGB is the responsibility of the Company's Management Board. Our responsibility is to express an opinion on the consolidated financial statements and the Group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 HGB and the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated annual financial statements in accordance with the applicable principles of proper accounting and in the Group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the Group annual financial statements and the Group management report are examined primarily on a test basis within the framework of the audit. The audit includes an assessment of the financial statements of the companies included in the Group, the definition of the scope of consolidation, the accounting and consolidation principles used and the significant estimates made by the Management Board as well as evaluating the overall presentation of the consolidated financial statements and the Group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the results of our audit, the consolidated financial statements comply with IFRS as they are to be applied in the EU, the supplementary provisions of German commercial law in accordance with Section 315a (1) HGB and in the light of these provisions give a true and fair view of the net assets, financial position and results of operations of the Group. The Group management report is consistent with the consolidated annual financial statements and on the whole provides a suitable understanding of the Group's position and suitably presents the risks to future development.

Stuttgart, 26 November 2014

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Udo Bäder	ppa. Volker Engesser
Certified Public Auditor	Certified Public Auditor

RESPONSIBILITY STATEMENT (AFFIDAVIT)

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the condensed consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Ehningen, 26 November 2014

Bertrandt AG

The Management Board

Dietmar Bichler Chairman	Hans-Gerd Claus Member of the Management Board Engineering
Michael Lücke Member of the Management Board Sales	Markus Ruf Member of the Management Board Finance

FURTHER INFORMATION

GLOSSARY

Ad hoc bulletins: The German Securities Trading Act obliges companies to issue ad hoc bulletins without delay on important news concerning the company that might have a considerable effect on its share. This is intended to rule out the possibility that share-relevant news is known only to insiders, who might exploit their advantage in terms of knowledge.

AktG: German Stock CorporationAct

Arm's-length principle: Internal sales are invoiced at normal market prices and as matter of principle are thus in line with sales to third parties.

Authorised capital: Contingent resolution passed by the shareholders authorising the management board of a public company to increase the capital up to a certain amount and within a certain timeframe.

BilMoG: Act of the modernisation of accounting law.

Borrowings: Capital raised externally by taking on loans.

Capital and reserves: Funds made available to a company by its legal owners. Equals the company's assets net of all liabilities, provisions and deferred items.

Capital gains tax: Tax on investment income.

Capital increase: Issue of new shares on a cash or non-cash basis or by using the company's own funds.

Cash and cash equivalents: Cash at hand plus bank balances and cheques.

Cash flow: Cash flow represents the funds generated from own operating activity and shows the ability of a company to fund itself (net profit plus depreciation and transfer to long-term provisions).

Cash-generating units: The smallest identifiable group of assets that generates cash inflows and that are largely independent of the cash inflows from other assets.

Corporate compliance: This refers to a company's efforts to comply with statutes, guidelines and voluntary codes and entails, for example, the entrenchment of applicable laws in the company's corporate culture and day-to-day business practice.

Corporate Governance: This term describes the key legal requirements concerning the management and supervision of listed companies and comprises both domestic and international standards for responsible business management.

DAX: The DAX (German share index) encompasses Germany's 30 largest public companies that are stock-market listed.

Deferred taxes: Income tax arising in future periods as a result of temporary differences between the IFRS carrying values and the tax base.

Derivatives: Products that are derived from a base asset and whose price depends to a large extent on the price of the underlying financial instrument. They make it possible to control market price risks. Derivatives include the following types of product: forex forward transactions, swaps, options and option-like instruments (caps, floors etc.).

Discounted cash flow method: A method of valuing a business based on capitalising future financial surpluses.

Distributable profit: The surplus of net profit or net loss plus profit or loss carryforwards, less retained profit and minority interests.

Dividend: A distribution of a portion of a company's earnings to its shareholders.

Earnings per share: Derived by dividing the earnings for a period that are due to the shareholders by the average number of share outstanding during the period.

EBIT/Operating profit: Earnings before interest and taxes.

Equity method: Method of accounting for investments in associates in single and consolidated financial statements.

Equity ratio: Ratio of shareholders' equity to total capital.

Fair Value: In accordance with IFRS.

Free cash flow: Cash flow from operating activities and cash flow from investing activities.

Free float: Shares in a public company not held by major investors.

GCGC: The GCGC (German Corporate Governance Code) comprises material statutory provisions relating to the governance and monitoring of listed German companies. It contains acknowledged standards of responsible corporate governance acknowledged in Germany and abroad. In this way, the corporate governance and monitoring rules applicable in Germany are rendered transparent to investors.

Goodwill: Intangible asset. Corresponds to the future economic benefit of assets that cannot be individually identified or separately carried.

HGB: German appreviation for the Commercial Code.

IAS: The IAS (International Accounting Standards) are intended to ensure that accounting and reporting is comparable on an international level.

IFRS: IFRS (International Financial Reporting Standards) refer to the internationally accepted accounting standards since 2002. They therefore also comprise the applicable International Accounting Standards.

Impairment test: A method of testing the value of assets.

Institutional investor: Institutional investors may be insurance companies, pension funds, capital investment companies or also banks that regularly have investment requirement. Other investor groups comprise professional traders and private investors.

ISIN: The ISIN (International Security Identification Number) is a ten-digit number prefixed with a country code (DE = Germany, CH = Switzerland) and serves to make securities internationally identifiable.

Issued capital: The share capital in a public company or company with limited liability that is to be recorded in the balance sheet.

Market capitalisation: Reflects the current stock-market value of the company. Derived by multiplying the number listed shares by the closing-day share price.

Material expenses: Sum of all the expenses incurred in the purchase of raw materials and supplies needed for the company's own processing, plus acquired services.

Payout: Dividends, bonuses, bonus shares as well as liquidation proceeds that are paid out to shareholders.

Percentage-of-completion method: Degree of completion, used to value unfinished work.

Price-earnings ratio: Ratio of the current share price to earnings per share.

SDAX: Defined index in the Prime Standard for smaller companies (small caps) of the traditional industries below the MDAX companies.

Tax rate: Ratio of actual income taxes to earnings before income taxes.

Total assets/total equity and liabilities: The sum of all assets or the sum of shareholders' equity and liabilities.

VorstOG: German abbreviation for Act on the Appropriateness of Management Board Compensation.

WACC: (weighted average cost of capital) is the rate that a company is expected to pay on average to all its security holders to finance its assets.

WKN: German abbreviation for Security Code Number.

Working capital: Current assets (trade receivables, future receivables from construction contracts, inventories and other current assets) less current liabilities (trade payables and other current liabilities not attributable to financing activity).

WpHG: German Securities Trading Act.

LOCATIONS

Germany

1 Aachen
2 Aalen
3 Augsburg
4 Berlin
5 Bielefeld
6 Bremen
7 Donauwörth
8 Dortmund
9 Dresden
10 Düsseldorf
11 Ehningen
12 Esslingen
13 Freiburg
14 Friedrichshafen
15 Gaimersheim (Ingolstadt)
16 Ginsheim-Gustavsburg (Rüsselsheim)
17 Hamburg
18 Hanover
19 Kaiserslautern
20 Karlsruhe
21 Kassel/Baunatal
22 Cologne
23 Leipzig
24 Ludwigsburg
25 Mannheim
26 Mönsheim
27 Munich
28 Neckarsulm (Heilbronn)
29 Neutraubling (Regensburg)
30 Neu-Ulm
31 Nufringen
32 Nuremberg
33 Stuttgart
34 Tappenbeck (Wolfsburg)
35 Villingen-Schwenningen

China

36 Changchun
37 Shanghai

France

38 Bièvres (Paris)
39 Montbéliard
40 Toulouse

United Kingdom

41 Dunton

Spain

42 Barcelona

Turkey

43 Istanbul

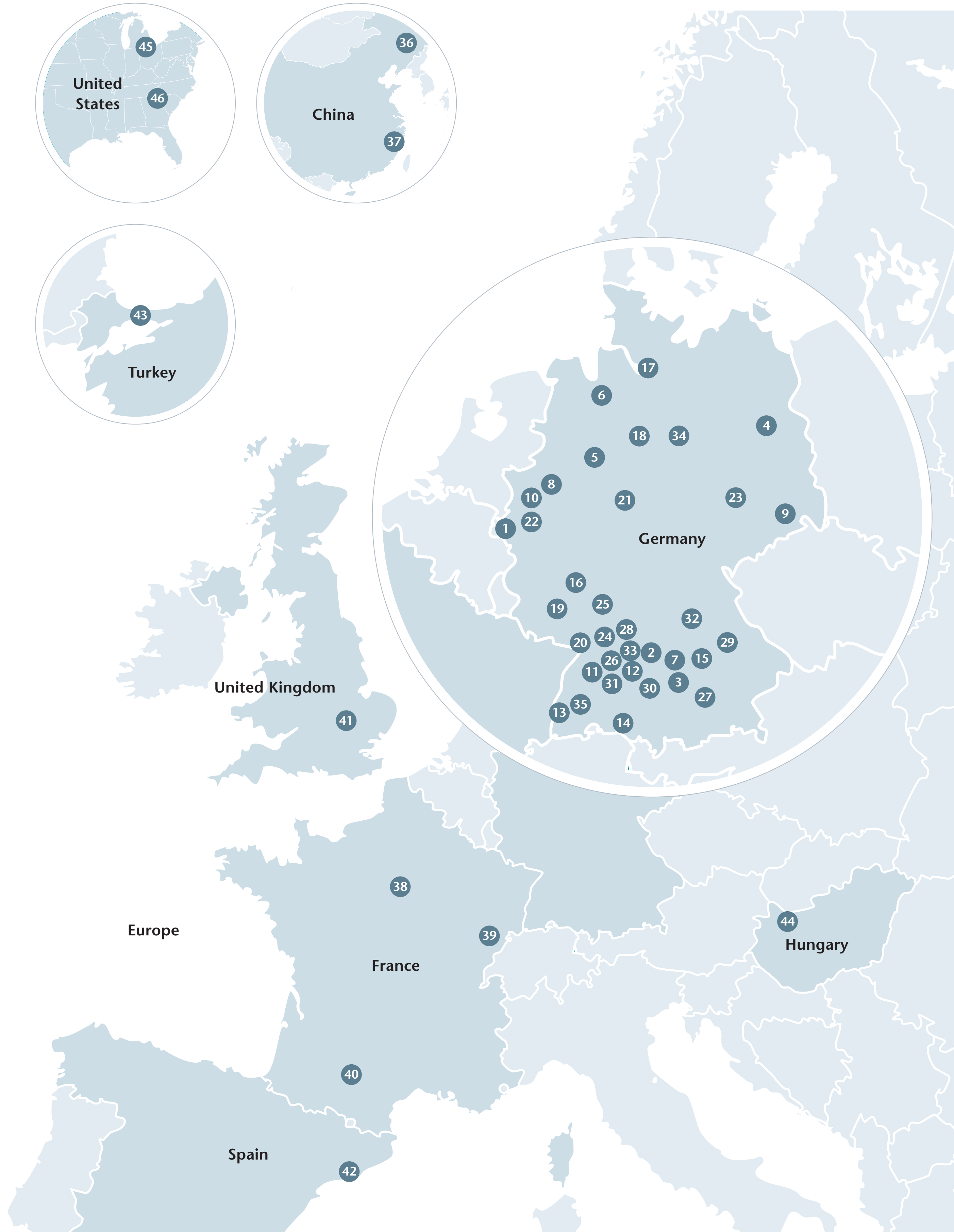
Hungary

44 Györ (Budapest)

United States

45 Detroit, MI
46 Greenville, SC

Further informations see:



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FINANCIAL CALENDAR

Annual report 2013/2014
Annual press and analysts' conference
11 December 2014
Stuttgart/Frankfurt

Report on the 1st quarter 2014/2015
16 February 2015

Annual General Meeting
18 February 2015
10:30
City Hall Sindelfingen

Report on the 2nd quarter 2014/2015
20 May 2015

10th Capital Market Day
20 May 2015
Ehningen

Report on the 3rd quarter 2014/2015
12 August 2015

Annual report 2014/2015
Annual press and analysts' conference
10 December 2015
Stuttgart/Frankfurt

Annual General Meeting
17 February 2016
10:30
City Hall Sindelfingen

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