bertrandt

DESIGN CHANGE. DEVELOP SOLUTIONS.

FISCAL 2016/2017 ANNUAL REPORT

FISCAL YEAR 2016/2017

TABLE 01

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

IFRS	2016/2017	Changes in %	2015/2016	2014/2015	2013/2014	2012/2013
Income statement						
Revenues (EUR million)	992.276	0.03	992.021	934.787	870.563	782.405
EBIT (EUR million)	62.870	-32.3	92.865	91.637	89.087	81.261
Profit from ordinary activities (EUR million)	60.689	-33.7	91.487	91.670	89.519	81.645
Post-tax earnings (EUR million)	43.866	-31.0	63.608	62.636	62.343	57.268
Cash flow statement						
Cash flow from operating activities (EUR million)	42.182	-53.5	90.631	36.967	79.670	77.731
Cash flow from investing activities (EUR million)	-35.669	-55.2	-79.679	-82.313	-64.211	-32.447
Free cash flow (EUR million)	6.513	-40.5	10.952	-45.346	15.459	45.284
Capital spending (EUR million)	38.302	-54.1	83.404	84.917	66.843	34.702
Balance sheet						
Equity (EUR million)	376.360	5.1	357.936	320.306	280.324	239.013
Equity ratio (%)	48.3	3.0	46.9	56.9	59.4	58.5
Total assets (EUR million)	778.800	2.0	763.314	563.009	471.800	408.420
Share						
Earnings per share (EUR)	4.35	-31.0	6.30	6.21	6.19	5.69
Dividend per share (EUR)	2.50[3]	–	2.50	2.45	2.40	2.20
Share price on 30 September (EUR)[1]	85.18	-12.2	97.01	93.23	101.30	93.06
Share price, high (EUR)[2]	107.00	-7.0	115.00	138.70	119.85	97.00
Share price, low (EUR)[2]	67.28	-18.7	82.80	85.25	88.60	57.07
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)	864.0	-12.2	984.0	945.7	1,027.5	943.9
Employees						
Number of employees at Bertrandt Group on 30 September	12,970	0.4	12,912	12,367	11,561	10,829

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

MULTIYEAR OVERVIEW

TABLE 02

Consolidated income statement

EUR million					
01/10 until 30/09	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013
Revenues	**992.276**	**992.021**	**934.787**	**870.563**	**782.405**
Other internally generated assets	1.602	0.672	0.472	0.176	0.375
Total revenues	**993.878**	**992.693**	**935.259**	**870.739**	**782.780**
Other operating income	8.682	11.471	13.323	13.208	13.043
Raw materials and consumables used	-105.605	-98.097	-88.089	-71.444	-62.862
Personnel expenses	-703.593	-695.681	-660.357	-624.141	-560.548
Depreciation	-33.864	-29.725	-25.193	-22.234	-19.594
Other operating expenses	-96.628	-87.796	-83.306	-77.041	-71.558
EBIT	**62.870**	**92.865**	**91.637**	**89.087**	**81.261**
Net finance income	**-2.181**	**-1.378**	**0.033**	**0.432**	**0.384**
Profit from ordinary activities	**60.689**	**91.487**	**91.670**	**89.519**	**81.645**
Other taxes	-2.698	-1.674	-1.250	-1.220	-1.148
Earnings before tax	**57.991**	**89.813**	**90.420**	**88.299**	**80.497**
Income taxes	-14.125	-26.205	-27.784	-25.956	-23.229
Post-tax earnings	**43.866**	**63.608**	**62.636**	**62.343**	**57.268**
attributable to minority interest	0	0	0.017	0.004	0
attributable to shareholders of Bertrandt AG	43.866	63.608	62.619	62.339	57.268
Number of shares (million) – diluted/basic, average weighting	10.091	10.091	10.083	10.076	10.069
Earnings per share (EUR) – diluted/basic	**4.35**	**6.30**	**6.21**	**6.19**	**5.69**

TABLE 03

Consolidated Balance Sheet

EUR million	30/09/2017	30/09/2016	30/09/2015	30/09/2014	30/09/2013
Assets					
Intangible assets	15.740	17.480	17.455	15.548	14.262
Property, plant and equipment	264.284	235.800	184.823	132.365	89.488
Investment properties	1.474	1.540	1.608	1.672	1.737
Financial assets	7.173	7.806	8.091	4.885	5.355
Receivables and other assets	8.710	6.691	6.838	7.826	6.921
Income tax assets	0	0	0.150	0.301	0.446
Deferred taxes	3.822	2.473	3.212	3.717	2.685
Non-current assets	**301.203**	**271.790**	**222.177**	**166.314**	**120.894**
Inventories	1.182	0.889	0.558	0.614	0.749
Future receivables from construction contracts	119.607	114.130	139.342	75.081	62.443
Receivables and other assets	214.090	214.851	186.339	188.016	176.900
Income tax assets	3.452	1.833	1.525	0.232	0.181
Cash and cash equivalents	139.266	159.821	13.068	41.543	47.253
Current assets	**477.597**	**491.524**	**340.832**	**305.486**	**287.526**
Total assets	**778.800**	**763.314**	**563.009**	**471.800**	**408.420**
Equity and liabilities					
Issued capital	10.143	10.143	10.143	10.143	10.143
Capital reserves	29.374	29.374	28.595	27.734	26.984
Retained earnings and other comprehensive income	297.319	279.025	246.799	206.323	171.219
Consolidated distributable profit	39.524	39.394	34.083	35.455	30.666
Equity attributable to shareholders of Bertrandt AG	**376.360**	**357.936**	**319.620**	**279.655**	**239.012**
Minority interests	0	0	0.686	0.669	0.001
Equity	**376.360**	**357.936**	**320.306**	**280.324**	**239.013**
Provisions	9.908	16.927	13.039	12.374	9.690
Borrowings	215.737	199.701	0	0	0
Other liabilities	0.215	0.246	0.278	0.400	0.432
Deferred taxes	19.578	20.910	24.168	17.214	14.138
Non-current liabilities	**245.438**	**237.784**	**37.485**	**29.988**	**24.260**
Tax provisions	5.412	7.548	4.171	14.806	14.958
Other provisions	40.458	46.586	54.594	61.210	52.147
Borrowings	5.202	2.367	39.642	0.092	0.221
Trade payables	18.257	15.066	20.444	12.289	10.179
Other liabilities	87.673	96.027	86.367	73.091	67.642
Current liabilities	**157.002**	**167.594**	**205.218**	**161.488**	**145.147**
Total equity and liabilities	**778.800**	**763.314**	**563.009**	**471.800**	**408.420**

bertrandt

DESIGN CHANGE.
DEVELOP SOLUTIONS.

Electromobility and automated driving will significantly influence the automotive industry. Therefore intelligent solutions are necessary: smart vehicles, exhaustive infrastructure, fast charging – these requirements play an important role for the automotive future. That is why we are dealing with these trends actively discussing issues with and being partners for our customers to find the best solution. In the following chapter we would like to give our shareholders more insights, how Bertrandt tackles these technology challenges and positions itsself in future.

READ MORE FROM PAGE 20

THE BROAD PRODUCT AND SERVICE RANGE
Bertrandt offers its customers from the most diverse range of industries tailored solutions throughout their product engineering processes.

12,970

BERTRANDT PEOPLE PROMISE PERFORMANCE.

A

LETTER TO THE SHAREHOLDERS

DIETMAR BICHLER
Chairman of the Management Board

MANAGEMENT BOARD REPORT

Dear shareholders,

Electrified, connected and automated these are the buzzwords which have been occupying minds in the automotive industry for some time now.

The dynamic pace of the mega trends e-mobility, connectivity, automated driving or the Internet of Things is shaping collaboration with our customers and we have extended our range of products and services accordingly. As a solutions-focused provider of engineering services we are geared to market and customer requirements – and as a result also invest in infrastructure and the know-how of our employees. As mobility and data become increasingly intertwined, new topics, products and services as well as cooperative opportunities are emerging which we are exploiting to develop the best solution in each case for our customers.

MARKET

The current process of change towards e-mobility, connectivity and automated driving is bringing about a historic transformation of the automotive industry. In this setting, developments are running largely in parallel and automotive OEMs and suppliers alike must now take decisions which will have a critical impact on their success. Our 2016/2017 fiscal year was influenced by a wide range of topics relating to all-round optimised fuel consumption and consolidation at the level of our customers. This resulted in delays in the award of some projects with a more competitive market exerting even greater pressure on prices. These challenging constraints are apparent in the key financial indicators. The Group's total revenues amount to EUR 993.9 million, EBIT totalled EUR 62.9 million and the equity ratio was 48.3 percent.

This solid financial base makes Bertrandt a reliable partner for its customers, employees and shareholders. In the light of current trends, the essential foundations for positive business development in the medium term are intact.

DEVELOPING NEW AREAS OF BUSINESS ACTIVITY

Bertrandt is adapting to the changes taking place in the industry. Mobility and IT are becoming increasingly intertwined and new business fields and market shares are emerging. The sheer breadth and depth of topics continue to increase. This is why it is so important to identify and develop potential areas of business activity and performance in good time and to offer comprehensive solutions, expertise and efficient interface management focused on supporting our customers. We have therefore enhanced our know-how during the period under review and specifically invested in the infrastructure required for e-mobility and connected or automated driving. Our annual report describes how different disciplines mesh at Bertrandt. Smart vehicles, comprehensive connectivity, fast charging – the future of mobility begins with interdisciplinary development today.

KNOW-HOW FOR MULTIFACETED PROJECTS

The right team is needed to cover such a broad spectrum: as at the reporting date of 30 September 2017, we employed a staff of 12,970. Current requirements are being met in software development, to take one example, by electrical and automotive engineers working with computer scientists, mathematicians and physicists. IT specialists are busy developing cloud solutions and working with artificial intelligence and big data. As well as interesting work we also offer a complete package of measures to enhance our attractiveness as an employer, including a fascinating and modern working environment and numerous additional benefits. For this we again won awards in the fiscal year 2016/2017: Students chose us in the "Engineering Edition" of the trendence Graduate Barometer. Bertrandt also performed well in Germany's nationwide Universum's "Engineering" ranking.

SUSTAINABLE CORPORATE MANAGEMENT AS MARK OF SUCCESS

At Bertrandt we attach overwhelming importance to sustainable and responsible corporate management. In this we are guided by the clear and fundamental values of honesty, credibility, reliability, esteem and mutual trust. Based on this system of values we have updated the Bertrandt mission statement. The mission statement states the guiding principles on which our corporate strategy, our day-to-day work and our social responsibility are based. This governs both the way in which we treat each other within the Group and our relationships with our customers and shareholders. The mission statement also identifies the roots of our success: being a reliable partner over many years for our customers, shareholders and employees and our commitment to wider society. This is discussed in more detail in the new Sustainability Report.

SHARE CLOSES AT EUR 85.18

The Bertrandt share started the fiscal year 2016/2017 in Xetra trading at EUR 97.50. In the first weeks, the share price showed a sideways trend, hitting its high of EUR 107.00 for the reporting period on 12 December 2016. Following an adjustment of the Company's earnings forecast in May 2017 the price declined sharply in the third quarter. In the weeks to follow, there was a slightly upward trend which, however, owing to the general market development was not sustained in the summer months. The share closed at its low of EUR 67.28 on 29 August 2017. By the end of the fiscal year the share had recovered from the weakened price to close at EUR 85.18 on the last day of trading. Temporary and to some extent unplanned external influences which have shaped the fiscal year 2016/2017 will not have any impact on the dividend. At the annual general meeting set for 21 February 2018, the Management Board and Supervisory Board will propose to retain the dividend of EUR 2.50 per share.

SETTING COURSE FOR THE FUTURE

Changes in the market, leaps in technology to new drive systems and digitalisation – the challenges are many. Bertrandt's response is to set course for the future by investing in infrastructure and know-how, producing innovative solutions and taking on greater project responsibility.

In this annual report we present one of the many new mobility concepts: automated driving. Our experts explain how automated driving works, the support provided by driver assistance systems and the associated benefits and challenges. They introduce state-of-the-art developments and explain the comfort and convenience the vehicles of the future will offer. Data security is also a key issue for Bertrandt. Tests have now been developed to ensure that data security requirements are met. We provide comprehensive support in the field of e-mobility to automotive OEMs and system suppliers – on issues from battery systems, charging technologies or on-board power supply architecture through to power electronics. We are also working on the charging infrastructure, smart home and smart grid, all of which are especially relevant for our customers in the energy sector.

Tomorrow's world will be integrative with unique requirements. Bertrandt is constantly modifying its products and services to meet market and customer needs. This is because we aim to sustain our customers', business partners' and shareholders' confidence in our performance and to play our part in shaping the technology of the future – electrified, connected and automated.

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

Yours sincerely,

DIETMAR BICHLER
Chairman of the Management Board

HANS-GERD CLAUS
Member of the Management Board Engineering

MARKUS RUF
Member of the Management Board Finance

DIETMAR BICHLER
CEO

MICHAEL LÜCKE
Member of the Management Board Sales

SUPERVISORY BOARD REPORT

DR KLAUS BLEYER
Chairman of the Supervisory Board

ACTIVITIES OF THE SUPERVISORY BOARD DURING THE FISCAL YEAR 2016/2017

The fiscal year 2016/2017 was marked by a continuously challenging industry environment and thus developed less dynamically than expected. The exhaust gas scandal, business acquisitions and the ongoing transformation process in the automotive industry lead to postponements of projects and temporary fluctuations in the demand for capacity as well as increasing pressure on prices. Against this backdrop, the Group was able to continue to firmly establish its market position as an engineering service provider and technology group.

The Supervisory Board of Bertrandt AG diligently performed all of its duties in accordance with the law, the Company's Articles of Association and the Board's Rules of Procedure in fiscal 2016/2017. The Board regularly advised the Management Board on the management of the Company and monitored the Management Board's activities on an ongoing basis. The Board was consulted on all the decisions of fundamental importance in a direct and timely manner. Regular briefings by the Management Board in written and oral reports formed the principal basis for fulfilling the statutory supervisory tasks. These reports provided comprehensive and up-to-date information on a regular basis on the strategy, business performance, planning and the risk situation. 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, which were also held in addition to scheduled meetings as necessary, were in-depth and solutions-oriented discussions. 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 2016/2017 financial year: on 12 December 2016, on 23 February 2017, on 29 May 2017 and on 25 September 2017. All members of the Supervisory Board took part in these meetings.

During its meeting on 12 December 2016 the Supervisory Board discussed, in addition to regular topics, the annual financial statements of Bertrandt AG and the Group. Moreover, the Board also approved the resolutions proposed for the ordinary annual general meeting which was held on 23 February 2017 in Sindelfingen. Upon the Audit Committee's proposal the Board also deliberated on the proposal for the appointment of the auditor for financial year 2016/2017. The auditor submitted a written statement of independence. In line with the recommendations of the German Corporate Governance Code, the Supervisory Board also examined the efficiency of its activities and adopted the Corporate Governance Report and the Corporate Governance Declaration pursuant to Section 3.10 German Corporate Governance Code.

During its meeting on 23 February 2017 the Supervisory Board discussed, amongst other things, the Group's ratios and the reports from its branches.

During the meeting of 29 May 2017 the Supervisory Board considered the management board reports and the Act on the equal participation of women and men in leadership positions in the public and private sectors ("Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst") as well as the amendments to the German Corporate Governance Code. Further, the Board members received training on current legislative, for example on the new accounting standard IFRS 16.

In its meeting on 25 September 2017, the Board, amongst other matters, adopted the group budget for the upcoming financial year. The Declaration of conformity to the German Corporate Governance Code pursuant to Section 161 AktG was adopted.

In its meeting of 11 December 2017 the Supervisory Board adopted the present report and requested and authorised the Chairman to sign it.

ORGANISATION AND BUSINESS OF THE COMMITTEES

To perform its duties the Supervisory Board has formed a Human Resources and an Audit Committee. The Human Resources Committee consists of Dr Klaus Bleyer (Committee Chairman), Maximilian Wölfle (Deputy Chairman) and Prof. Dr.-Ing. Wilfried Sihn. To raise efficiency, the Human Resources Committee also performs the duties of the Nomination Committee. The Audit Committee is composed of Dr. Klaus Bleyer (Committee Chairman), Maximilian Wölfle (Deputy Chairman) and Horst Binnig. The members of the Audit Committee as a whole are familiar with the industry in which the Company operates.

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

The Audit Committee held six meetings in the 2016/2017 financial year. In its meeting on 12 December 2016, the Audit Committee in the presence of the auditors dealt with the financial statements of Bertrandt AG and the Group as well as the audit's contents, focal areas and results. Further, the focal areas for next year's audit were adopted. In the conference call meetings on 6 February 2017, 12 May 2017 and 21 August 2017 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 development. In the meeting on 29 May 2017 the Audit Committee discussed the threats to the independence of the auditor and the safeguards applied and to be documented by the same. In the meeting on 25 September 2017 the discussion included the implementation of changes resulting from the Law on the reform of statutory audits ("Abschlussprüfungsreformgesetz", AReG).

The Human Resources Committee met on 12 December 2016 and 29 May 2017. Its deliberations focused on the implementation of the Act on the equal participation of women and men in leadership positions in the public and private sectors.

CORPORATE GOVERNANCE

Corporate governance is defined as the responsible management and control of companies with the aim of creating long-term added value. In its meetings of 12 December 2016, 29 May 2017 and 25 September 2017 the Supervisory Board dealt with the implementation of the German Corporate Governance Code. In the meeting of 25 September 2017 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 annual report and also, in particular, the declaration of conformity are available for download on the Bertrandt website in the Investor Relations section.

AUDIT OF THE FINANCIAL STATEMENTS

On 23 February 2017, the ordinary annual general meeting of Bertrandt AG appointed PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, Stuttgart branch, as the auditor for the financial statements of fiscal year 2016/2017. 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 2016/2017 including 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 2016/2017, 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 discussed the process of the preparation of the financial statements and the accounting results in its meeting of 11 December 2017.

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, company-specific matters of particular importance (so-called key audit matters) and other relevant audit results. In addition, they answered questions from the members of the Supervisory Board. The Supervisory Board raised no objections against the audit. After having conducted its own review, which did not give raise to any objections, the Supervisory Board noted the annual financial statements prepared by the Management Board, the consolidated financial statements of the Group, the management reports of Bertrandt AG and the Group and the auditors' report with consent, and approved the annual financial statements and the consolidated financial statements. Thus, the annual financial statements were adopted and the consolidated financial statements approved at the same time. The Supervisory Board followed the proposal of the Management Board how to use Bertrandt AG's distributable profit for the fiscal year 2016/2017.

ACKNOWLEDGEMENT

The Supervisory Board thanks all members of the Management Board and all employees of the Bertrandt Group in Germany and abroad for their work in the year under review. They showed great commitment and generated a good result in a very challenging market environment.

Ehningen, 11 December 2017

DR KLAUS BLEYER
Chairman of the Supervisory Board

MEMBERS OF THE SUPERVISORY BOARD OF BERTRANDT AG:

Dr Klaus Bleyer
Chairman of the Supervisory Board

Maximilian Wölfle
Deputy Chairman of the Supervisory Board

Horst Binnig

Prof. Dr-Ing. Wilfried Sihn

Stefanie Blumenauer
Employee representative

Astrid Fleischer
Employee representative

HIGHLIGHTS OF THE YEAR

OCTOBER 2016

BERTRANDT CELEBRATES 20TH ANNIVERSARY OF INITIAL PUBLIC OFFERING

From a one-man-business to a listed corporation: Bertrandt AG was launched on the stock exchange on 1 October 1996. All in all, the initial public offering was an important step for the Company. The capital generated by the IPO laid the foundations for stable growth.

OCTOBER 2016

BERTRANDT OPENS NEW TEST LABORATORY IN WIESBADEN-ERBENHEIM

Engineers now have 500m² of laboratory space where they can provide customers from the pharmaceuticals and medical engineering industries design and testing support. The new laboratory places Bertrandt in the immediate vicinity of the industrial centre of Frankfurt-Höchst.

DECEMBER 2016

ANNUAL PRESS AND ANALYST CONFERENCE

Bertrandt AG's conference this year was held in Stuttgart under the motto “Recognising trends. Opening new horizons.” CEO Dietmar Bichler presented the new annual report and shared information with members of the press about fiscal 2015/2016 in which the Bertrandt Group was again able to grow and improve its key financial indicators.

JANUARY 2017

BERTRANDT ACTIVE PARTNER IN THE NETWORK FOR ELECTROMOBILITY

The Cluster Electric Mobility South-West network of partners from business, science and public authorities, which has been initiated by the State of Baden-Württemberg's innovation agency, has set itself the objective of promoting a process of technological change towards electromobility. Bertrandt contributes its own profound technological know-how to the network's events.

FEBRUARY 2017

ANNUAL GENERAL MEETING OF BERTRANDT AG

Shareholders, guests and members of the press were informed about a successful financial year 2015/2016 at the annual general meeting in Sindelfingen. The dividend met with a positive response: it increased per share to EUR 2.50. This amount reflects Bertrandt's pursuit of a sustainable dividend policy.

MARCH 2017

MODULAR SOFTWARE AS THE KEY TO EFFICIENT ALL-ROUND SYSTEMS

Bertrandt provided insights into the Company's various areas of expertise at the Hanover Fair, where visitors could experience project know-how in action – from the idea through to the product. The entire exhibition was designed by Bertrandt engineers. It combined established software/automation know-how with extended cloud, image processing and routing expertise.

APRIL 2017

ENGINEERING SPECIALIST BERTRANDT JOINS THE AUTOSAR INITIATIVE

Software development is growing in importance as the number of connected vehicle functions continues to grow. The vehicle manufacturers, suppliers, service providers and companies from the automotive electronics, semiconductor and software industry in the AUTOSAR development partnership (AUTomotive Open System ARchitecture) are therefore working together on industry standards to master the growing complexity of electronic systems. Bertrandt intends to contribute its extensive expertise in the field of embedded software and knowledge of the AUTOSAR architecture to optimize the development process and to improve cost efficiency.

MAY 2017

FIVE YEARS OF BERTRANDT IN DRESDEN

The technology specialist Bertrandt reflected on successful development at its fifth anniversary in Dresden. Bertrandt's aim when it set up the location was to draw the Company closer to the economic region of Dresden and to provide customized services to support the machinery and plant, electrical engineering and energy industries. The location originally operated with two employees. Now it has over 50 engineers and technicians working on design, automation, logistics and IT solutions relating, for example, to electrical planning and control programming.

MAY 2017

CAPITAL MARKET DAY IN EHNINGEN

Bertrandt AG CEO Dietmar Bichler presented the first-half figures for 2016/2017 at the Group's headquarters. The external speakers at this year's event were e-mobil BW GmbH director Mr. Franz Loogen and industry expert Christian Kleinhans from management consultancy Berylls Strategy Advisors GmbH.

JUNE 2017

BERTRANDT INVESTS IN DESIGN MODELLING

Design modelling capacities are being expanded further at the Bertrandt Technikum in Ehningen. The new component milling machine now enables model makers to manufacture side wall structures for data control models, vehicle body parts or polished chrome trims from aluminium, for example. The new sinter machine extends the generative production processes available for rapid technologies at the location. It also allows large parts with complex structures and high stability, such as centre consoles or door panels, to be manufactured in a single piece.

JULIY 2017

CAR BRAKES AUTOMATICALLY AT THE STOP LINE. LIVE DEMONSTRATION WITH FRAUNHOFER IIS

In cooperation with the Fraunhofer Institute for Integrated Circuits IIS, Bertrandt demonstrated live how cars will brake automatically at stop lines in the future – an important step on the way towards connected driving with more comfort and safety for users. Experts from the automotive industry had the opportunity at the Continental Arena in Regensburg to take test drives and experience the effectiveness of the showcased solution for themselves.

SEPTEMBER 2017

BERTRANDT DEMONSTRATES EXPERTISE IN THE TREND TOPICS OF VIRTUALISATION AND CONNECTED DRIVING AT THE IAA

Bertrandt presented exhibits relating to current trends in virtualisation in development and connected driving at this year's IAA International Motor Show. With the aid of augmented and virtual reality visitors were able to look ahead to the digital development technology of tomorrow. Bertrandt also presented a cloud solution which the Company has developed in cooperation with Microsoft. This new solution will make driving much safer and more comfortable.

SEPTEMBER 2017

BERTRANDT AND MICROSOFT COOPERATE ON CLOUD COMPUTING

The Bertrandt Automotive Analytics and Development Platform, which is powered by Microsoft's Azure Cloud technology, is a solution for analysing vehicle and sensor data and for developing algorithms using artificial intelligence. The platform's core function is to manage large volumes of data and complex algorithms. The solution developed jointly by Microsoft and Bertrandt covers the entire process, including all the necessary services. The modular tool and engineering kit is a complete scalable solution that can be adapted to meet the requirements of each individual customer. This development was presented for the first time in a live performance at the IAA.

ELECTRIFIED, CONNECTED AND AUTOMATED – INNOVATIVE MOBILITY CONCEPTS THAT WILL MAKE A DIFFERENCE

Smart vehicles, comprehensive connectivity, fast charging – these requirements play an important role for the future of the car. For this reason, a range of disciplines are working closer and closer together to place vehicles in a broader context. One of the aims is to communicate with the vehicle and to “fill up” with electricity. This calls for smart solutions which will make automated driving possible in the future.

⊥ Driving the trend themes “automated driving” and “electromobility” with their teams at Bertrandt: **KLAUS HÄRTL**, Head of the Electronics Competence Centre and **PETER SCHIEKOFER**, General project leader Driver assistance systems/Automated driving/Electromobility

AUTOMATED FROM A TO B

That is what the future could look like: You have arranged to eat with friends and are now on your way to the restaurant in your electric car. Out of the city, onto the motorway. But just a few minutes into your journey you run into a traffic jam. No problem, after all your vehicle is equipped with a traffic jam assistance system, which you immediately activate. This system now takes over the controls and drives your car on its own. You and your friends now turn your seats around and concentrate on planning the day. You can relax while you approach your destination – without having to pay any attention to the dense traffic all around you.

> “We are positioning ourselves as a partner for OEMs, supplying complete systems and software packages.”
>
> **DR JOHANNES HABICH,** Team leader Application & Software

— Under what conditions would it be possible for a vehicle to navigate and drive completely on its own?

HABÖCK: A vehicle's ability to navigate fully autonomously on the road depends on a number of different factors. To start with, we need smart sensors which localise the vehicle, detect its surroundings and place it in the right context, e.g. in a traffic jam, in the middle of roadworks, an accident or a diversion. Then a backend system is useful for evaluating the data collected by the sensors or integrating other information in calculations, such as weather forecasts. This requires a much more extensive network. Environment perception combined with the additional backend information will enable vehicles to locate themselves on the road and take the right actions, such as suggesting using the traffic jam assistance system.

— What would such automated driving with a traffic jam assistance system look like technically?

HIERL: A vehicle will either be equipped with situation recognition or will be fed with information from outside, from a backend: we are now in a traffic jam. This is similar to the way traffic conditions are displayed by today's satnav systems. The assistance system responds to such information by offering its help. However, it will only be possible to activate the system if certain conditions are met, such as low speed. Road markings and other vehicles also need to be scanned using driving environment sensors, cameras, radar and supersonic technology. A vehicle will then be aware of its location and the system will ensure that it continues travelling in the same direction at the same speed.

— What are the challenges involved?

HIERL: The biggest challenge is that, for the first few years in particular, vehicles will be all on their own. What I mean by that is that not all vehicles will immediately be autonomous. This means that vehicles will have to be smart enough to drive entirely on their own. Alongside conventional software development, we are also supported by machine learning. For example, we use neural networks to recognise and brake before or avoid objects on the road.

— How far have Bertrandt developers got with longitudinal and transverse guidance?

HIERL: We are working hard on longitudinal guidance functions. Of particular interest to us are speed limits, bend sharpness and measuring the distance to the vehicle ahead. As with normal ACC, this longitudinal guidance is practically automatic and the driver has to do hardly anything. We have already developed this function through to production readiness. Bertrandt is also developing production-ready technologies in the field of transverse guidance. In this field we have developed a lane holding assistant.

— This means that semi-automated transverse and longitudinal guidance is not yet available in any vehicle. What are Bertrandt's aims in this field?

HIERL: Finished concepts for traffic jam assistants are already available. We are tackling automated driving head-on in the framework of our internal competence development. In this context, we are above all focusing on localisation, surroundings recognition, trajectories planning and automated transverse and longitudinal guidance.

HABICH: We are positioning ourselves as a partner for OEMs, supplying complete systems and software packages. And we are working closely with parts manufacturers and system suppliers.

The vehicle recognizes traffic signs and dangerous situations autonomously and fits its behavior accordingly. The passangers can continue entertained undisturbed.

AUTOMATED DRIVING

ADAPTIVE CRUISE CONTROL
- Automatic speed and distance adjustment system

ADAS
- Advanced driver assistance systems

ALGORITHM
- Describes the functional aspect of software.

BACKEND
- The part of an IT system which processes data in the background.

CLOUD STRUCTURE
- Distributed systems/servers. These perform tasks such as data storage and calculation. Computing power and storage are indefinitely scalable.

DATA MERGING
- Different sources of data (e.g. sensors) are combined for shared use.

HUMAN CENTRED ENGINEERING
- Concerned with the design, development and operation of computer systems, with the aim of understanding and supporting the activities of users.

ARTIFICIAL INTELLIGENCE
- A subfield of machine learning concerned with the development of computer systems which can learn from examples and perform functions in a way which normally requires human intelligence.

LONGITUDINAL AND TRANSVERSE GUIDANCE
- A guidance system which controls the vehicle’s position longitudinally and transversally.

MACHINE LEARNING
- Algorithms recognise patterns in data and are able to find solutions independently.

NEURAL NETWORKS
- Structure of simple, trainable mathematical units which can learn to perform complex functions, such as automated driving.

OEM
- Original Equipment Manufacturer

SAFETY
- Functional safety: Standardised method of avoiding functional errors in systems.

SWARM INTELLIGENCE
- Experiences collected by automated cars are shared with other vehicles.

SECURITY
- Data security

TRAJECTORY PLANNING
- Planning a vehicle's route

__ What aspect of automated driving are we concentrating on?

HABÖCK: Our focus is squarely on software or software-based intelligent solutions. These include the key topics of data merging, algorithms and machine learning. We are also working on object detection, e.g. of pedestrians or other vehicles. The associated hardware, i.e. cameras or radar systems, are from a single partner.

__ Connectivity plays an important role as well, doesn't it?

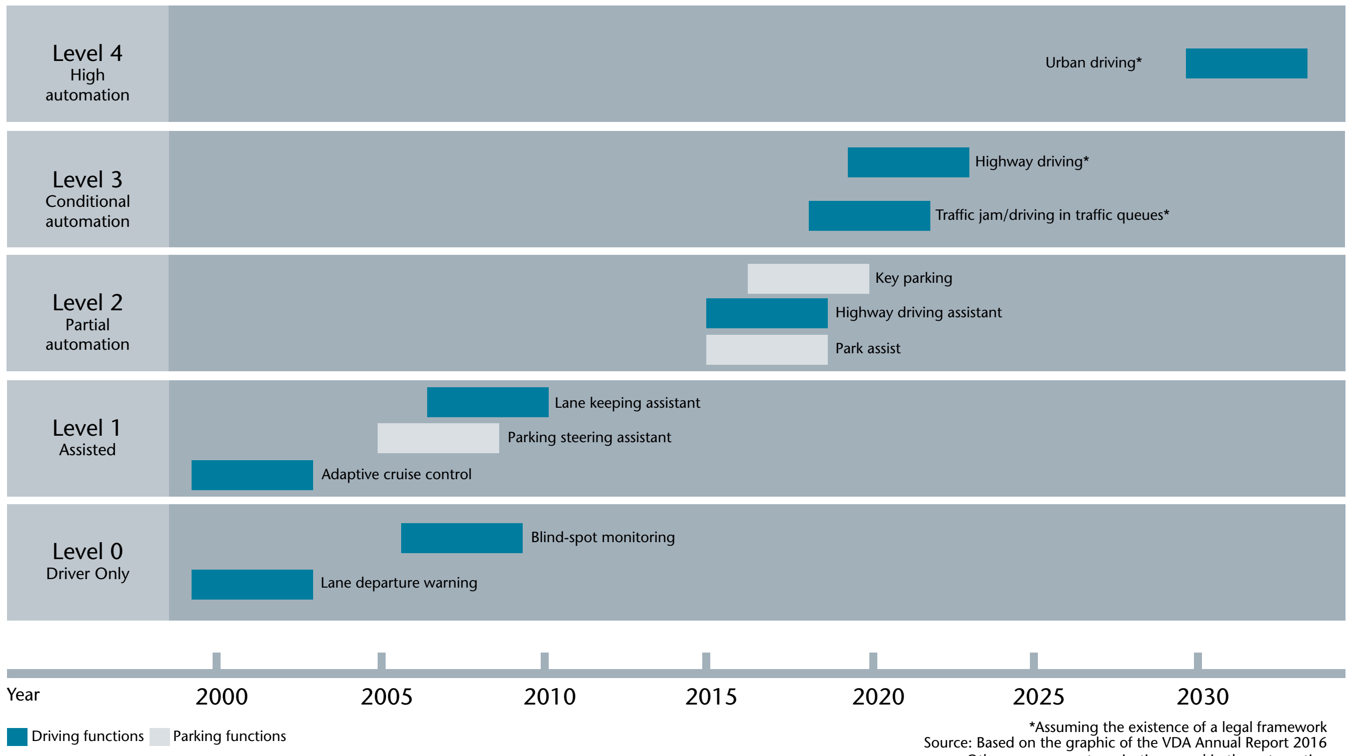
HABICH: To date there has always been someone sitting in the car constantly monitoring the surroundings in order to react in good time. Our aim now is to connect everything so that the driver no longer needs to be on the watch all the time. We do this by communicating data from the vehicle and receiving data in the vehicle. In other words, the vehicle communicates with fixed based stations, which are supported in the background by cloud and server structures, as well as with neighbouring vehicles. This presents new risks and opportunities. One opportunity is for fast and efficient communication in local traffic. This could, for example, involve providing current traffic data to all the vehicles in the area. An accident which has happened on the other, invisible side of an elevation can be notified or information sent which makes it easier to bypass traffic jams. At the same time, this opportunity also comes with some enormous risks. Whenever communication takes place there is a risk that the wrong information is sent. This can happen by pure chance or intentionally. Safety and security are essential.

__ Can you outline a scenario in which we travel on a motorway in a highly automated vehicle?

HABÖCK: It is important that a maximum speed of 130-140 km/h is defined. The vehicle must also be equipped with a laser scanner or radar sensor so that unambiguous data about what is happening on the street can be gathered. It must also be fed with additional information about the weather and traffic situation from the backend.

Swarm intelligence also plays an important role. If we know, for example, that several vehicles are travelling from A to B at the same time, it will be possible for your vehicle to join a convoy on the motorway. This minimises air resistance and saves energy. It will also be possible to collect and use data with the sensor systems in the vehicle. Road conditions can then be scanned and roadworks suggested or traffic further back can be warned via swarm intelligence about dynamic events or hazards.

WHEN WILL CARS DRIVE THEMSELVES?



*Assuming the existence of a legal framework
Source: Based on the graphic of the VDA Annual Report 2016
Other common categorizations used in the automotive industry see Bundesanstalt für Straßenwesen (BASt) and the Society of Automotive Engineers (SAE) International.

The vehicle recognizes people on the road early, stops and waits, until the road is clear again.

> "We must do more to involve people, our end customers, mobility users in the engineering process."
>
> **ULRICH HABÖCK,** Team leader ADAS Functions & Systems

__ How can we win more acceptance for automated vehicles?

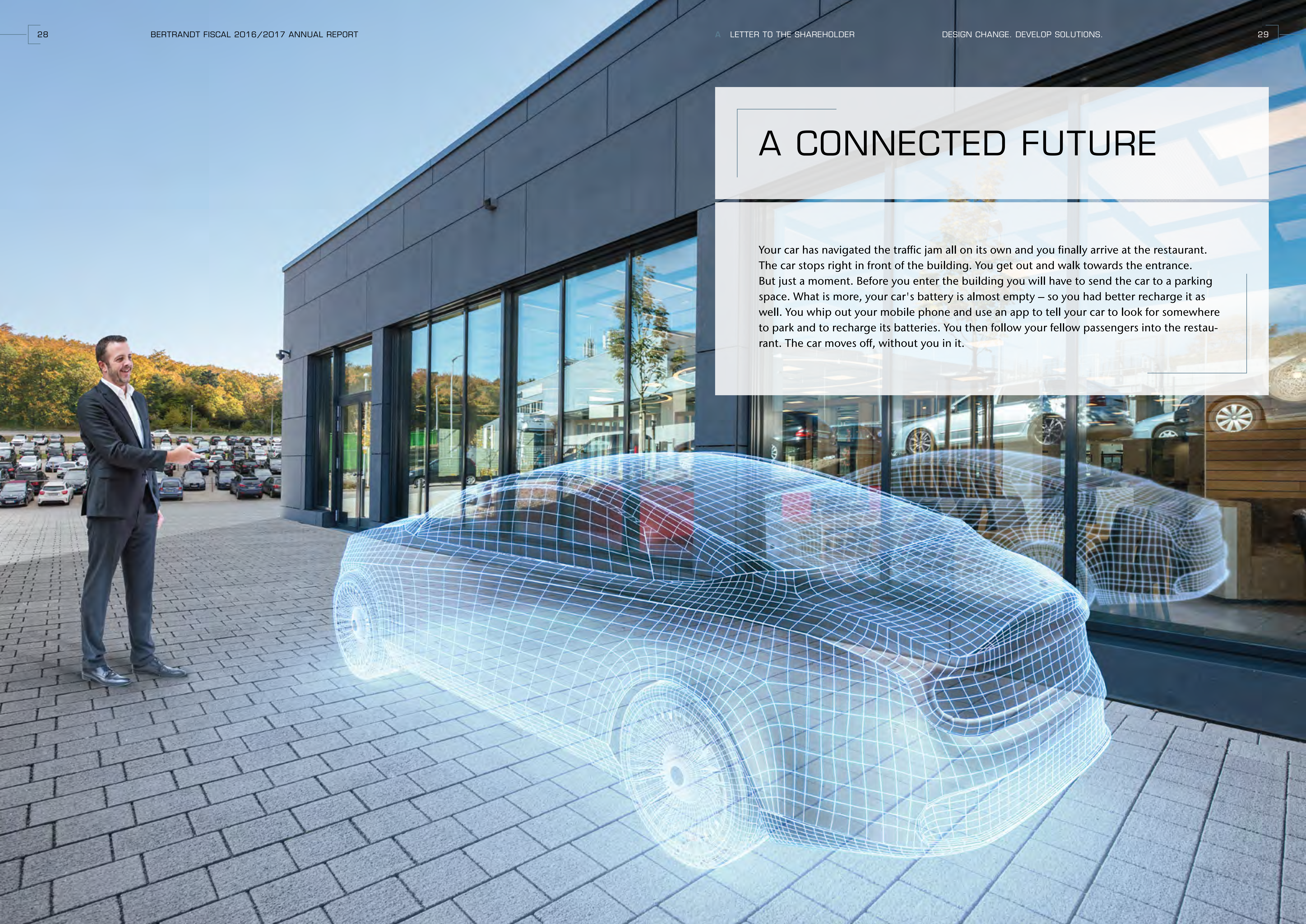
HABÖCK: It's just not possible to introduce such technology from one day to the next. We need to get drivers used to these innovations. It will be a gradual process. This is, in fact, exactly the idea behind our b.competent innovation project. We must do more to involve people, our end customers, mobility users in the engineering process. Only then will they begin to trust and feel understood by the system. One potential approach could be the Human Centered Engineering (HCE) process.

__ When will it be possible for cars to drive themselves and for us to turn our backs to the steering wheel and give up control of the vehicle?

HABÖCK: Well, the option of letting go of the steering wheel in a traffic jam could become reality for drivers as early as next year or the year after. The motorway pilot could be ready to go into production in 2020 or 2021. A breakthrough in automated driving in an urban environment will only come later, as this is a much more complex challenge.

INTERVIEW-PARTNER

- **DR JOHANNES HABICH**
  Team leader Application & Software
- **ULRICH HABÖCK**
  Team leader ADAS Functions & Systems
- **MAXIMILIAN HIERL**
  Subproject leader Automated Driving – Software and Function



A CONNECTED FUTURE

Your car has navigated the traffic jam all on its own and you finally arrive at the restaurant. The car stops right in front of the building. You get out and walk towards the entrance. But just a moment. Before you enter the building you will have to send the car to a parking space. What is more, your car's battery is almost empty – so you had better recharge it as well. You whip out your mobile phone and use an app to tell your car to look for somewhere to park and to recharge its batteries. You then follow your fellow passengers into the restaurant. The car moves off, without you in it.

CONNECTIVITY

AZURE CLOUD

- Microsoft Azure is an open, flexible, enterprise-grade cloud computing platform.

DEEP LEARNING

- Deep learning is an aspect of machine learning. It uses neural networks which enable systems to make their own decisions.

CONNECTIVITY

- Systems, such as vehicles, are connected to one another.

MISUSE CASE

- Use of a system beyond its specified range of use.

It requires information from backend and cloud structures to orientate the vehicle in future.

Vision or reality? In the future, will the vehicle be able to find somewhere to park all on its own?

SCHELHAMMER: Turning this scenario into reality touches on a number of issues. To begin with, we will need an app, that is an interface, on a mobile device which can communicate with the vehicle via a backend system and a cloud. Infrastructure information about the entire environment will be needed in order to send the vehicle to the car park: Where is the next free charging station? What does it cost? What form of payment is possible? Once I have recharged, where can I park in the vicinity? We have diverse functions which can be mapped with such an app. For example, in the future, the vehicle will interact with the owner: “There are five parking spaces in the vicinity. Which one do you want the vehicle to drive to after recharging the battery?” In this way, the owner will be able to use an app to tell the vehicle what to do.

FELLMANN: The challenge will be in establishing a functioning connection between the vehicle and the app. We are developing the functionality which will initiate the parking operation from a mobile phone and then start the recharging process including, of course, accessing the corresponding payment system.

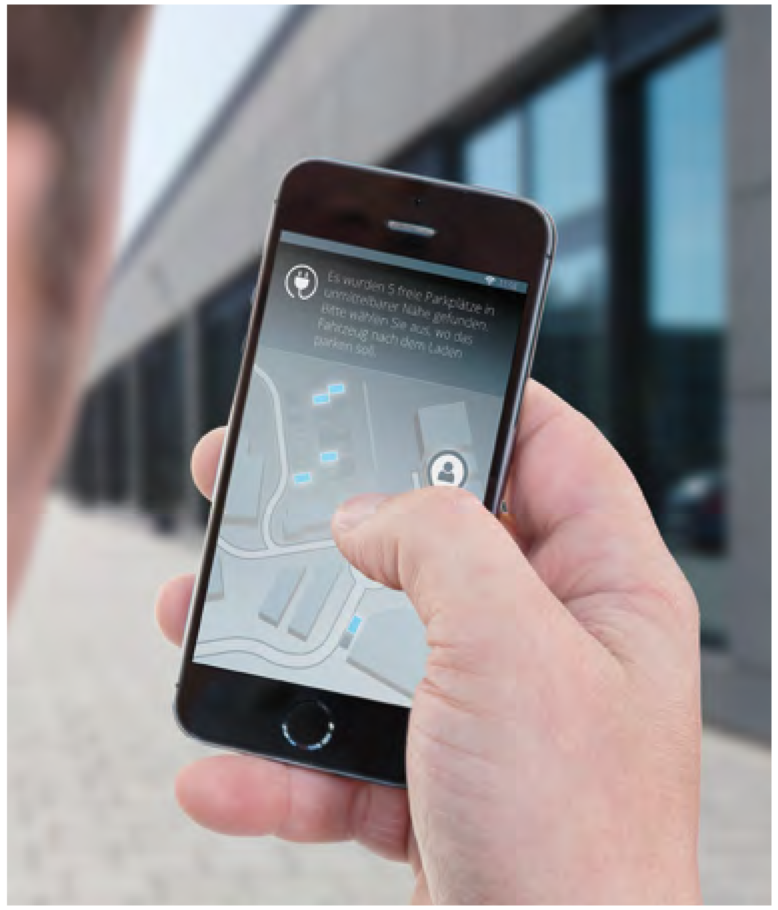
We won't be able to control the vehicle with the app – so what function will it have?

FELLMANN: We will use the app to tell the vehicle to do something specific. The vehicle functionalities come largely from and are monitored by the vehicle itself.

MAIER: The app gives the initial start command. The command is then verified by the backend to ensure that the owner's – and only the owner's – vehicle drives off. In the future, therefore, the car will have to send its own “digital heartbeat” to the app.

How does the vehicle know that it will then have to drive itself, without the owner in it?

FELLMANN: The mobile phone must have the right security certificates to authorize the owner to control the vehicle remotely.



The communication between car and vehicle owner can be done via app.

Does that mean that Bertrandt is also working on the possibility that someone could hack the owner's mobile phone?

MAIER: Of course, a “man in the middle” scenario is certainly one that we are considering. Some could, for example, change the infrastructure information and claim that there is a parking space available on the left, when in reality there's passage there to a river. The car tries to park, but ends up in the water! Our job is to think about various scenarios from some entirely new angles.

SCHELHAMMER: This is why we will be using self-learning test systems in the future to secure systems with the aid of real data on vehicle situations taken from the cloud. Of course, this will also involve testing misuse cases to check whether security requirements are effective.

> “For monitoring critical functions we could use the “digital heartbeat” of a vehicle, a kind of self-monitoring”
>
> **STEFAN MAIER,** Project leader Backend Connectivity

So, after I have given the initial command, the vehicle moves off and starts looking all on its own for somewhere to park in the area. Will there be a limit to how far away my vehicle will be able to park? and how it navigates?

SCHELHAMMER: Both the vehicle and the mobile phone will, as a minimum, need to stay connected on the same network. If that's the case, then distance will be irrelevant.

And how does it navigate?

MAIER: We have therefore already worked with the **Fraunhofer IIS** on a project in which we installed several GPS transmitters in a vehicle. The backend calculates the position and the corrective data are returned to the vehicle via DAB (digital radio). This enables us to localise the vehicle within an accuracy of about 5 centimetres. This is important because normal GPS works to an accuracy of just +/- 10 metres, which is nothing like good enough for an automated future.

SCHELHAMMER: The local vehicle sensors also help the vehicle find its way about. These use various camera, laser and radar systems to recognise any obstacles in a car park.

How far has Bertrandt already come in developing an app, route calculation, autonomous localisation and artificial intelligence?

MAIER: We can now process data in such a way that, for instance, we can classify the condition of a particular road which may be wet at that moment.

SCHELHAMMER: We are developing apps which can connect to the backend and back to the vehicle again. This means that we can use analytics to return data from the backend or a cloud to the car, process the data using algorithms and artificial intelligence and transform it into local instructions for the vehicle. This provides the vehicle with the know-how it needs to steer itself and to brake – i.e. to drive itself.

MAIER: We are also working on route calculation and algorithms. If I give the car a command to park, it calculates a route, including any obstacles, moving roadworks or diversions and gives the vehicle waypoints. The actual trajectory and how to travel is calculated in the vehicle itself.

SCHELHAMMER: We are also helping our customers to develop and integrate artificial intelligence platforms in the vehicle to provide the foundations for a technology carrier. This means that we collect real-life data from sensor, radar, laser or camera systems which are then fed to the artificial intelligence. This then forms its own synapses and, in the future, will recognise and respond to certain situations itself by means of deep learning.

SELF-DRIVING INTO A CAR PAR WITHOUT A NETWORK – HOW WILL THAT WORK?

- The mobile phone backend will have to communicate with the car park back end as soon as the vehicle arrives on the ground floor. The vehicle will be provided with a virtual plan of the building. The car will then recognise where the designated and available parking spaces are, even if it is no longer connected to the network. Otherwise it might just park in the middle of the road. Car parks already provide information to vehicles in the form of map material or QR codes. This enables a car to find its way around without being connected to a network.

Bertrandt supports his customers in developing and integrating Artificial Intelligence platforms.

By "Car2X communication" vision zero accidents can be realized.

— What particular aspects of these development topics are we concentrating on?

SCHELHAMMER: We are working on three core issues:
1. Vehicle functionality: We are developing the local intelligence in the vehicle which is essential if it is to drive on its own.
2. The backend infrastructure and big data: We are processing various types of information from various backend systems.
3. End customers/users: We are designing a user-friendly interface, app or web interface. After all, we want to be able to monitor the battery status of car which has driven away on its own and is recharging at a car park using a stationary PC as well as a mobile phone.

There are challenges in the software development, security and increasing intelligence in the vehicle, which is moving further in the direction of artificial intelligence. And there is also a role for deep learning as far as artificial intelligence is concerned. This means that the vehicle learns from sensor systems itself and remembers situations it has been in previously. At the same time, the vehicle's knowledge will also benefit from the experiences of other vehicles, i.e. from swarm intelligence. We are concentrating on mastering both these processes.

FELLMANN: Providing the corresponding development environments is also becoming increasingly complex. This means enabling them to work together in a connectivity setting. Let me give an example: In the future the vehicle will have to find its way about on a motorway and in urban traffic. This means that the design of the development environment in which the real world is mapped will need to be ever more complex in order to run through all these situations and generate commands.

MAIER: We are cooperating with Microsoft on this in order to map it in its entirety in an Azure Cloud. This will enable us to process all the data in the backend at speed. Vehicle development and IT development are therefore merging more and more.

INTERVIEW-PARTNER

- **HEIKO FELLMANN**
  Team leader Software Development
- **STEFAN MAIER**
  Project leader Backend Connectivity
- **CHRISTOPH SCHELHAMMER**
  Head of the Electronic Development Department

"At the same time, the vehicle's knowledge will also benefit from the experiences of other vehicles, i.e. from swarm intelligence."

CHRISTOPH SCHELHAMMER, Head of the Electronic Development Department

THE VEHICLE AS PART OF THE ENERGY GRID

Another look at the trends of tomorrow: You have now sent your car to look for somewhere to park and to recharge its batteries. As soon as your vehicle has parked itself it communicates its location to your mobile phone. The car starts recharging its batteries. After a certain period of time the car is fully charged and informs you of its battery status. You use an app to pay. Just before you leave the restaurant you use your app to call the car again. It drives away and picks you up at the entrance. You get in and set off for home.

___ Is it possible to give us something of an idea of how the recharging process could work in such a scenario? How can we integrate the vehicle into the energy grid?

BAUTZ: It is important that the vehicle owner is kept permanently informed in real time about where the vehicle is parked and how far it has got in recharging its batteries. The owner must also be able to communicate with the vehicle at all times.

You use the app to send the vehicle to a charging point. After it has logged in with its ID it will even be able to access and charge up from your own photovoltaic electricity via a cloud system. If, that is, you have a photovoltaic system installed on your roof. If you don't have your own photovoltaic system, you could choose a different source of power, such as water or wind power or select your own electricity provider. The energy source you select can be used to recharge your vehicle within an hour. You might, however, have arranged to be with someone for another two hours and therefore not need your vehicle immediately. In this case, you will be able to market your battery. If there is not enough energy in the grid on the day in question, you will be able to sell your battery power. The network operator will then take energy from your battery and feed it back into the grid.

This scenario describes how the vehicle can become part of the energy grid, and with it part of the energy transition. We are playing an active role here. We are not only engaged in development work directly on the vehicle, we are also working on all the systems which are involved in e-mobility. That's because, in the future, the vehicle will become part of a larger value chain.

___ Battery charging, charging infrastructure, energy providers and smart home – in what areas are we currently contributing our know-how?

YILIK: We are working alongside automakers on all the development topics relating to e-mobility. This includes battery systems, charging technologies, onboard networks and power electronics. We are also helping suppliers to the automotive industry with the design, series development and validation of components. On top of all that, we are working on issues such as charging infrastructure, smart home and smart grid.

BAUTZ: We are also actively working on the whole range of issues relating to the infrastructure. For example, we are looking at how charging stations and vehicles can be connected automatically and how charging stations can be integrated in the infrastructure, that is in the smart home and smart grid. Charging stations, for example, are not just an interface to the energy grid, they also integrate the electric vehicle in an IT infrastructure which enables payments to be made securely. These issues will place the vehicle in a much larger context in the future.

"This scenario describes how the vehicle can become part of the energy grid, and with it part of the energy transition."

ANDREAS BAUTZ, Team leader Smart Energy and E-Mobility

In future, vehicle and charging station become elements of smart home and smart grid scenarios.

For the break through of electric mobility, an exhaustive infrastructure is necessary.

And what are the challenges involved?

YILIK: The increasing market penetration of electric vehicles confronts OEMs, engineering service providers, energy suppliers and network operators with new challenges. Energy suppliers will have to meet actual demand for energy, which will vary at different times of the day. The uncontrolled charging of electric vehicles at private charging stations will significantly increase these fluctuations. Many residential areas do not have the electricity grids needed to meet the requirements of e-mobility either. This can be solved with concepts such as smart home or smart grid. In a smart home scenario, the electric vehicle could be recharged when demand on the electricity grid is low. Smart grids go one step further: the technical challenge in this case is in developing bidirectional charging technologies in vehicles as well as in establishing secure communications between network operators and electric vehicles.

BAUTZ: We have colleagues in our teams, for example, who are working on the plans for an energy network, are analysing energy consumption and who can build IT networks to manage energy in harmony with producers and consumers to be able to charge electric vehicles all over Germany.

Our job is to find ways of transferring all the engineering know-how currently available in the automotive industry to other industries. Energy technology has quite different requirements. The future will be an integrated world: cloud computing, automotive and energy worlds will all come together. However, there are only very few service providers on the market who understand all three of these industries. This is an opportunity for us!

> “At Bertrandt, we can transfer our automotive knowledge also to other branches.”
>
> ANDREAS BAUTZ, Team leader Smart Energy and E-Mobility

What obstacles will e-mobility need to overcome to persuade the market?

DR. EINHORN: Electromobility is definitely on the way. It's true that electric vehicles still only account for one percent of the market in the leading industrial nations. Nonetheless, the number of electric vehicles on the world's roads has risen to over two million in the last two years. In 2016, China accounted for almost half of all newly registered electric vehicles. But demand is also growing in Europe, particularly in Scandinavia and the Netherlands. Last year, almost three of every ten vehicles newly registered in Norway had an electric drive. In international terms, Germany ranks in the low mid-range. Despite these positive developments, electromobility still confronts some huge challenges. Although battery prices are falling, electric vehicles are still too expensive and their comparatively limited range means they cannot yet meet our accustomed expectations of mobility. In this connection, the public sector must implement the large-scale rollout of the fast charging infrastructure which will give users the confidence to travel longer distances.

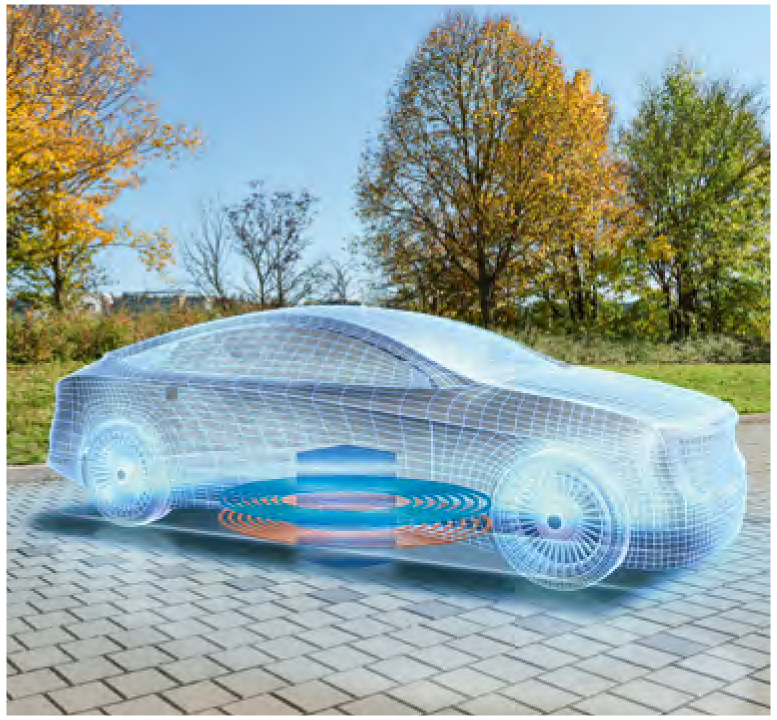
IAMANDI: Electromobility will only meet with acceptance in the market if it is both more user-friendly and attractively costed. Imagine the car as a mobile end device and as a participant in the energy transition. There must be charging stations which function wirelessly at which users can log in automatically via Bluetooth or WiFi and finalise the entire charging process, including identification, monitoring and settlement with their mobile phone or tablet.

When do you think electromobility will really take off in a big way in Germany?

BAUTZ: The infrastructure is already in place in some neighbouring countries. In Germany we attach a great deal of importance to ensuring broad and lasting support among the general public for the switch from combustion engines to electromobility, which is why clear commitments are already in place, such as 2020 or 2030. I believe the change will take place in public transport first in 2020. Trucks will certainly play a very big role: Logistics companies will, of course, have a business case if they are able to use electric vehicles. At the moment, lorries are only able to drive through city centres at particular times of the day. In the future it will be possible to make deliveries around the clock. In other words, cars and local public transport will literally be the driving forces behind this development.

INTERVIEW-PARTNER

- **ANDREAS BAUTZ**
  Team leader Smart Energy and E-Mobility
- **DR. MARKUS EINHORN**
  Head of the Electronic Development Department
- **HEIKO IAMANDI**
  Head of the Electrified Drive and E/E Industries Development Department
- **MUSTAFA YILIK**
  Lead Engineer E-Mobility



Whether inductive or conductive charging – Bertrandt is also involved the planning of energy grids to enable electromobility.

ELECTROMOBILITY

ID
- Symbol which uniquely identifies an object.

INDUCTIVE CHARGING
- Vehicle charges wireless

CONDUCTIVE CHARGING
- Vehicle is connected to the grid via cable during charging

SMART GRID
- The excess energy produced in vehicle batteries is stored during periods when energy is not required and is fed back into the grid to meet demand.

SMART HOME
- A private house with its own intelligent energy grid consisting of energy producers (e.g. a photovoltaic system), storage and consumers. These are connected together by a central control system in the house.

EXPLOITING POTENTIAL – TAKING TECHNOLOGY A STEP FURTHER

We will continue to provide solutions which will support our customers in the future and for this reason we are working very hard on automated driving and e-mobility. Our aim is to concentrate our expertise in these fields even further. This is why at Bertrandt we are dedicated to enhancing our internal expertise in automated driving and e-mobility. This expertise will enable us to offer our customers solutions across a wide range of services. Bertrandt plays the role of technology partner and is able to respond to market requirements faster. Our own know-how combined with our engineering expertise generates optimum solutions for our customers.

TABLE 04

The Bertrandt share at a glance.

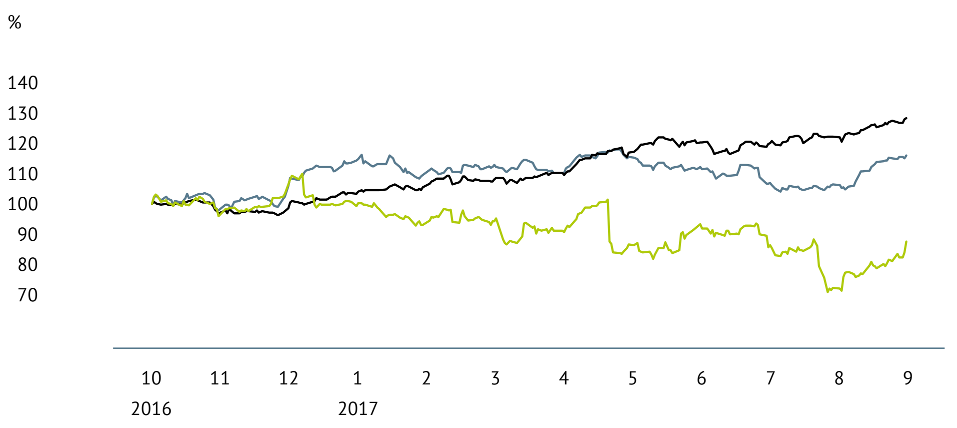
Information on the share

First trading day	1 October 1996
Ticker symbol	BDT
ISIN	DE0005232805
WKN	523280
Issued share capital (EUR)	10.143.240 EUR
Number of shares	10,143,240 number
Market segment	Prime Standard
Stock exchanges	Xetra, Frankfurt, Stuttgart, Berlin, Hamburg, Düsseldorf, Munich
Index	SDAX

CHART 05

The developmnent of the Bertrandt share in the period under review

Share price in comparison



BERTRANDT ON THE CAPITAL MARKET

DEVELOPMENT OF THE EQUITY MARKET IN FISCAL 2016/2017

For more than five years, global equity markets have shown a stable development without any major corrections, driven in particular by the abundant liquidity resulting from the monetary policies of major central banks. In the last quarter of the calendar year 2016, Donald Trump's election victory and the tax cuts announced by him, as well as the decision of the European Central Bank to extend its bond purchase programme to the end of 2017 ignited a positive year-end rally on the capital markets. The stock market year 2017 also started on a positive note with most stock markets recording share price increases in the first three months of 2017, despite growing political and economic uncertainties. The second quarter of 2017 was strongly influenced by central banks and the possibility of a global tightening of monetary policies. In June, the US Federal Reserve raised the base rate for the fourth time. In the eurozone, Emmanuel Macron's victory in the French elections combined with mainly positive corporate data had a positive impact on the development of stock markets. In the third quarter of 2017, equity markets were mainly affected by the escalating conflict between North Korea and the international community, the economic consequences of the hurricanes in the Caribbean and parts of the USA, as well as the outcome of the federal election in Germany. Following a weaker phase in the summer months, equity markets developed positively for the remaining period until the end of the fiscal year despite these adverse factors.

Key figures of the Bertrandt share

	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013
Earnings per share (EUR)	4.35	6.30	6.21	6.19	5.69
Dividend per share (EUR)	2.50[3]	2.50	2.45	2.40	2.20
Share price on 30 September (EUR)[1]	85.18	97.01	93.23	101.30	93.06
Share price, high (EUR)[2]	107.00	115.00	138.70	119.85	97.00
Share price, low (EUR)[2]	67.28	82.80	85.25	88.60	57.07
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)	864.0	984.0	945.7	1,027.5	943.9
Book value per share on 30 September (EUR)	37.10	35.29	31.58	27.64	23.56
Cashflow from operating activities per share (EUR)	4.16	8.94	3.64	7.85	7.66
Average daily trading volume (number)	31,201	25,373	26,166	19,295	20,558
Total payout (EUR million)	25.4	25.4	24.9	24.3	22.2
P/E ratio	19.6	15.4	15.0	16.4	16.3

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

TABLE 06

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

The German blue-chip stock market index, DAX, started the first day of the period under review at 10,511 points. It hit its low of 10,259 points on 4 November 2016, but recovered again in the course of the calendar year. On 19 June 2017, the DAX climbed to its high of 12,889 points for the period under review. On 29 September 2017 it fell to 12,829 points, thus closing at around 22 percent higher than at the beginning of the fiscal year. The SDAX developed similarly to the DAX throughout the whole of fiscal 2016/2017 and even outperformed the DAX in the last quarter of the year under review. Starting at 9,284 points, it hit its low of 9,536 for the period under review on 2 December 2016 and closed at its high of 11,910 points at the end of the fiscal year. The Prime Automobile Performance Index closed at 1,357 points at the beginning of the fiscal year and at 1,576 points on 29 September 2017.
CHART 05

4.35

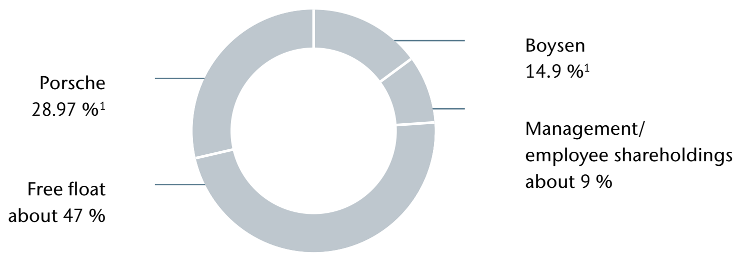
euros earnings per share in fiscal 2016/2017.

BERTRANDT SHARE CLOSES AT EUR 85.18 AT THE END OF FISCAL YEAR 2016/2017

In the fiscal year 2016/2017 overall, the Bertrandt share showed a very volatile development. The share started the fiscal year in Xetra trading by opening at EUR 97.50 on 1 October 2016. In the first weeks, the share price showed a sideways trend, hitting its high of EUR 107.00 for the reporting period on 12 December 2016. After an adjustment of the Company's earnings forecast in May 2017 the price declined sharply. The Bertrandt share lost around 15 percent of its value in the month of May as a whole. In the weeks to follow, there was a slightly upward trend, albeit not of a lasting nature because of the general market development and adjustments in analysts' assessments. The share closed at its low of EUR 67.28 on 29 August 2017. The share had recovered from the weakened price by the end of the fiscal year, closing at EUR 85.18 on the last day of trading. Compared to the closing price in the previous year, there was an overall decline in the share price of around 12 percent. Analysts' assessments were adjusted in the course of the fiscal year. The average daily trading volume increased to 31,201 shares (previous year 25,373 shares).
TABLE 06

CHART 07

Shareholder structure



[1] All data is based on disclosures made to the company pursuant to Section 21 et. seq. WpHG.
As of 30 September 2017

CHART 08

The latest analyst evaluations on the Bertrandt share

Analyst recommendations

Analysts	Recommendation	Target for the share in EUR
Bankhaus Lampe	Hold	71
Bankhaus Metzler	Hold	70
Berenberg	Hold	89
Deutsche Bank	Hold	80
DZ Bank	Hold	80
Hauck & Aufhäuser	Hold	88
Landesbank Baden-Württemberg	Buy	98
MainFirst Bank	Sell	65
Warburg Research	Hold	89

47

percent is the current free float.

STABLE SHAREHOLDER STRUCTURE

As at the date when these consolidated financial statements were prepared, shareholdings in Bertrandt AG broke down as follows: Twenty-nine percent of the shares were held by Porsche AG, Stuttgart, Germany. Around 15 percent were held by Friedrich Boysen Holding GmbH, with registered offices in Altensteig, a subsidiary of Friedrich Boysen Unternehmensstiftung. Management and staff held around nine percent of the shares, while free float amounted to around 47 percent. Notifications of voting rights pursuant to the German Securities Trading Act are published in the Investor Relations section of Bertrandt's website.

CHART 07

HOLD RECOMMENDATION BY MAJORITY OF ANALYSTS

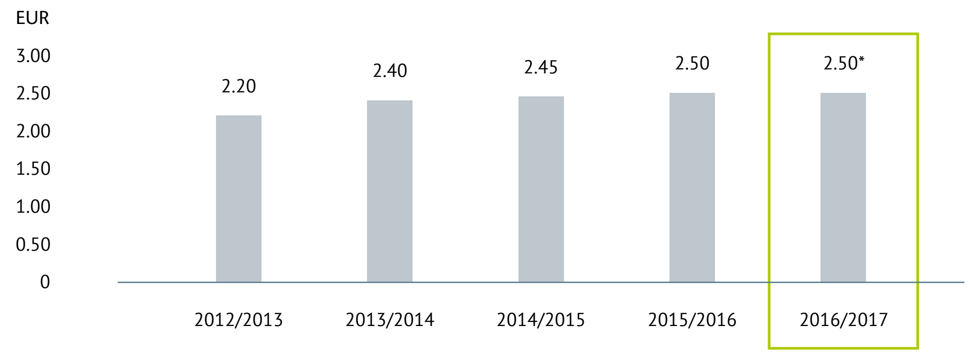
The Bertrandt share has been observed and regularly evaluated by well-known analysts for many years. In the course of the fiscal year, the nine analysts all adjusted their recommendations and targets for the Bertrandt share in the light of the changed economic environment in the German industry and the Company's business performance. Analysts' assessments are published in the Investor Relations section of Bertrandt's website.

TABLE 08

CHART 09

Bertrandt AG's consistent dividend policy.

Development of the dividend



* Dividend proposed by the Management and the Supervisory Board.

12. FUTURE TECHNOLOGICAL DEVELOPMENT TRENDS IN FOCUS OF CAPITAL MARKET DAY

Bertrandt invited representatives from banks, analysts and journalists to the Company's twelfth Capital Market Day in Ehningen on 31 May 2017. As in the past, two renowned guest speakers were present, who discussed future development trends: Christian Kleinhans, partner at the top management consultancy Berylls Strategy Advisors GmbH, focused on current engineering trends in the automotive sector, explaining their impact on the engineering service provider industry. Franz Loogen, managing director of e-mobil BW, apart from sharing surprising news regarding e-mobility with the participants, also demonstrated a whole range of mobility solutions that might be possible in the future. The two contributions were followed by a presentation by the Chairman of the Management Board, Dietmar Bichler, about the current business performance of Bertrandt AG.

2.50

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

Detailed and up-to-date information on the Bertrandt share is always available on our website.

PROPOSED DIVIDEND EUR 2.50 PER SHARE

The Bertrandt Group has always pursued an appropriate and consistent dividend policy. On the basis of the development of earnings in the period under review, the Company will deviate from the dividend policy it has communicated and pursued so far with a payout ratio of 40 percent of post-tax earnings, to the benefit of the shareholders. At the annual general meeting on 21 February 2018, the Management Board and Supervisory Board will therefore propose to maintain the dividend of EUR 2.50 per share, i.e. the same dividend as in the previous year. In this way we would like to thank our shareholders for their investment in our Company and the confidence they place in us.

CHART 09

EXTENSIVE INVESTOR RELATIONS ACTIVITIES

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 fiscal year 2016/2017 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 performance. Bertrandt presented itself to potential and existing institutional and private investors at 23 roadshows in Germany, Belgium, Denmark, France, the UK, Poland, Austria, Switzerland, and, for the first time, in Ireland. The Management Board was closely involved in the investor relations activities. Moreover, visits to the location in Ehningen were organised in 2017. In addition, the annual press and analyst conference on 15 December 2016 provided information about the Company's 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. Information on the Group is published in due time in the Investor Relations section of Bertrandt's website in both German and English. In addition to information on the Bertrandt share, basic information, current analysts' recommendations and the financial calendar are published on the website.

CORPORATE GOVERNANCE

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

The Management Board and Supervisory Board of Bertrandt AG declare in accordance with Section 161 of the German Stock Corporation Act (AktG) that the recommendations of the Government Commission on the German Corporate Governance Code (GCGC), as amended on 5 May 2015 and promulgated in the Federal Gazette on 12 June 2015 ("Version of 2015") have been and are being complied with, with the following exceptions: Sections 3.8 (3), 4.1.5, 4.2.3 (3), 4.2.5 (3) and (4), 5.2 (2), 5.3.2 sent. 3, 5.4.1 (2) and (3), 5.4.2 sent. 1, 5.5.2, 5.5.3 sent. 1, and 7.1.2 sent. 4 of GCGC (Version of 2015).

The recommendations issued by the Government Commission on the German Corporate Governance Code as amended on 7 February 2017, promulgated in the Federal Gazette on 24 April 2017 and corrected on 19 May 2017 ("Version of 2017"), have been and are being complied with, with the following exceptions having been made since 24 April 2017: Sections 3.8 (3), 4.1.3 sent.2, 4.1.5, 4.2.3 (3), 4.2.5 (3) and (4), 5.3.2 (3) sent. 2 and 3, 5.4.1 (2) and (4), 5.4.2 sent. 1, 5.5.2, 5.5.3 sent. 1, and 7.1.2 sent. 3 of GCGC (Version of 2017).

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

Section 3.8 (3) GCGC, Versions of 2015 and 2017
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, Versions of 2015 and 2017, 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 4.1.3 sent. 2 GCGC, Version of 2017
Bertrandt AG's maintains a compliance management system which is aligned to the Company's risk situation. The Company will report on this system from the fiscal year 2017/2018 onward in accordance with the provisions of the Act to Strengthen Non-financial Reporting by Companies in their Management Reports and Group Management Reports (CSR Directive Implementation Act). The Company continues to deviate from further disclosures pursuant to Section 4.1.3 sent. 2 GCGC, Version of 2017 with regard to the new statutory provisions.

Section 4.2.3 (3) GCGC, Versions of 2015 and 2017
The Company continues to deviate from Section 4.2.3 (3) GCGC, Versions of 2015 and 2017. It is not the Supervisory Board's intention to guarantee a specific pension level for retired members of the Management Board, but to ensure that active members of the Management Board are compensated in line with the market and the situation of the Company. Hence, there are generally no pension commitments. Such commitments exist, as has been stated in the Company's annual reports for many years, exclusively with regard to one active and one former member of the Management Board.

Section 4.2.5 (3) and (4) GCGC, Versions of 2015 and 2017
The Company continues to deviate from the recommendations under Section 4.2.5 (3) and (4) GCGC, Versions of 2015 and 2017 because the Company believes that sufficient transparency will be ensured by the provisions governing the disclosure of Management Board compensation which are applied in full.

Section 5.2 (2) GCGC, Version of 2015 and Section 5.3.2 (3) sent. 3 GCGC, Version of 2017
The Chairman of the Supervisory Board has for many years simultaneously been Chairman of the Audit Committee. Since this has proven effective, the Company continues to deviate from the recommendation in Section 5.2 (2) GCGC, Version of 2015 and Section 5.3.2 (3) sent. 3 GCGC, Version of 2017, which has the same wording, in this respect.

Section 5.3.2 sent. 3 GCGC, Version of 2015 and Section 5.3.2 (3) sent. 2 GCGC, Version of 2017 and Section 5.4.2 sent. 1 GCGC, Version of 2015 and Section 5.4.2 sent. 1, first clause, Version of 2017 as well as Section 5.4.2 sent. 1, second clause GCGC, Version of 2017 and Section 5.4.1 (2) GCGC, Versions of 2015 and 2017.
The Company believes that its Supervisory Board has an appropriate number of independent members. However, since the term "independent members" has not been conclusively defined in Section 5.4.2 sent. 2 GCGC in the Versions of 2015 and 2017, the Company, 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, as a precautionary measure declares a deviation from Section 5.3.2 sent. 3 GCGC, Version of 2015 and Section 5.3.2 (3) sent. 2 GCGC, Version of 2017 as well as Section 5.4.2 sent. 1 GCGC, Version of 2015 and Section 5.4.2 sent. 1 first clause, Version of 2017, and also from Section 5.4.1 (2) GCGC, Versions of 2015 and 2017.

The Company also continues to deviate from Section 5.4.2 sent. 1, second clause GCGC in the Version of 2017. The business model of Bertrandt AG is founded, amongst other things, on reliable confidentiality regarding customers' development processes and innovation cycles, and on the reliable protection of their trade secrets. Our customers' trust in these corporate processes is enhanced by the fact that there are no representatives of individual shareholders on the Supervisory Board.

Section 5.4.1 (2) and (3) GCGC, Version of 2015 and Section 5.4.1 (2) and (4) GCGC, Version of 2017 as well as Section 4.1.5 GCGC, Versions of 2015 and 2017
The Company continues to deviate from Section 5.4.1 (2) and (3) GCGC, Version of 2015 and Section 5.4.1 (2) and (4) GCGC, Version of 2017 as well as from Section 4.1.5 GCGC, Versions of 2015 and 2017. 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. While the Company believes that adequate members have been selected for the Supervisory Board also bearing in mind the aspects mentioned in Section 5.4.1 (2) GCGC, Versions of 2015 and 2017 – the Supervisory Board has refrained from defining a rigid skill profile or laying down specific objectives so as to avoid any restrictions regarding the future candidate selection process. Taking this into account, the Company has also decided not to lay down a maximum length of service on the Supervisory Board within the meaning of Section 5.4.1 (2) GCGC, Versions of 2015 and 2017.

Since no specific objectives or specific skill profiles are defined for Board members, the Company also continues to deviate from Section 5.4.1 (3) GCGC, Version of 2015 and Section 5.4.1 (4) GCGC, Version of 2017.

Section 5.5.2 and Section 5.5.3 sent. 1 GCGC, Versions of 2015 and 2017
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, Versions of 2015 and 2017. According to the Rules of Procedure each Supervisory Board member is obliged to disclose any conflicts of interest to the Chairman of the Supervisory Board; it is mandatory for the Chairman of the Supervisory Board to disclose this information to his or her deputy. These provisions exceed the stipulations of Section 5.5.3 sent. 1 GCGC, Versions of 2015 and 2017 as they apply to all conflicts of interest and do not distinguish between matters which are of material or temporary nature. The right to waive public disclosure of such information enables the members of the Supervisory Board to discuss in confidence with the Chairman cases which merely appear to be conflicts of interests.

Section 7.1.2 sent. 4 GCGC, Version of 2015 and Section 7.1.2 sent. 3 GCGC, Version of 2017
Bertrandt AG published its report on the first quarter of fiscal 2016/2017 on 20 February 2017, the report for the second quarter on 31 May 2017 and the report for the third quarter on 30 August 2017. 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, Version of 2015 and/or sent. 3 in the Version of 2017.

Ehningen, 25 September 2017

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 25 September 2017, Bertrandt AG submitted the declaration pursuant to Section 161 German Stock Corporation Act (AktG) for the current year 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 2016/2017 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.

TABLE 10

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

Management Board	Supervisory Board
400,000	98

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 members of the Audit Committee as a whole are familiar with the industry in which the Company operates. 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. Further, the Audit Committee deals with the appointment and independence of the auditor. In particular, the Audit Committee represents the Supervisory Board in negotiating and deciding upon giving prior agreement to non-audit services provided by the auditor, which is required under national and directly applicable EU legislation. There are certain services for which the Audit Committee may provide prior agreement.

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.

Ehningen, 11 December 2017

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

BERTRANDT has always attached great importance to the training of young talent.

351

COLLEAGUES WERE PARTICIPATING IN A TRAINING OR STUDY PROGRAMME IN TECHNICAL OR COMMERCIAL DISCIPLINES AS OF 30 SEPTEMBER 2017.

B

GROUP MANAGEMENT REPORT

THE GROUP – GENERAL INFORMATION

BUSINESS MODEL AND STRATEGY

As one of Europe's leading engineering partners, Bertrandt has been devising specific and tailored solutions with customers at 53 locations in Europe, Asia and the United States for over 40 years now. Our services for the automotive and aerospace industries include all process steps in the project phases of conceptual design, CAD, development, design modelling, tool production, vehicle construction and production planning right through to start of production and production support. In addition, the individual development steps are validated by simulation, prototype building and testing. At our technology centres in the immediate vicinity of our customers, we manage projects of different sizes in cooperation with our customers. The technology centres provide dedicated design studios, electronics labs as well as testing facilities. Our customer base comprises nearly all European manufacturers as well as important system suppliers. We also provide technological services outside the mobility industry in such forward-looking sectors as energy, medical technology, electrical engineering as well as machinery and plant engineering throughout Germany. Consistency, reliability and capital expenditure on infrastructure and technical equipment enable our customer relationships to thrive. These are key success factors for Bertrandt.

40

EUR billion will be invested by German OEM's in the development of alternative drive technologies alone by 2020 forecasts the VDA.

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 constantly increasing. Trends towards environmentally friendly mobility, automated and connected driving, increased comfort and safety, for example, require detailed technical know-how and integrated thinking throughout product development. We consider ourselves an active contributor to the development of the future of mobility, and are therefore constantly adapting our range of services to customer needs as well as to changing market conditions. Bertrandt's particular strength lies in the linking up and further development of know-how, and this makes us one of the leading European partners on the market for engineering services. In light of an ongoing consolidation of the industry and growing diversity of customers and their needs and issues, Bertrandt is also looking at inorganic growth opportunities. The engineering expertise Bertrandt has built up over many years of activity in the mobility industries provides a firm foundation upon which the Company can realise and take forward customised development solutions in new sectors. The most significant market trends that drive Bertrandt's success are the following:

ENVIRONMENTALLY FRIENDLY AND INDIVIDUAL MOBILITY

Great progress has been achieved in the reduction of fuel consumption of new cars in the past years. Along with fuel consumption, CO_2 emissions of new cars have steadily declined. Under the current Euro 6 emissions standard, for example, emissions are 95 percent lower than under Euro 0. However, the potential for an optimisation of conventional engines is limited, and therefore vehicle hybridisation is becoming increasingly important. This technology enables the recuperation of energy from braking as well as a significantly higher degree of system optimisation with an electric drive as supplementary source of power. Thus, it is possible to exploit efficiency potentials which cannot be leveraged using conventional drive technologies alone. Effective fuel saving technologies, however, are becoming increasingly sophisticated. The German Association of the Automotive Industry (VDA) therefore expects a considerable increase in development spending for these technologies in the future.

It is predominantly the German car industry which invests a great deal of effort into the development of alternative drives, as electric vehicles can make an important contribution to emission avoidance and environmental protection. The VDA forecasts that by 2020 German OEMs will invest around EUR 40 billion in the development of alternative drive technologies alone – especially e-mobility. During this period, German automotive manufacturers will more than treble their range of e-cars – from the current 30 models to nearly 100 models. Internationally, German carmakers are therefore leading global providers of electromobility solutions.

AUTOMATED AND CONNECTED DRIVING

Automated driving refers to the capability of a vehicle to drive itself independently to a destination in real-world traffic, using its onboard sensors, connected software, and maps stored in the vehicle so that it can recognise its surroundings. Thus, the vehicle will be able to perform the appropriate driving task in each situation. Where connectivity is added, automated drive functions may be greatly enhanced. Connectivity and digitalisation, both inside and outside the vehicle, will therefore play an ever more important role in the future. Driver assistance systems that permit assisted (longitudinal and lateral guidance) and partially automated (driver-supervised longitudinal and lateral guidance) driving are already available in series cars today. Future vehicle generations will feature the required sensors, actuators and information processing that will enable functions of high and full automation for specific application scenarios. Electronic systems built into the vehicle support the driver in his or her driving tasks by informing, warning and – if designed to do so – actively intervening to influence driving events. With their increasing environment perception and situation analysis capabilities, these systems are growing ever-more powerful, thus enabling a higher degree of automation in assistance functions.

The German automotive industry already accounts for 58 percent of worldwide patents on connected and automated driving. According to the VDA experts, OEMs and suppliers will invest another EUR 16 to 18 billion in digitalisation technologies in the next three to four years.

DIVERSITY OF MODELS AND VARIANTS

Module and platform strategies and using common parts enable carmakers to offer a broad range of vehicle variants. Scale effects across several models and model series mean that automotive manufacturers produce variants that are profitable even in small numbers. The ultimate goal of this strategy is to cover major portions of the global market including smaller niches. As a consequence of the ever more stringent emission standards, many OEMs are focusing more on e-mobility in their technology development. Against this backdrop, medium-term model plans are often being updated to develop models with alternative powertrains.

INDUSTRY 4.0

The expression "Industry 4.0" stands for the complete digitalisation and integration of the industrial value chain. Combining information and communication technologies with automation and connecting them with the Internet of Things and Services will enable higher degrees of connectivity of and between production equipments from the supplier up to the customer. Digitalisation, or more specifically the transformation from analogue to digital, will bring about a fundamental change in business processes. Besides strong connectivity between people and objects, it enables many innovations which lead to changes across all industries. This development depends on the digital implementation, processing, storage and transmission of all kinds of information. This will be the basis for a new level of organisation and control of the entire value chain along the life-cycle of products. The resulting change experienced by companies means that they will be able to optimise their production processes and make them more flexible due to greater transparency. The capacity utilisation of machinery and customer-specific product combinations can be improved, or even implemented for the first time. The consulting firm McKinsey & Company therefore expects that digitalisation is going to profoundly change the German economy in the coming years. This will not only affect big enterprises but also the very backbone of the German economy - the medium-sized companies. The experts say that if precisely the medium-sized enterprises succeed in consistently seizing the opportunities provided by digitalisation, the resulting additional value added potential will amount to approximately EUR 126 billion in 2025.

PRODUCT AND SERVICE RANGE

Bertrandt's comprehensive range of products and 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.

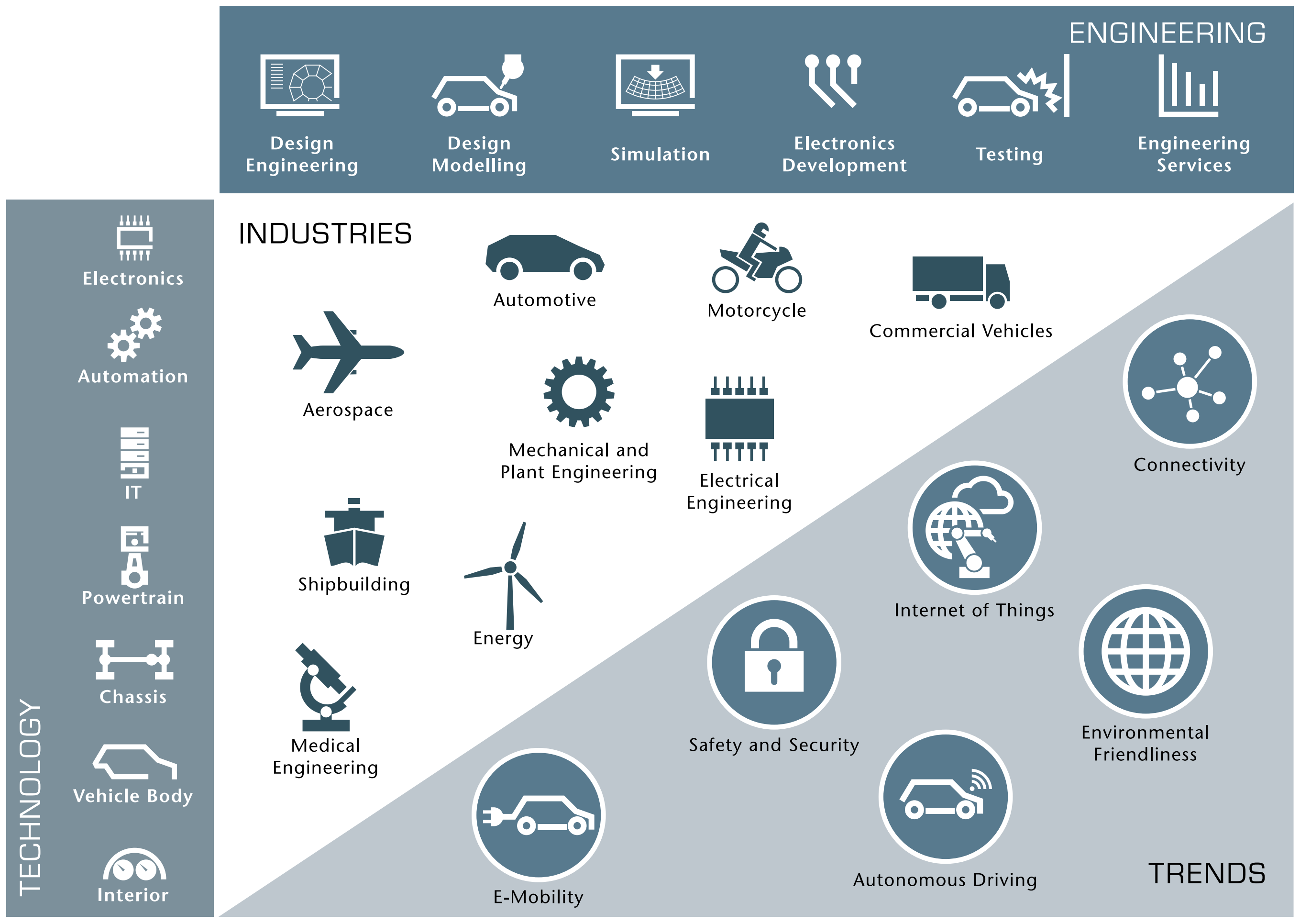
MODULE AND DERIVATIVE DEVELOPMENT

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.

CHART 11

Bertrandt range of services



Find out here how we can help our customers to develop their products with a broad range of know-how and enormous flexibility.

COMPETENCE CENTRES AT BERTRANDT

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

DESIGN SERVICES/DESIGN MODELLING AND RAPID TECHNOLOGIES

Design means linking up form and function with emotion. It plays a key role in the development process of cars and aircraft, and is a decisive factor in the customer's decision to buy particular product. To ensure that the components interact perfectly, Bertrandt offers various types of design services/design modelling and rapid technologies – 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 uses virtual reality to turn visions into tangible 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 such as 3-D visualisation. They also 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 using lightweight design, 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 in vehicle body development. Our deep and broad spectrum of services in this field is based on our three core areas: Body-in-White, Exterior and Interior.

INTERIOR DEVELOPMENT

The development of the interior plays a key role in the process of producing new cars and aircraft. Whether for seats or in the cockpit – car manufacturers are increasingly using interior design elements and surface textures as differentiating features. Interior design is characterised by ergonomics, comfort, safety and functionality. Complex components and modules, such as the dashboard, interior trim parts (hard and soft trim), or complete seat units are therefore designed and developed by Bertrandt from start to finish. From the idea to the optimum solution.

ELECTRONICS DEVELOPMENT

Even today, software and electrical and electronic components contribute a high proportion of the added value in vehicle development, 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. Electronics in vehicles, the complete product development process – from the requirement and the development, through to the integration and validation of at the level of individual components, systems and complete vehicles. Bertrandt offers these development steps for almost all areas of vehicle electronics. This includes both classic elements such as infotainment, comfort, chassis and onboard networks, etc. as well as the current and new challenges associated with electrified driving and vehicle connectivity (Car2X) for driver assistance systems, automated driving, online services/apps and infrastructure/IT.

POWERTRAIN DEVELOPMENT

Rising demands for driving dynamics accompanied by low exhaust emissions and lower fuel consumption – these are the challenges for engine and powertrain development. The main innovation drivers are new and alternative powertrain concepts, for example hybrid and electric drive systems, but also the further development of existing engine concepts. Especially in the fields of combustion engines, hybrid and electric vehicle technology development service providers need to prove that they have interdisciplinary expertise. Key strengths of Bertrandt's are component and assembly development, thermodynamics, engine management and thermal management. Bertrandt offers individual and tailored solutions – focusing on engine applications, treatment of exhaust, reduction of emissions, downsizing and electrification of the powertrain.

CHASSIS DEVELOPMENT

The influence of the chassis on dynamic handling and ride comfort plays a key role in the characteristics of the vehicle. The increasing use of electronic drive control and driver assistance systems requires 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. We offer solutions for all chassis-related sub-processes to our customers from the development of mechanical and mechatronic components through to the design and testing of chassis characteristics. Bertrandt is also a reliable partner in the field of axles, steering and brakes.

SIMULATION

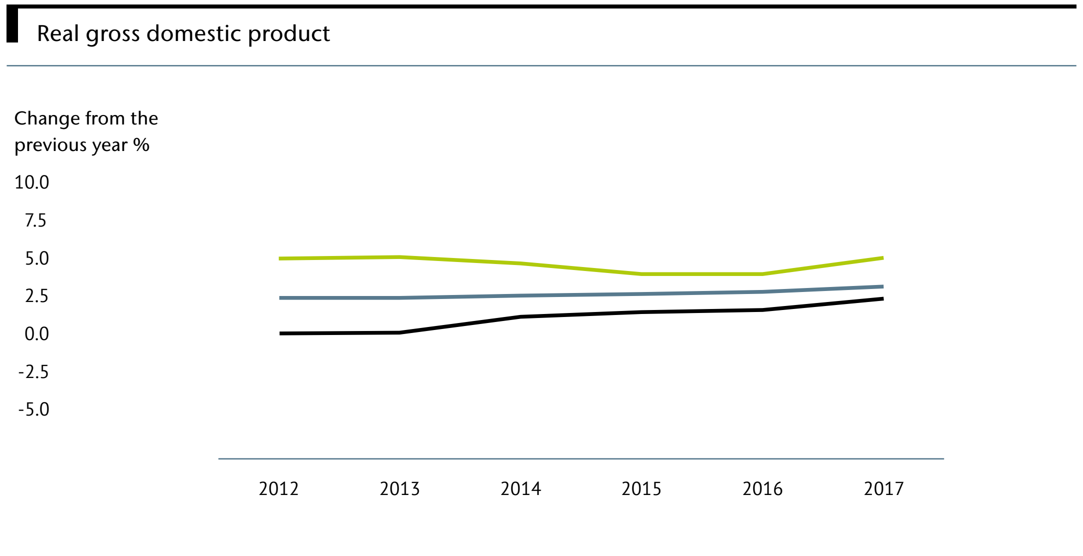
In order to meet our customers' demands for shorter development periods the development process at Bertrandt takes the form of simultaneous engineering. The systematic application of virtual CAE methods allows our simulation engineers to set the direction even in the early development stages for achieving the functional objectives, such as crash performance, occupant protection, stiffness and comfort quality. The Competence Centre simulation focuses on the virtually driven development and reliable performance to attain functional targets.

TESTING/TRIALS

Sustainability calls for the development of new realities and solutions. In order to ensure an optimum and ground-breaking result for our customers, Bertrandt examines, tests and validates 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: with a 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. The better and the earlier the product can be accurately and reproducibly tested, and validated, the shorter the development cycle becomes, thus minimising costs and optimising cost-effectiveness. No matter whether it is a question of functional testing and endurance tests, environmental simulation, the testing of tank systems, shed measurements or complete vehicle testing – Bertrandt is a highly sought-after partner in all disciplines.

ENGINEERING SERVICES

Ever higher quality requirements and high process reliability play a major role for car manufacturers and automotive suppliers. Bertrandt's engineering services meet precisely these challenges. Our range of services covers four main fields of competencies: project management, quality management, process management and logistics. We support our customers along the entire process chain including after-sales. We offer support for data management, lean management, industrial engineering, production and logistics planning, and material flow simulation.



Source: Joint Economic Forecast Project Group, Joint Economic Forecast Autumn 2017.

CHART 12

The world economy continues to expand.

Emerging Economies
World
Europe

REPORT ON ECONOMIC POSITION

ECONOMIC DEVELOPMENT

According to the experts in the Joint Economic Forecast Project Group, prospects for the global economy were considerably brightening at the beginning of Bertrandt's fiscal year 2016/2017. Global trade improved strongly towards the end of the year after it had stagnated for a good part of 2016. Industrial production also noticeably expanded around the turn of the year and the leading indicators were positive for almost all world regions. For the US, the experts reported 1.6 percent economic growth for the 2016 calendar year. The Member States of the European Union grew 1.8 percent. As a result of government support, China achieved economic growth of 6.7 percent for the whole year. Germany's economy grew by 1.8 percent in 2016 compared to the previous year.

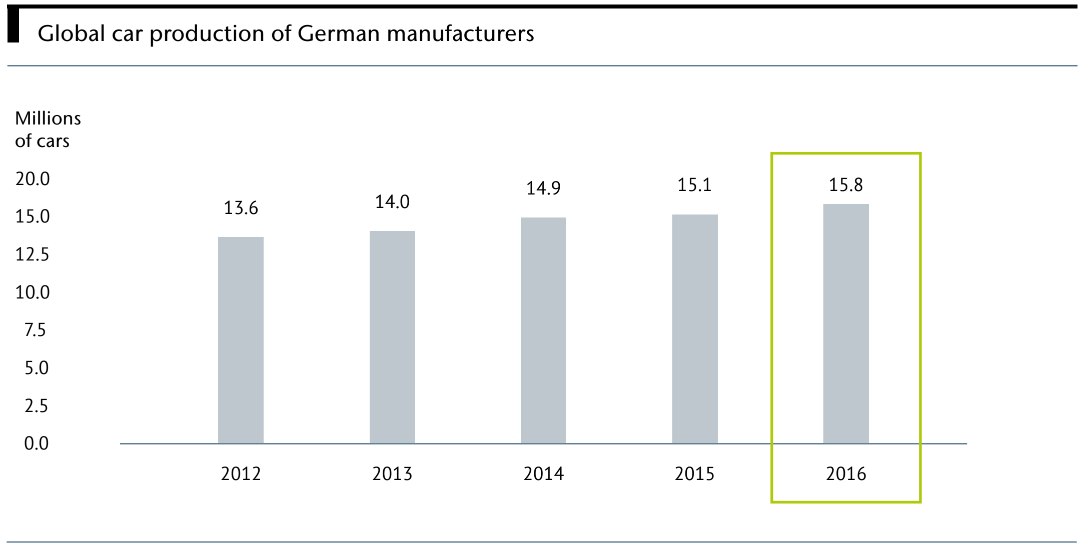
From spring 2017 onwards, the world economy expanded strongly according to the recent autumn report of the experts of the Joint Economic Forecast Project Group. This upturn was attributable to both private consumption and corporate investment. The experts forecast that the worldwide upturn will continue in the second half of 2017, albeit with slightly less momentum. Against this backdrop the US economy is expected to grow 2.1 percent in 2017. The dynamism in China will most probably continue with growth reaching 6.7 percent. According to the forecast, the EU can expect 2.3 percent growth, with Germany's GDP growing by 2.2 percent.
CHART 12

2.2

percent is the level of economic growth forecast for Germany for 2017.

CHART 13

In 2016, German car manufacturers again succeeded in increasing production volumes over the previous year.



Source: On the basis of VDA.

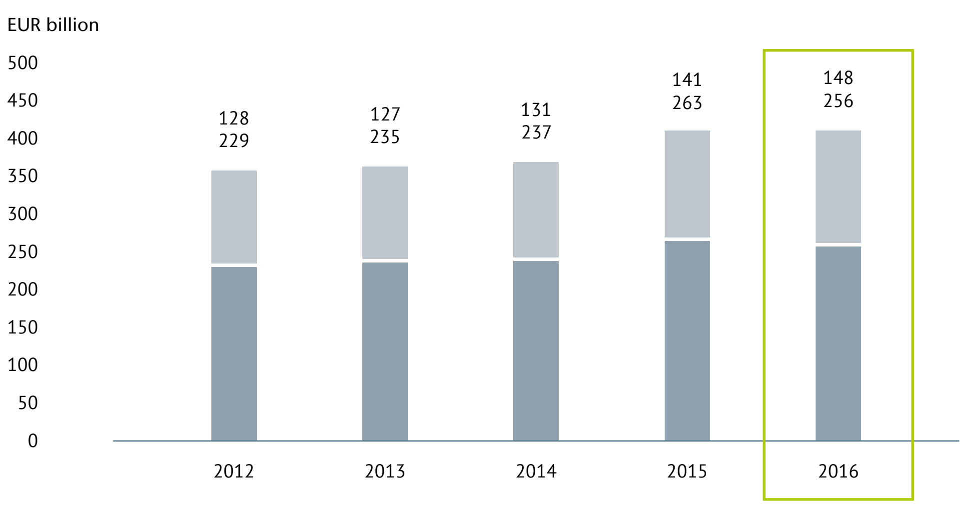
DEVELOPMENT IN THE AUTOMOTIVE INDUSTRY

New car sales worldwide grew four percent to some 81.6 million passenger cars and thus exceeded the 80-million-mark for the first time according to the German Association of the Automotive Industry (VDA). According to the VDA's statistics, sales of so called light vehicles in the United States of America rose by 0.4 percent over the previous year to 17.5 million units, thus reaching a historical record high. With a growth rate of 18 percent, China was again the largest individual market worldwide and registered 23.7 million new vehicles another all-time high. With a plus of 5.8 percent and 14 million new car registrations in the past year, Western Europe also continued its growth path.

The mainly positive trend in the automotive industry continued right up to the end of Bertrandt's fiscal year on 30 September 2017. In the first three quarters of this year, sales of light vehicles in the USA shrunk slightly by -1.9 percent to some 12.8 million units. In China, the dynamic development continued and new registrations rose by 3.3 percent to more than 16.7 million passenger cars. The Western European market also continued to grow and, with around 11 million new car registrations, previous-year figures were exceeded by 2.8 percent. For the overall year 2017, the VDA expects global new passenger car sales of approximately 81.9 million units.

With EUR 404.6 billion, the German car industry almost reached previous-year sales revenue levels in 2016, according to the VDA's survey. The export share at EUR 256.3 billion declined (minus three percent compared to the previous year), whereas domestic sales revenues rose to EUR 148.3 billion (plus five percent over the previous year). In 2016 the automotive industry employed 808,491 people, an increase of just over two percent over the previous year. It is the sixth year in succession in which more jobs were created year on year. According to Matthias Wissmann, president of the VDA, the German automotive industry is currently investing more than EUR 39 billion per year in research and development on a worldwide basis more than twice as much as ten years ago in order to address the great variety of technological issues. With intense, global competition prevailing in the car industry, this level of R&D spending lays the foundations for the competitiveness and technology leadership of German automotive companies.
CHART 14 AND 15

Revenues in the German automotive industry



Source: On the basis of VDA.

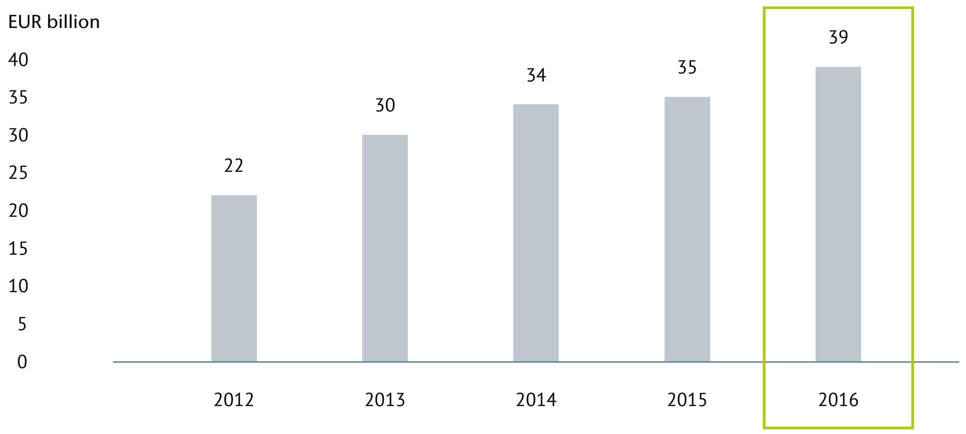
CHART 14

German car manufacturers reached 404 EUR billion in terms of revenues and kept their high level of last year.

Domestic revenues

Foreign revenues

R&D expenditures in the German automotive industry



Source: On the basis of VDA.

CHART 15

On a worldwide basis, the German automotive industry invested more than EUR 39 billion in research and development.

4

billion euros were invested by the German aerospace industry in research and development in 2016.

DEVELOPMENT IN AEROSPACE

According to the German Aerospace Industries Association (BDLI), the development of the German aerospace industry was very positive in 2016. In total, the industry's sales revenues grew 8 percent, like in the previous year, reaching an all-time high of EUR 37.5 billion (previous year EUR 34.7 billion). A slight plus of one percent was recorded in the number of employees, which climbed to 108,000 (previous year 106,800). Thus, in addition to the record industry sales revenues, employee numbers also hit an all-time high. Spending on research and development declined slightly in 2016 and was EUR 4 billion (previous year EUR 4.2 billion), corresponding to 11 percent of industry sales revenues.

The reason given by the association for the decline in research and development spending was that development services for important aircraft programmes have come close to completion. The industry is now investing more in new technologies and products that relate to the development of the next generation of aircraft, as well as in the further development of products for current aircraft programmes. One important issue is the introduction of Industry 4.0 and the digitalisation of development, production and services.

The two big aerospace groups, Airbus and Boeing, agree that the global growth trend in civil aviation is unbroken. Airbus' annually updated long-term forecast anticipates worldwide demand for new aircraft for civil aviation to be up to 34,900 units between 2017 and 2036. According to Airbus, this volume's market value corresponds to some EUR 4.5 trillion. Boeing anticipates an even higher volume of new civil aircraft demand in its forecast for the same period and predicts 41,030 new units by 2036. This is equal to a present market value of almost EUR 5.2 trillion.

DEVELOPMENTS IN OTHER SECTORS

As an export-driven economy, Germany was impacted by geopolitical tensions and the profound changes in the eurozone combined with persistently moderate growth in the emerging economies in the last quarter of 2016. However, the noticeable expansion in world trade led to a recovery of the economic situation in Germany across all industries in 2017. In the four key industries in which Bertrandt operates apart from the automotive and aerospace sectors, the development is outlined as follows.

The German Engineering Federation (VDMA), established industry sales revenues for 2016 of EUR 215 billion, a slight decline on the previous year of 1.4 percent. In light of the recovery of the world economic climate driven by increasing investments, the Federation expects production to rise again by three percent in 2017 over the previous year.

According to the German Electrical and Electronic Manufacturers Association (ZVEI) sales revenues for the industry more or less stagnated in 2016 at EUR 178.5 billion (-0.3 percent). For 2017 the experts of the Association anticipate a growth in output of 2.5 percent as the economy is clearly picking up again.

The trade association Medical Technology, a division of the German Hightech Industry Association (SPECTARIS) reported total sales revenues of EUR 29.2 billion for the year 2016. This translates into an increase in sales revenues of 5.8 percent over the previous year. The trade association expects further growth in sales revenues for 2017, which is estimated to range between four and five percent.

Revenues in the power engineering sector declined slightly by around 1 percent to EUR 12.5 billion in 2016, as the Power Engineering division of the ZVEI reported. For 2017 the industry experts predict an expansion of the global market for power engineering of three percent.

4.8

percent is the amount the market for engineering service providers in Germany is anticipated to grow in 2017.

DEVELOPMENT OF THE ENGINEERING MARKET

According to findings of Automobilwoche industry magazine, the 25 leading engineering service providers were able to increase their sales revenues by 6.4 percent on average in 2016 over the previous year. Growth was driven mainly by the diversity of models and an increasing trend among OEMs towards awarding project packages. This trend is also the reason for the ongoing consolidation within the industry. Market researchers Lünendonk continue to be optimistic about the development of the market for technology consulting and engineering services in Germany. For the year 2017 a market increase in the range of around 4.8 percent is expected.

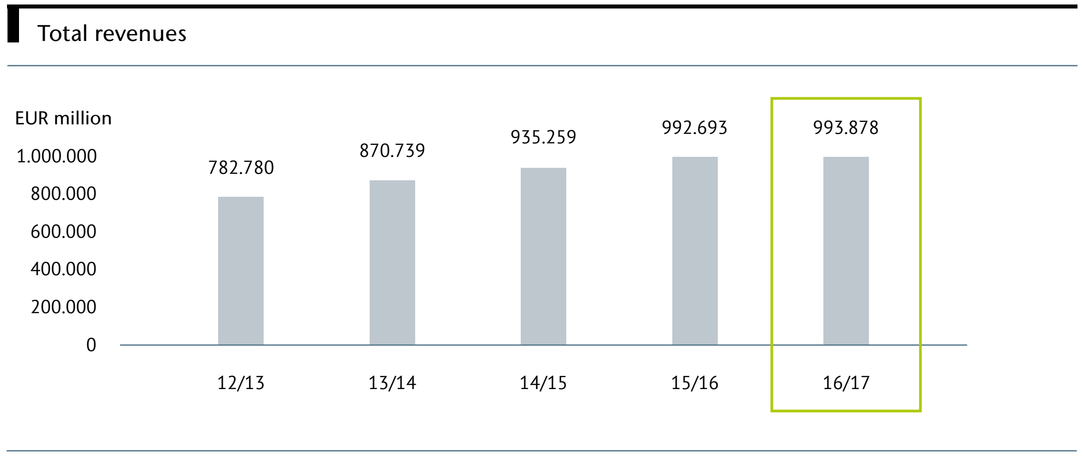
BUSINESS PERFORMANCE

BUSINESS DEVELOPMENT IN FISCAL 2016/2017

Some of the risks discussed in the Risk report of the previous fiscal year have materialized in fiscal 2016/2017. Continuing delays in the awarding of development contracts to external engineering service providers have had a significant impact on Bertrandt's revenue and earnings growth in the period under review. In addition, the continuing price pressure was clearly felt. Considering Bertrandt's business performance in the first six months of the fiscal year and the development in the automotive industry, the Management Board of Bertrandt AG had decided in May 2017 to adjust its assessment of the development of fiscal 2016/2017 as a whole to reflect the currently challenging environment.

CHART 16

Despite the challenging environment, Bertrandt was able stabilize the amount of total revenues in fiscal 2016/2017.



TOTAL REVENUES

Total revenues increased from EUR 992.693 million in the previous year to EUR 993.878 million. Revenues totalled EUR 992.276 million (previous year EUR 992.021 million). The Electrical Systems/Electronics and Digital Engineering segments achieved growth, whereas revenues in the Physical Engineering segment declined. Bertrandt's foreign subsidiaries continued their good performance, generating revenues of EUR 134.300 million in total (previous year EUR 108.103 million), which is equivalent to an increase of 24.2 percent. This was mainly due to customer demand in France and the US, which continued to improve. Own work capitalised amounted to EUR 1.602 million (previous year EUR 0.672 million).

The increase in revenues in the year under review was slightly less than had been forecast in the preceding management report and thus did not reach the range announced by management from EUR 31 million to 70 million above the previous year's level. Considering Bertrandt's business performance in the first six months of the fiscal year alone as well as the development in the automotive industry, the Management Board of Bertrandt AG decided already on 10 May 2017 to adjust its expectations regarding the development in fiscal 2016/2017 as a whole to reflect the currently challenging environment and the risks anticipated in the Risk Report, some of which have materialised. The revenues finally achieved at the end of the fiscal year ranged within the adjusted expectation of the Management Board.

CHART 16

KEY EXPENDITURE FIGURES

The key expenditure figures in the 2016/2017 fiscal year compared with the previous year as follows: Project-related cost of materials amounted to EUR 105.605 million (previous year EUR 98.097 million). Since the Group continued to recruit highly qualified specialists, personnel expenses somewhat rose by 1.1 percent to EUR 703.593 million (previous year EUR 695.681 million), reflected in a slightly higher staff cost ratio of 70.8 percent (previous year 70.1 percent). Due to Bertrandt's investment activities in building up and expanding its infrastructure and technical equipment in the preceding years with a view to future business, depreciation/amortisation expense rose from EUR 29.725 million to EUR 33.864 million. The ratio of depreciation/amortization to total revenues was 3.4 percent (previous year 3.0 percent). Other operating expenses were EUR 96.628 million (previous year EUR 87.796 million). They increased 10.1 percent in the period under review as a result of higher rent and sales expenses and positive non-recurring effects, which had been accounted for in the previous year. As a result of the small growth in total revenues, other operating expenses in relation to total revenues increased to 9.7 percent (previous year 8.8 percent).

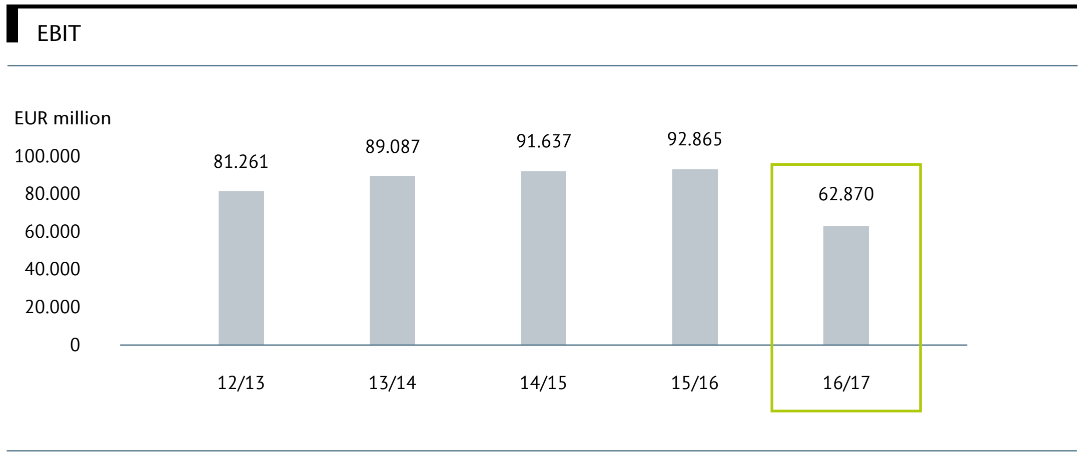


CHART 17

The underutilisation of capacity in some areas and the high price pressure caused a noticeable decline in EBIT.

62.870

million euros of operating profit were reported in fiscal 2016/2017.

EBIT

Bertrandt generated an EBIT of EUR 62.870 million in fiscal 2016/2017 (previous year EUR 92.865) and a 6.3 percent margin (previous year 9.4 percent). The decreased EBIT can mainly be explained by the delays in the awarding of contracts and the prevailing price pressure. Bertrandt's foreign subsidiaries generated an EBIT of EUR 10.355 million (previous year EUR 11.611 million). The non-domestic entities' contribution to EBIT thus has developed positively, despite start-up costs incurred for expanding the so-called best cost country locations, as government subsidies had a positive influence on EBIT in the previous year.

CHART 17

In the fiscal year 2016/2017 EBIT was affected by the continuing delays in the awarding of development contracts to external engineering service providers and the resulting partial underutilisation of capacity in certain areas. The originally expected expansion of EBIT in the range of up to EUR 3 million over the previous year forecast in the last management report did not materialise. Moreover, the industry was affected by high price pressure. Since these developments were anticipated as early as at the end of the first half of the reporting period, the Management Board on 10 May 2017 also adjusted its expectations regarding EBIT to the situation prevailing on the market at the time. For the year as a whole, EBIT was within the adjusted range of between six and eight percent of revenues.

NET FINANCE INCOME

On balance, net finance income was EUR -2.181 million (previous year EUR -1.378 million). With the full effect of the bonded loan and the acquisition of Fariba Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG including its loans , finance costs rose to EUR 3.452 million in the financial year 2016/2017 (previous year EUR 2.365 million). Net other finance income amounted to EUR 0.984 million (previous year EUR 1.124 million).

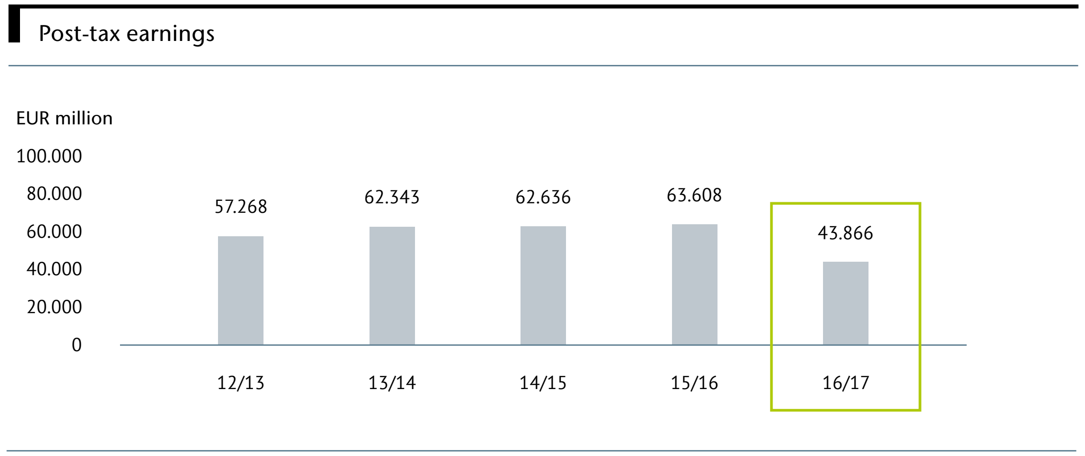
POST-TAX EARNINGS

Profit from ordinary activities in the period under review amounted to EUR 60.689 million (previous year EUR 91.487 million). With income tax expense amounting to EUR 14.125 million (previous year EUR 26.205 million), the tax rate for the period under review went down to 24.4 percent (previous year 29.2 percent). Post-tax earnings were EUR 43.866 million (previous year EUR 63.608 million). This works out to earnings per share of EUR 4.35 (previous year EUR 6.30).

CHART 18

CHART 18

The challenging environment also influenced the post-tax earnings.



PERFORMANCE BY SEGMENTS

Bertrandt organizes its business activities according to the Digital Engineering, Physical Engineering and Electrical Systems/Electronics segments, which recorded heterogeneous revenues and earnings in fiscal 2015/2016. In the Digital Engineering segment, which mainly covers the design of modules and components, revenues increased to EUR 581.817 million (previous year EUR 570.985 million) as a result of the positive development abroad. At EUR 29.283 million (previous year EUR 47.835 million the contribution of EBIT to the Group's EBIT was 46.6 percent.

The design modelling, testing, vehicle construction and rapid prototyping activities are bundled in the Physical Engineering segment. In the 2016/2017 financial year the segment's revenues shrunk to EUR 200.835 million (previous year EUR 207.344 million). EBIT declined year on year to EUR 12.976 million (previous year EUR 22.689 million).

The Electrical Systems/Electronics segment generated revenues of EUR 209.624 million (previous year EUR 204.692 million). The EBIT in this segment was EUR 20.611 million (previous year EUR 22.341 million).

The development of the segments thus did not meet the expectations of the forecast section of last year's Management report. The reasons were the currently challenging environment and the fact that some of the risks that had been anticipated in the Risk report materialised. Especially in the areas of Digital and Physical Engineering the continuing delays in the awarding of development contracts to external engineering service providers and the resulting underutilisation of capacity in certain areas combined with a lasting high price pressure affected revenues and EBIT.

NET ASSETS

The group's balance sheet structure is based on the principle of matching maturities. Total assets slightly increased over the previous year by two percent to EUR 778.800 million (previous year EUR 763.314 million), resulting from the initial consolidation of Fariba Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG. Non-current assets rose year on year by EUR 29.413 million to EUR 301.203 million as a result of increased plant, property, plant and equipment. Current assets declined to EUR 477.597 million as compared to EUR 491.524 million in the previous year, due to the decrease in cash and cash equivalents, which were down from EUR 159.821 million to EUR 139.266 million. Current receivables and other assets were EUR 214.090 million and thus more or less at previous year's level (EUR 214.851 million). On the liabilities side, the increase in borrowings due to the initial consolidation of Fariba Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG caused non-current liabilities to increase to EUR 245.438 million (previous year EUR 237.784 million).

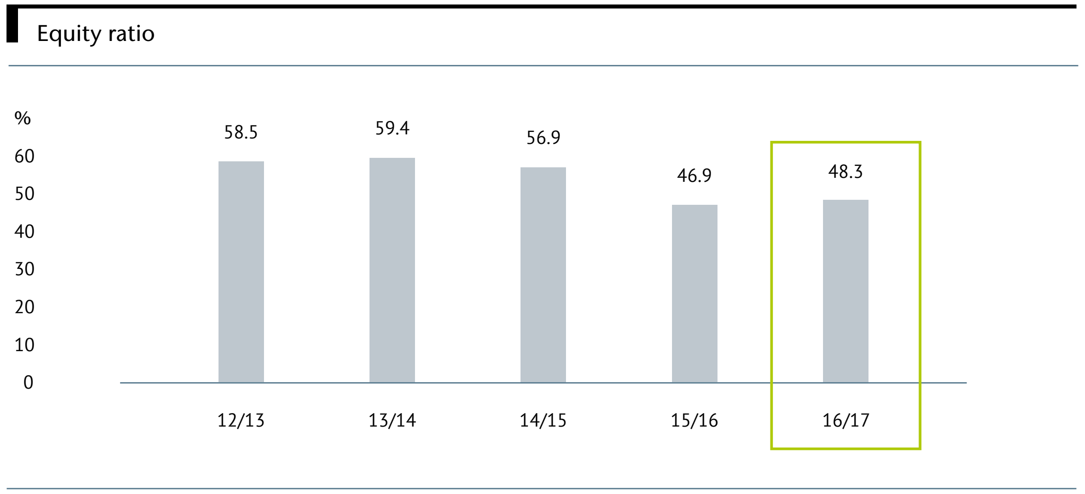


CHART 19

With this equity ratio Bertrandt is among the solid companies in the automotive industry.

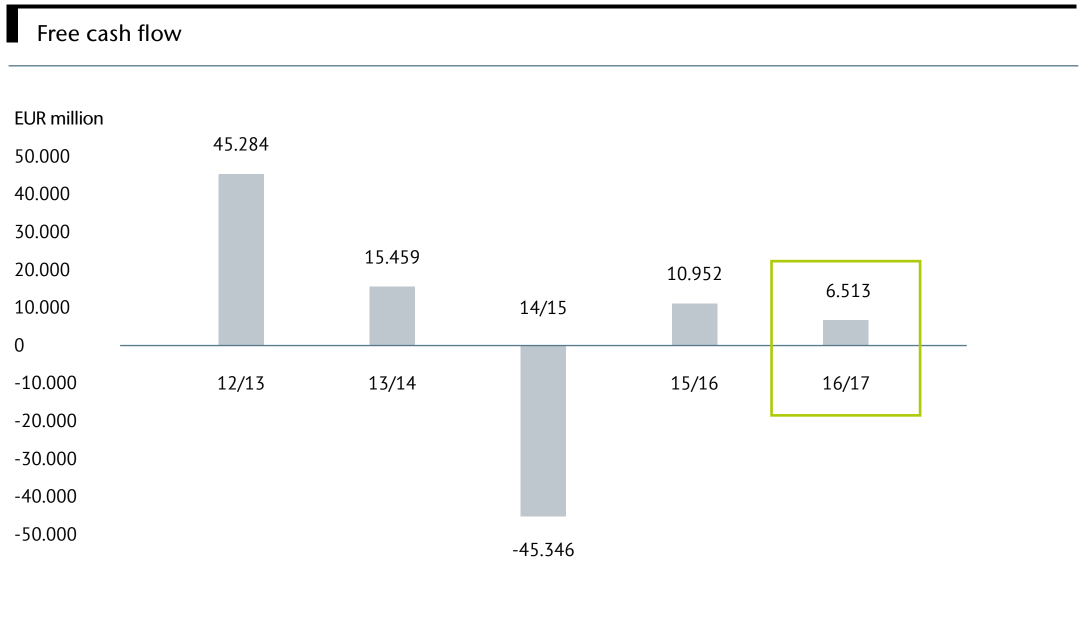


CHART 20

A positive free cash flow was generated in the period under review.

SOLID EQUITY BASE

The systematic retention of earnings combined with an attractive and consistent dividend policy led to an increase in equity by EUR 18.424 million to EUR 376.360 million. The equity ratio therefore is 48.3 percent (previous year 46.9 percent), making Bertrandt a financially strong company in the automotive sector.

CHART 19

FINANCIAL POSITION

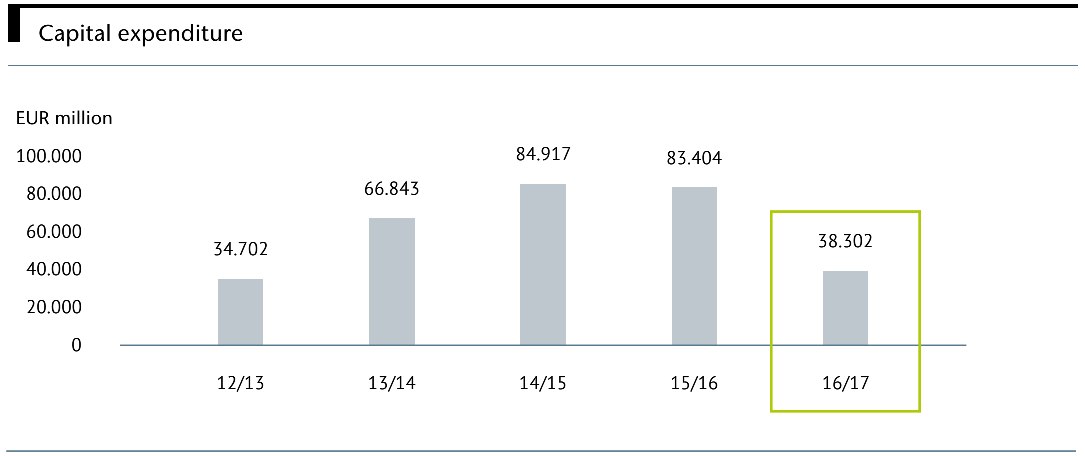
The fundamental objective of Bertrandt's financial management policy is to safeguard the Company's liquidity at all times. The financial management activities cover capital structure management as well as cash and liquidity management.

CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities shrunk in the 2016/2017 fiscal year because of the less dynamic business. In the period under review it amounted to

CHART 21

Spending on property, plant and equipment was significantly reduced in 2016/2017.



EUR 42.182 million (previous year EUR 90.631 million); it was therefore positive as had been expected and developed in parallel to business performance. The decrease in investments meant that net cash outflow from investing activities decreased as well; hence, a positive free cash flow of EUR 6.513 million (previous year EUR 10.952 million) was generated.

CHART 20

CAPITAL EXPENDITURE

Spending on property, plant and equipment was significantly reduced in 2016/2017 and the outflow of liquidity was EUR 34.051 million in total (previous year EUR 76.372 million). Spending on intangible assets decreased by EUR 1.849 million and was EUR 3.786 million. Spending on financial assets amounted to EUR 436 million (previous year EUR 1.397 million). In total, liquidity outflow due to capital expenditure was EUR 38.302 million in the period under review (previous year EUR 83.404 million).

By investing in infrastructure and facilities the Company seeks to complete its scope of products and services with a focus on its customers' needs. State-of-the-art technical equipment will enhance the range of competencies offered at Bertrandt's locations. Moreover, new capital expenditure is also intended to promote innovation, for example in the fields of acoustics, safety or drive technology. Bertrandt also invests in its proprietary competence initiatives in the fields of electrified and automated driving and vehicle connectivity as well as in innovative solutions in lightweight design. This growth, both 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. Future investing activities to develop and enhance the range of services will be possible thanks to the proceeds from the bonded loan, secured credit facilities and the internal financing capacity of the Bertrandt Group.

CHART 21

GENERAL STATEMENT ON BUSINESS PERFORMANCE

Despite the challenging environment, Bertrandt was able to achieve a slight increase in fiscal 2016/2017 over the previous year, although the underutilisation of capacity in some areas and the high price pressure caused a noticeable decline in EBIT. The three major influencing factors, i.e. the increasing variety of models and variants, environmentally friendly individual mobility and connected and automated driving, are, however, intact in the long-term and continue to offer business opportunities well into the future. The Management Board therefore judges the Company's business situation and prospects to be good. With an equity ratio of 48.3 percent the Company stands on a sound financial footing. Its good capital base and its investment activities have paved the way for lasting success in the future.

Development of employees

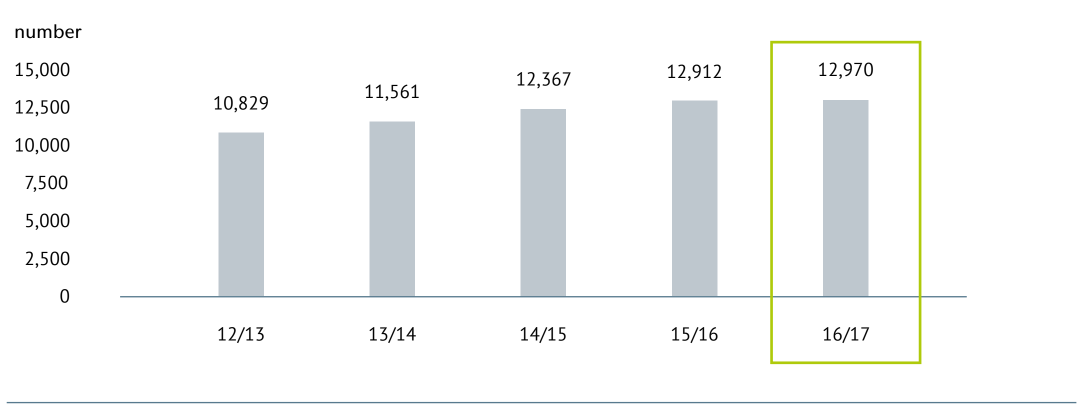


CHART 22

Bertrandt kept on creating new jobs.

Can you imagine working on innovative engineering projects with us? Information about vacancies at Bertrandt is available here.

HUMAN RESOURCES MANAGEMENT

As at the balance sheet date, 12,970 employees (previous year 12,912) worked for Bertrandt worldwide. On 30 September 2017 the Company had 11,145 employees (previous year 11,363) in Germany and 1,825 (previous year 1,549) in other countries.

CHART 22

Thus almost 13,000 people devise top-level customised development solutions for customers in Germany and abroad. Bertrandt's corporate culture is guided by the core principles of teamwork, flat hierarchies, providing an employee-friendly environment, and a flexible, dynamic and performance-oriented approach to work. Following these principles, the Company is able to grow and make progress and thereby to achieve successes which cannot be measured in figures alone.

At Bertrandt, interaction and cooperation are based on values such as loyalty, trust and entrepreneurial spirit. At the same time, living these values is key to achieving a good corporate climate. This is the responsibility which must be assumed by each and every employee in the Company, every day, from the first day of employment.

Bertrandt's reputation as a competitive employer has been confirmed once again in the period under review by an independent source: In the "trendence Graduate Barometer 2017 – Engineering Edition" the Company has consistently been among the 100 most popular employers in Germany since 2012 and this year improved its position once more by moving up to rank 80. In addition, Bertrandt was ranked number 79 among the 100 most attractive employers in Germany by Universum in 2017.

RECRUITMENT

Staff recruitment plays a key role at Bertrandt. It is the Company's aim to recruit and inspire qualified employees to work for and stay with Bertrandt. 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. Multi-faceted project scopes and a deep and broad spectrum of service offer interesting tasks in key technological industries to specialists, experienced professional engineers and technicians as well as to graduates fresh from university. In the year under review, Bertrandt continued to expand its activities in this field, including the use of social media.

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. In total, Bertrandt spent EUR 10.2 million (previous year EUR 11.3 million) on further training for staff and managers in the year under review.

TRAINING

Bertrandt has always attached great importance to the training of young talent. 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 2017, 351 employees were participating in a training or study programme in technical or commercial disciplines.

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, Austria, Romania, 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 supervises 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

In all its actions Bertrandt focuses on enhancing enterprise value in a sustainable way while considering economic, social and ecological factors. 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 pyramidal 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 total revenues, Bertrandt uses EBIT and cash flow from operating activities as ratios for controlling purposes, thus substituting total revenues for the formerly used performance ratio "revenues", as total revenues include own work capitalised. As the Company's business model changes, the latter play an ever increasing role and we therefore deem it appropriate to account for them. The method used for determining the formerly used performance indicator "operating profit" is identical to determining EBIT. However, the Company will use the term "EBIT" from this financial year onward as it is the more widely used technical term.

CORPORATE GOVERNANCE DECLARATION PURSUANT TO SECTION 315 (5) 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. Moreover, we have always felt bound by principles going beyond legal provisions. Ethical principles and obligations entered into voluntarily are also 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/2017_Bertrandt-Leitbild_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 and selection of the statutory 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 pursuant to Section 15 WpHG and, from 3 July 2016 onward pursuant to Article 17 Market Abuse Regulation (Regulation (EU) No. 596/2014).

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 (Committee Chairman), Maximilian Wölfle (Deputy Chairman) and Prof. Dr.-Ing. Wilfried Sihn. The Audit Committee is composed of Dr. Klaus Bleyer (Committee Chairman), Maximilian Wölfle (Deputy Chairman) and Horst Binnig. The members of the Audit Committee as a whole are familiar with the industry in which the Company operates.

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 2016/2017 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 2017.

STIPULATIONS PURSUANT TO SECTION 76 (4) AND SECTION 111 (5) AKTG

On 1 May 2015 the Act on the equal participation of women and men in leadership positions entered into force. According to said Act the supervisory board of a listed company or a company subject to codetermination must define a target for the proportion of women represented on supervisory and management boards. In addition, the management board of such company must define targets for female representation on the two management levels below the management board. Where the proportion of women is below 30 percent at the time when the supervisory and management boards stipulate the number of women to be appointed to the boards, the targets specified must not be set below the current proportion. At the same time, a deadline of no longer than five years must be specified for attaining the target number. The targets may be set with a deadline not exceeding 30 June 2022.

By a resolution adopted in May 2017 the Supervisory Board of the Company stipulated, in accordance with Section 111 (5) AktG, a target of 0 percent female representation on the Management Board to be attained by 30 September 2021. This corresponds to the actual proportion at the time of stipulating the target.

By a resolution adopted in May 2017 the Management Board of the Company stipulated, in accordance with Section 76 (4) AktG, a target of 0 percent for the proportion of women at the first management level below the Management Board and a target of 0 percent for the proportion of women at the second management level below the Management Board, both to be attained by 30 September 2021. Both management levels as referred to in Section 76 (4) AktG were defined based on the existing reporting lines in the Company below management board level.

By a resolution adopted in September 2017 the Supervisory Board of the Company stipulated, in accordance with Section 111 (5) AktG, a target of 0 percent female representation on the Supervisory Board to be attained by 30 September 2021.

The targets previously defined in September 2015 were attained at the level of the Management Board, however not at the first and second management levels below the Management Board: the Company was pleased to see that female representation here was 38.46%; in the Supervisory Board it was 33.33 %.

DECLARATION OF CONFORMITY PURSUANT TO SECTION 161 OF THE GERMAN STOCK CORPORATION ACT (AKTG) DATED 25 SEPTEMBER 2017

“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 5 May 2015 and promulgated in the Federal Gazette on 12 June 2015 (“Version of 2015”) have been and are being complied with, with the following exceptions: Sections 3.8 (3), 4.1.5, 4.2.3 (3), 4.2.5 (3) and (4), 5.2 (2), 5.3.2 sent. 3, 5.4.1 (2) and (3), 5.4.2 sent. 1, 5.5.2, 5.5.3 sent. 1, and 7.1.2 sent. 4 of GCGC (Version of 2015).

The recommendations issued by the Government Commission on the German Corporate Governance Code as amended on 7 February 2017, promulgated in the Federal Gazette on 24 April 2017 and corrected on 19 May 2017 (“Version of 2017”), have been and are being complied with, With the following exceptions having been made since 24 April 2017: Sections 3.8 (3), 4.1.3 sent.2, 4.1.5, 4.2.3 (3), 4.2.5 (3) and (4), 5.3.2 (3) sent. 2 and 3, 5.4.1 (2) and (4), 5.4.2 sent. 1, 5.5.2, 5.5.3 sent. 1, and 7.1.2 sent. 3 of GCGC (Version of 2017).

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

Section 3.8 (3) GCGC, Versions of 2015 and 2017
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, Versions of 2015 and 2017, 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 4.1.3 sent. 2 GCGC, Version of 2017
Bertrandt AG’s maintains a compliance management system which is aligned to the Company’s risk situation. The Company will report on this system from the fiscal year 2017/2018 onward in accordance with the provisions of the Act to Strengthen Non-financial Reporting by Companies in their Management Reports and Group Management Reports (CSR Directive Implementation Act). The Company continues to deviate from further disclosures pursuant to Section 4.1.3 sent. 2 GCGC, Version of 2017 with regard to the new statutory provisions.

Section 4.2.3 (3) GCGC, Versions of 2015 and 2017
The Company continues to deviate from Section 4.2.3 (3) GCGC, Versions of 2015 and 2017. It is not the Supervisory Board’s intention to guarantee a specific pension level for retired members of the Management Board, but to ensure that active members of the Management Board are compensated in line with the market and the situation of the Company. Hence, pension commitments are generally not made. Such commitments exist, as has been stated in the Company’s annual reports for many years, exclusively with regard to one active and one former member of the Management Board.

Section 4.2.5 (3) and (4) GCGC, Versions of 2015 and 2017
The Company continues to deviate from the recommendations under Section 4.2.5 (3) and (4) GCGC, Versions of 2015 and 2017, because the Company believes that sufficient transparency will be ensured by the provisions governing the disclosure of Management Board compensation which are applied in full.

Section 5.2 (2) GCGC, Version of 2015 and Section 5.3.2 (3) sent. 3 GCGC, Version of 2017
The Chairman of the Supervisory Board has for many years simultaneously been Chairman of the Audit Committee. Since this has proven effective, the Company continues to deviate from the recommendation in Section 5.2 (2) GCGC, Version of 2015 and Section 5.3.2 (3) sent.3 GCGC, Version of 2017, which has the same wording, in this respect.

Section 5.3.2 sent. 3 GCGC, Version of 2015 and Section 5.3.2 (3) sent. 2 GCGC, Version of 2017 and Section 5.4.2 sent. 1 GCGC, Version of 2015 and Section 5.4.2 sent.1, first clause, Version of 2017 as well as Section 5.4.2 sent. 1, second clause GCGC, Version of 2017 and Section 5.4.1 (2) GCGC, Versions of 2015 and 2017.
The Company believes that its Supervisory Board has an appropriate number of independent members. However, since the term “independent members” has not been conclusively defined in Section 5.4.2 sent. 2 GCGC in the Versions of 2015 and 2017, the Company, 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, as a precautionary measure declares a deviation from Section 5.3.2 sent. 3 GCGC, Version of 2015 and Section 5.3.2 (3) sent. 2 GCGC, Version of 2017 as well as Section 5.4.2 sent. 1 GCGC, Version of 2015 and Section 5.4.2 sent. 1 first clause, Version of 2017 and also from Section 5.4.1 (2) GCGC, Versions of 2015 and 2017.

The Company also continues to deviate from Section 5.4.2 sent. 1, second clause GCGC in the Version of 2017. The business model of Bertrandt AG is founded, amongst other things, on reliable confidentiality regarding customers’ development processes and innovation cycles, and on the reliable protection of their trade secrets. Our customers’ trust in these corporate processes is enhanced by the fact that there are no representatives of individual shareholders on the Supervisory Board.

Section 5.4.1 (2) and (3) GCGC, Version of 2015 and Section 5.4.1 (2) and (4) GCGC, Version of 2017 as well as Section 4.1.5 GCGC, Versions of 2015 and 2017
The Company continues to deviate from Section 5.4.1 (2) and (3) GCGC, Version of 2015 and Section 5.4.1 (2) and (4) GCGC, Version of 2017 as well as from Section 4.1.5 GCGC, Versions of 2015 and 2017. 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. While the Company believes that adequate members have been selected for the Supervisory Board also bearing in mind the aspects mentioned in Section 5.4.1 (2) GCGC, versions of 2015 and 2017 the Supervisory Board has refrained from defining a rigid skill profile or laying down specific objectives so as to avoid any restrictions regarding the future candidate selection process. Taking this into account, the Company has also decided not to lay down a maximum length of service on the Supervisory Board within the meaning of Section 5.4.1 (2) GCGC, Versions of 2015 and 2017.

Since no specific objectives or specific skill profiles are defined for Board members, the Company continues to deviate from Section 5.4.1 (2) and (3) GCGC, Version of 2015 and Section 5.4.1 (4) GCGC, Version of 2017.

Section 5.5.2 and Section 5.5.3 sent. 1 GCGC, Versions of 2015 and 2017
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, Versions of 2015 and 2017. 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, versions of 2015 and 2017 as they apply to all conflicts of interest and do not distinguish between matters which are of material or temporary nature. The right to waive public disclosure of such information enables the members of the Supervisory Board to discuss in confidence with the Chairman cases which merely appear to be conflicts of interests.

Section 7.1.2 sent. 4 GCGC, Version of 2015 and Section 7.1.2 sent. 3 GCGC, Version of 2017
Bertrandt AG published its report on the first quarter of fiscal 2016/2017 on 20 February 2017, the report for the second quarter on 31 May 2017 and the report for the third quarter on 30 August 2017. 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, Version of 2015 and/or sent. 3 in the Version of 2017.

Ehningen, 25 September 2017

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

Ehningen, 11 December 2017

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

REMUNERATION REPORT

COMPENSATION STRUCTURE FOR THE MEMBERS OF THE MANAGEMENT BOARD

Compensation of Management Board members comprises fixed/non-performance-related and variable components. The fixed/non-performance-related compensation consist of a fixed remuneration and fringe benefits. Each member of the Management Board is entitled to a fixed annual salary payable in twelve equal instalments at the end of each month. In the fiscal year 2015/2016 fixed/non-performance-related compensation paid to the Management Board members was EUR 0.668 million (previous year EUR 0.668 million) for Dietmar Bichler; EUR 0.330 million (previous year EUR 0.330 million) for Hans-Gerd Claus; EUR 0.330 million (previous year EUR 0.330 million) for Michael Lücke and EUR 0.330 million (previous year EUR 0.330 million) for Markus Ruf.

The variable component is adjusted to the Bertrandt Group's earnings situation. For the year under review, the variable component paid was EUR 1.571 million (previous year EUR 2.321 million) in total for Dietmar Bichler, thereof EUR 0.864 million as long-term incentive component for 2015/2016 (previous year EUR 1.260 million); EUR 0.786 million (previous year EUR 1.161 million) in total for Hans-Gerd Claus, thereof EUR 0.432 million as long-term incentive component for 2015/2016 (previous year EUR 0.630 million); EUR 0.786 million (previous year EUR 1.161 million) in total for Michael Lücke, thereof EUR 0.432 million as long-term incentive component for 2015/2016 (previous year EUR 0.630 million); and EUR 0.786 million (previous year EUR 1.161 million) in total for Markus Ruf, thereof EUR 0.432 million as long-term incentive component for 2015/2016 (previous year EUR 0.630 million).

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. The variable component consists of a performance-related bonus paid to the members of the Management Board, which is linked to the Group's EBIT as determined in the financial statements in conformity with IFRS. The basis for the assessment of the bonus is the EBIT generated in two consecutive financial years. The smaller portion of the variable component is determined based on the financial year under review while the major share is determined at a later point in time depending on the performance of the business (bonus/malus system).

Bertrandt provides company cars to all members of the Management Board for business and private use. Furthermore, all Management Board members are insured under a group accident insurance policy. In the reporting period 2016/2017, taxable non-cash fringe benefits were EUR 0.013 million (previous year EUR 0.015 million) in total for Dietmar Bichler, EUR 0.014 million (previous year EUR 0.014 million) in total for Hans-Gerd Claus, EUR 0.023 million (previous year EUR 0.023 million) in total for Michael Lücke and EUR 0.014 million (previous year EUR 0.014 million) in total for Markus Ruf.

Compensation paid to the active members of the Management Board in the year under review was EUR 2.252 million (previous year EUR 3.004 million) in total for Dietmar Bichler, EUR 1.130 million (previous year EUR 1.505 million) in total for Hans-Gerd Claus, EUR 1.139 million (previous year EUR 1.514 million) in total for Michael Lücke and EUR 1.130 million (previous year EUR 1.505 million) in total for Markus Ruf. In total, EUR 5.651 million (previous year EUR 7.528 million) were paid in compensation to all active members 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.

The compensation structure implemented by the Supervisory Board does not generally provide for pension commitments to members of the Management Board. Correspondingly, such commitments which date back to the time before the Company adopted the legal form of a stock corporation only exist for one active (Dietmar Bichler) and one former member of the Management Board. CEO Dietmar Bichler is entitled to a benefit with a present value of EUR 4.209 million (previous year EUR 4.559 million). The Company has reversed a provision of EUR 0.350 million (in the previous year a provision of EUR 1.334 million had been recorded) in the year under review for this purpose as a result of interest rate changes.

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

COMPENSATION STRUCTURE FOR THE MEMBERS OF THE SUPERVISORY BOARD

The compensation structure for the members of the Supervisory Board was amended by shareholder resolution during the annual general meeting on 19 February 2014. Compensation of Supervisory Board members is defined in Article 12 of the Articles of Association of Bertrandt AG whereby each member of the Supervisory Board is entitled to a fixed compensation 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 compensation while members acting as committee chairmen receive another 25 percent of their fixed compensation. However, the maximum amount received by Supervisory Board members in total is four times the fixed compensation. 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 2016/2017 (previous year EUR 0.320 million). Since the 2013/2014 financial year the Company has ceased to pay performance-based compensation to Supervisory Board members.

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: 28.97 percent of voting rights as last reported on 15 June 2016
- Friedrich Boysen Holding GmbH, Altensteig, Germany: 14.90 percent of voting rights as last reported on 21 February 2011

Refer to Note [45] 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 18 February 2015, 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 2020. At the annual general meeting of 23 February 2017 the shareholders additionally authorised the Management Board to increase the share capital of Bertrandt AG pursuant to the Articles

The Bertrandt risk management system

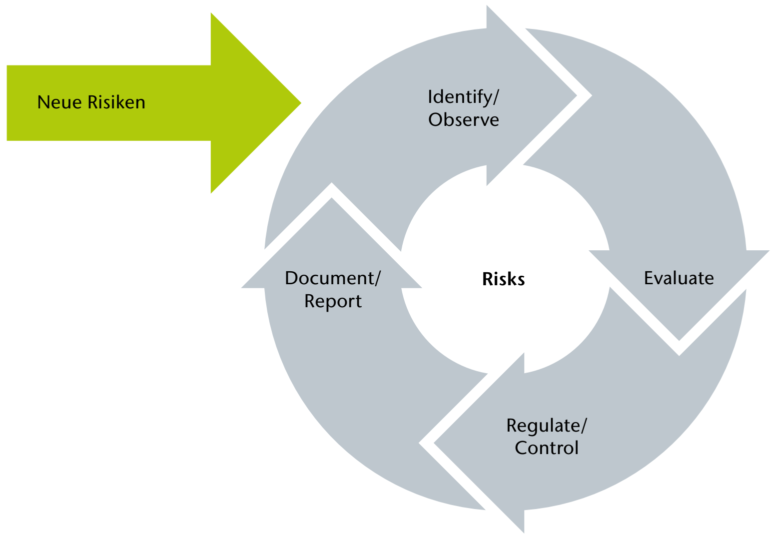


CHART 23

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

of Association with the approval of the Supervisory Board by issuing, in the period leading to 31 January 2022, 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 2017).

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.

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 corrective action plans. 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 corrective action plans are devised with top priority and compared with best practices, and the corresponding strategy is implemented without delay by the responsible Managing Directors in cooperation with supporting corporate functions.
CHART 23

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

Amount of loss is described by the following categories:

- Low is an amount of loss between EUR 0.050 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 corrective action that may already have been taken. The net assessment accounts for corrective action already taken and thus enables an appraisal of its effectiveness. 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 between EUR 1.5 million and EUR 3.0 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 provide the Management Board with 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. Moreover, these identified risks are evaluated in order to determine whether they are substantial risks. Apart from this, risks of lesser importance were checked for plausibility, but are not separately stated here because of their low probability of occurrence, expected amount of loss and lack of importance.

FINANCIAL RISKS

As a 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, product liability risks and risks of additional claims 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. Financial risks are considered category B risks with a low probability of occurrence. The risk of default is limited to the greatest possible extent by means of preventive credit rating checks. Individual risks are addressed by means of credit guarantee insurance cover as required in individual cases. Product liability risks are covered by insurance. Additional claims by customers are checked by stringent project management. This risk is classified as an A risk with a medium probability of occurrence.

CHANGE IN OEMS' EXTERNAL SOURCING STRATEGY AND SIZE OF PROJECTS SOURCED EXTERNALLY

In recent years, the automotive industry has intensified the external sourcing of engineering services in response to the rising number of different drive technologies, increasing diversity of models and ever shorter model lifecycles. The trend towards managing external sourcing by means of contracts for work continues. At the same time, the size of projects is increasing and with it Bertrandt's responsibility. Bertrandt classifies the uncertainty associated with large-scale projects as a B risk in conjunction with a high probability of occurrence. Bertrandt responds to this risk by means of stringent project management. In addition, it is conceivable that OEMs will render engineering services themselves in some areas. This would result in a reduction of Bertrandt's current and future business volume, which may adversely affect the Company's revenue and earnings situation. The risk arising from a change in the external sourcing strategy of Bertrandt's customers is considered a category A risk, in conjunction with a low probability of occurrence. The discussion of the measurement of emission values in passenger cars which has been ongoing in the public since September 2015 and the debate about the possible adjustment of the measurement methodology by legislators continues to be of concern for all companies involved in the automotive sector. As a consequence, many OEMs are focusing more on e-mobility in their technology development. OEMs appear to be changing their strategies in the field of drive technologies. Medium term model roadmaps are now frequently reviewed for this aspect, the result of which could be a reduction in the variety of models. Therefore, the risk associated with the stop or postponement of projects is viewed by Bertrandt as a category B risk, albeit with a low probability of occurrence.

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 conditions by optimising its cost structure, working to high levels of quality and, depending on the project in question, diversifying its locations outside Germany. Price will therefore continue to be subject to competitive pressures. Bertrandt classifies this risk as an A risk in conjunction with a medium probability of occurrence.

IMPLEMENTATION OF NEW PROCESSES

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

In order to address this risk, Bertrandt installed a comprehensive management system which is applicable throughout the Group which regularly measures and evaluates non-financial performance indicators. 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 status of the business processes in a total of five assessment areas which are derived from the high

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** (or 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** (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 2016/2017 is as follows for non-financial performance indicators:

	Assessment areas	Points
I.	**Performance of the management system**	**78**
II.	**Service delivery**	**93**
III.	**Continuous improvement**	**92**
IV.	**Risk management**	**95**
V.	**Personnel and human resources**	**85**

The results can be regarded as indicators of the stability and sustainability of the business processes covered by the integrated management system of Bertrandt. In preparation for the fulfilment of the revised DIN EN ISO 9001:2015 the assessment areas were collated in an adjusted, detailed survey. Like in the previous year, the results for all assessment areas clearly exceed 75 points, the threshold which characterises the business processes as stable and controlled and ensures sustainability. In our core business of service delivery, we achieved the same high value as in the previous year. As we have continuously improved our processes, we were able to improve our performance values once again compared to the previous year. Modifications in the way we managed risks and opportunities resulted in a sustained improvement over the previous year. Management's attention continues to be dedicated to increasing the efficiency and to optimising the performance of the processes in the Group. Due to additional requirements resulting from the Company's situation, the indicator is slightly weaker. Corresponding measures have already been initiated and are beginning to correct this trend. The activities initiated in the previous year to improve qualifications and to promote a sustainable occupational health management have been effective: previous year's level was maintained. Bertrandt considers the risk associated with the implementation of new processes a category B risk with a low probability of occurrence.

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 is 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 a number of 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. In addition, Bertrandt created the position of a Chief Information Security Officer (CISO) in the fiscal year 2015/2016. Aggregated for the entire Group, this risk is considered a category A 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 ensures that the Company has the necessary skills and is able to grow. Bertrandt consistently aims to offer its workforce attractive working conditions with interesting, varied and challenging activities. The fact that Bertrandt received awards as top employer in the area of Engineering once again in 2017 demonstrates that effective measures are being taken in this field. Still, it can never be ruled out completely that our staff leave Bertrandt to join our customers, since they are able to offer attractive career prospects, too. From our point of view, this risk of fluctuation is to be considered a category B risk, in conjunction with a medium probability of occurrence. The risk of scarcity of qualified personnel is at present also considered a category B risk, also 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 corrective action. 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.

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 and 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 the point of view of Bertrandt AG and the opportunities that they offer to the 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

MODEL VARIETY

The discussion of the measurement of emission values in passenger cars which has been ongoing in the public since September 2015 and the debate about the possible adjustment of the measurement methodology by legislators continues to be of concern for all companies involved in the automotive sector. As a consequence, many OEMs are focusing more on e-mobility in their technology development. A strategic change is becoming apparent in the field of drive technologies. Medium term model roadmaps are now frequently reviewed and revised for this aspect, which may lead to a reduction in the variety of conventional drive models or expansion in alternative drive variants. As things currently stand, it is impossible to predict where this development, which presents both risks and opportunities for Bertrandt, will ultimately lead.

Bertrandt is constantly analysing trends in the development of models of its existing and potential OEM customers. The market volume consists, on the one hand, of models of our customers already on the market, which receive facelifts or refinements, and successor models in regular intervals. In addition, there are new models that are brought to the market without a predecessor. At present, we expect our existing customers to launch 102 new models between 2017 and 2022. The market research institute Frost & Sullivan comes to similar conclusions. The industry experts expect the world's 13 leading automobile manufacturers to expand the number of models they build by more than eight percent by 2022. Bertrandt assesses the probability of occurrence for this scenario to be high in conjunction with a significant influence on the total revenues. Our assessment of this has not changed compared to the previous year.

TECHNOLOGY PROGRESS

In a recent study on the situation of the German automobile industry the German Association of the Automotive Industry (VDA) stated that the automobile is undergoing the most radical change in its history. According to the study digital connectivity and globalisation are continuously driving the global innovation and technology race. Mobility needs increase in all continents; sustainable and environmentally friendly vehicle concepts are in demand everywhere. As a result, spending on research and development in the automotive industry is further increasing – an important trend for Bertrandt's business performance. On a worldwide basis, the German automotive industry is currently investing more than EUR 39 billion per year in research and development – more than twice as much as ten years ago.

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 2036. As in previous years, this can be attributed to growing internationalisation and expanding tourism. The related technological development trends continue to be shaped by the demands of sustainability and comfort. Alternative materials and new engine technologies should help to reduce weight, and consequently fuel consumption. Modern cabins will make travel as comfortable as possible for passengers.

The four key industries in which Bertrandt operates apart from the automotive and aerospace sectors were substantially impacted by the digitalisation of processes. The establishment of intelligent, digitally networked systems is the basis for implementing more efficient value chains – from the idea for a product through to its development, production, use and maintenance and, finally, recycling. Industry 4.0 offers huge opportunities for Germany as a leading international industry supplier. This is also reflected in the business climate index published by the ifo Institute (Leibniz Institute for Economic Research) at the University of Munich. The expectations captured by this index regarding developments in the months ahead have stayed clearly above the long-term average since the beginning of the year. Assessments of the current business situation have also improved substantially. The prospects which this offers for the energy, medical and electrical technology industries, as well as the machinery and plant engineering sectors, offer huge growth opportunities for external development partners like Bertrandt.

Based on our current state of knowledge the level of technology applied in the Bertrandt Group's target industries is likely to continue rising and this will have a significant influence on total revenues. This assessment has not changed since last year.

EXTERNAL SOURCING OF ENGINEERING SERVICES

Market researchers Lünendonk continue to be optimistic about the development of the market for technology consulting and engineering services in Germany. The expectations for the period between 2018 and 2022 are at 4.6 percent market growth per year. The experts expect a discernible shift in customer demand in this period towards innovative solutions for software, embedded systems and electrical/electronic systems. For engineering service providers, such as Bertrandt, this means that they need to address new subject matters and build corresponding skills in order to continue to be successful on the market.

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

FORECAST

ECONOMIC ENVIRONMENT

In their autumn reports leading German economic research institutes forecast continued global economic growth. According to the experts' estimates, world output is set to grow by 3.1 percent this year and by 3.1 percent again in the coming year. Both the advanced economies and the emerging economies are expected to contribute towards the upturn.

In the US, economic output is expected to grow by 2.3 percent in the course of the coming year. Economic research institutes project a continuing slowdown in the pace of growth of the Chinese economy and China's real GDP to expand by 6.4 percent. Growth in the European Union is also expected to be slower than in the previous year with economic output growing by two percent over the previous year. GDP growth in Germany is expected to be 2.1 percent in 2017.

SITUATION IN THE INDUSTRY

The consulting firm AlixPartners expects an unchanged positive market situation in 2018 and forecasts an increase in global sales of new cars to 97 million units. According to the experts new vehicle registrations in the USA will fall slightly to 16.4 million throughout the year as a whole. New vehicle registrations in Europe are anticipated to continue at the same high level as in the previous year of around 20 million passenger cars. Car sales in the important Chinese market are set to reach a new record again in the coming year. The experts expect sales of new cars to rise to almost 31 million, this however including the Taiwanese market. In total, AlixPartners anticipate a year-on-year market growth of 2.8 percent until 2024 in new vehicle registrations.

Players in the automotive sector will be expected to use their technical prowess and digital knowhow to rethink individual mobility. The challenges ahead include the further development of classic drive systems and alternative fuels, the expansion of e-mobility, the automotive digital revolution and automated driving. The industry is facing huge technological changes. Current technology issues are also directly impacting customer demand and the requirements which must be met by engineering service providers. Service providers can continue to position themselves as strategic development partners for their customers by focusing on new business fields as well as on specific future technologies which depend on specialist know-how service providers. Based on these intact market drivers Lünendonk has identified continuing medium-term growth potential for the award of engineering services to companies such as Bertrandt.

According to the German Aerospace Industries Association (BDLI) the aerospace industry has achieved dramatic reductions in aircraft emissions and noise pollution in recent years. However, the industry has set itself some ambitious long-term targets within the framework of the European "Flightpath 2050" agreements. Taking the year 2000 as the baseline, the goal is to reduce CO2 emissions by 75 percent and nitrogen oxide by 90 percent per passenger kilometre by 2050. Noise pollution should be reduced by 65 percent by that date. Alongside environmental objectives aircraft manufacturers and suppliers also aim to boost on-board comfort for passengers. Against this background there will be continuing demand for engineering in this market segment to enable the existing model range to be adjusted to meet these requirements.

The production forecast made by the German Engineering Federation (VDMA) for the year 2018 is based on assumed growth of three percent. The VDMA experts are confident that the upturn in investments will provide momentum to German mechanical engineering companies. Experts from the German Electrical and Electronic Manufacturers Association (ZVEI) expect the German electrical and electronic industry to grow by two percent in 2018. The figures provided by the ZVEI for the power engineering industry in particular refer only to the development of the global market, which is expected to grow by four percent in the coming year. Revenues in the German medical technology sector are expected to grow at a rate of 3.8 in 2018 according to the Germany Hightech Industry Association SPECTARIS.

Market research experts from Lünendonk expect market growth for technology consulting and engineering services to continue over the next few years and believe that this will again be to the advantage of large, high-revenue companies. These companies have both the infrastructure and capacities to take on large projects and will benefit accordingly from the trend among corporate customers to award larger project packages. There is also a discernible shift in customer demand towards innovative solutions for software, embedded systems, electrical systems and electronics. Automotive OEMs and suppliers in particular are consequently realigning their strategic orientation with regard to contracts awarded in these fields. In conclusion, the study forecasts annual market growth up to the year 2022 of 4.6 percent on average.

POTENTIALS

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

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

Well-targeted capital expenditure enables Bertrandt to continually optimise its range of services. The Company anticipates an increased volume of capital spending in fiscal 2017/2018 compared to the previous year. Based on solid business foundations this will permanently and sustainably enhance the Company's enterprise value. The key factors for success are: greatest possible customer focus, committed employees and efficient cost and capacity management.

GENERAL STATEMENT ON THE EXPECTED DEVELOPMENT

The outlook for fiscal 2017/2018 reflects ongoing developments in the automotive sector, the ultimate outcomes of which cannot be wholly predicted at the present juncture. Depending on the turn the influencing factors described here take, they may result in opportunities or risks for the Bertrandt Group in the next fiscal year. Assuming that underlying economic conditions do not deteriorate, that OEMs make sustained investments in research and development for new technologies and models, engineering work continues to be contracted out and qualified human resources are available, Bertrandt expects the Company to develop positively in fiscal 2017/2018. The three major influencing factors, i.e. the increasing variety of models and variants, environmentally friendly individual mobility and connected and automated driving, continue to offer business opportunities. In light of this, the Management Board anticipates an increase in total revenues of between EUR 20 and 50 million for fiscal 2017/2018. EBIT in the period under review is targeted to be at least EUR 8.1 million higher than in the previous year, ranging between seven and nine percent of total revenues.

For all three segments - Digital Engineering, Physical Engineering and Electrical Systems/Electronics – Management expects most probably a total revenue and EBIT development compared to fiscal 2016/2017 which is in line with and proportionate to the Group's guidance for 2017/2018. The strongest growth is expected for the Digital segment both in total revenues and EBIT, with a major boost coming from business abroad.

With respect to non-financial performance indicators, it is our objective to maintain the high level also in fiscal 2017/2018.

The market continues to offer real business opportunities in 2018. As a result, Bertrandt will continue to focus its investment activities in building up and expanding its infrastructure with the aim of continually optimising its range of services bearing in mind that the technological developments of tomorrow will require state-of-the-art technology. The Company anticipates a volume of capital spending in fiscal 2017/2018 of between EUR 45 and 50 million, which could turn out to be higher if necessary. In line with the EBIT increase over the previous year, Bertrandt anticipates a positive cash flow from operating activities for the year as a whole. The magnitude of the expansion will ultimately depend on the funds tied up in items such as future receivables from construction contracts and receivables resulting from the development of total revenues.

Ehningen, 30 November 2017

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

WE EXPANDED AND DEEPENED OUR TECHNOLOGICAL EXPERTISE in the last fiscal year by investing in new technologies and infrastructure.

38.302

MILLION EUROS FOR TECHNOLOGIES, INFRASTRUCTURE AND SPECIALIST KNOW-HOW

C

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

TABLE 24

Consolidated income statement and statement of comprehensive income

EUR million			
01/10 until 30/09		2016/2017	2015/2016
	Notes		
I. Income statement			
Revenues	[6]	**992.276**	**992.021**
Other internally generated assets	[7]	1.602	0.672
Total revenues		**993.878**	**992.693**
Other operating income	[8]	8.682	11.471
Raw materials and consumables used	[9]	-105.605	-98.097
Personnel expenses	[10]	-703.593	-695.681
Depreciation	[11]	-33.864	-29.725
Other operating expenses	[12]	-96.628	-87.796
EBIT		**62.870**	**92.865**
Share of profit in associates		0.411	-0.032
Interest income/expense		-3.452	-2.365
Attributable to minority interests		-0.124	-0.105
Other net financial result		0.984	1.124
Net finance income	[13]	**-2.181**	**-1.378**
Profit from ordinary activities		**60.689**	**91.487**
Other taxes	[14]	-2.698	-1.674
Earnings before tax		**57.991**	**89.813**
Income taxes	[15]	-14.125	-26.205
Post-tax earnings		**43.866**	**63.608**
attributable to shareholders of Bertrandt AG		43.866	63.608
Number of shares (million) – diluted/basic, average weighting		10.091	10.091
Earnings per share (EUR) – diluted/basic	[16]	4.35	6.30
II. Statement of comprehensive income			
Post-tax earnings		**43.866**	**63.608**
Exchange rate differences[1]		-0.727	-0.542
Revaluation of pension obligations		0.734	-1.179
Tax effects of revaluation of pension obligations		-0.220	0.354
Other comprehensive income after taxes		**-0.213**	**-1.367**
Total comprehensive income		**43.653**	**62.241**
attributable to shareholders of Bertrandt AG		43.653	62.241

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

CONSOLIDATED BALANCE SHEET

TABLE 25

Consolidated balance sheet

EUR million			
		30/09/2017	30/09/2016
	Notes		
Assets			
Intangible assets	[18]	15.740	17.480
Property, plant and equipment	[19]	264.284	235.800
Investment properties	[20]	1.474	1.540
Investments accounted for using the equity method	[21]	5.488	5.077
Other financial assets	[22]	1.685	2.729
Receivables and other assets	[23]	8.710	6.691
Deferred taxes	[24]	3.822	2.473
Non-current assets		**301.203**	**271.790**
Inventories	[25]	1.182	0.889
Future receivables from construction contracts	[26]	119.607	114.130
Receivables and other assets	[23]	214.090	214.851
Income tax assets	[27]	3.452	1.833
Cash and cash equivalents	[28]	139.266	159.821
Current assets		**477.597**	**491.524**
Total assets		**778.800**	**763.314**
Equity and liabilities			
Issued capital	[29]	10.143	10.143
Capital reserves	[30]	29.374	29.374
Retained earnings and other comprehensive income	[31]	297.319	279.025
Consolidated distributable profit		39.524	39.394
Equity		**376.360**	**357.936**
Provisions	[32] / [33]	9.908	16.927
Borrowings	[34]	215.737	199.701
Other liabilities	[35]	0.215	0.246
Deferred taxes	[24]	19.578	20.910
Non-current liabilities		**245.438**	**237.784**
Tax provisions	[36]	5.412	7.548
Other provisions	[33]	40.458	46.586
Borrowings	[34]	5.202	2.367
Trade payables	[37]	18.257	15.066
Other liabilities	[35]	87.673	96.027
Current liabilities		**157.002**	**167.594**
Total equity and liabilities		**778.800**	**763.314**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TABLE 26

Consolidated statement of changes in equity

EUR million	Issued capital	Capital reserves	Retained earnings and other comprehensive income				Consolidated distributable profit	Equity attributable to shareholders of Bertrandt AG	Minority interests	Total
			Non-distributed earnings	Currency translation reserve	Hedging instruments	Total				
Value on 01/10/2016	**10.143**	**29.374**	**282.737**	**-1.096**	**-2.616**	**279.025**	**39.394**	**357.936**	**0**	**357.936**
Post-tax earnings							43.866	**43.866**		**43.866**
Other comprehensive income				-0.727[1]	0.514	**-0.213**		**-0.213**		**-0.213**
Total comprehensive income				**-0.727**	**0.514**	**-0.213**	**43.866**	**43.653**	**0**	**43.653**
Dividend payment							-25.229	**-25.229**		**-25.229**
Other non-operating changes			18.507			**18.507**	-18.507	**0**		**0**
Value on 30/09/2017	**10.143**	**29.374**	**301.244**	**-1.823**	**-2.102**	**297.319**	**39.524**	**376.360**	**0**	**376.360**
Previous year										
Value on 01/10/2015	**10.143**	**28.595**	**249.144**	**-0.554**	**-1.791**	**246.799**	**34.083**	**319.620**	**0.686**	**320.306**
Post-tax earnings							63.608	**63.608**	0	**63.608**
Other comprehensive income				-0.542[1]	-0.825	**-1.367**		**-1.367**		**-1.367**
Total comprehensive income				**-0.542**	**-0.825**	**-1.367**	**63.608**	**62.241**		**62.241**
Dividend payment							-24.704	**-24.704**		**-24.704**
Other non-operating changes			33.593			**33.593**	-33.593	**0**	-0.686	**-0.686**
Change in treasury shares		0.779						**0.779**		**0.779**
Value on 30/09/2016	**10.143**	**29.374**	**282.737**	**-1.096**	**-2.616**	**279.025**	**39.394**	**357.936**	**0**	**357.936**

[1] Components of Other comprehensive income which will be recycled in the Income statements of the future quarterly and annual reports.

CONSOLIDATED CASH FLOW STATEMENT

TABLE 27

Consolidated cash flow statement

EUR million 01/10 until 30/09	2016/2017	2015/2016
1. Post-tax earnings	**43.866**	**63.608**
2. Income taxes	14.125	26.205
3. Interest income/expense	3.452	2.365
4. Other net financial result	-0.860	-1.019
5. Investments accounted for using the equity method	-0.411	0.032
6. Depreciation of non-current assets	33.864	29.725
7. Increase/decrease in provisions	-16.305	-4.335
8. Other non-cash expenses/income	0.141	-0.799
9. Profit/loss from disposal of non-current assets	-0.152	-0.278
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	-7.766	-3.083
11. Increase/decrease in trade payables and other liabilities not assigned to investing or financing activities	-5.114	3.533
12. Income tax received/paid	-20.292	-25.567
13. Interest paid	-3.889	-0.122
14. Interest received	1.523	0.366
15. Cash flow from operating activities (1.-14.)	**42.182**	**90.631**
16. Payments received from disposal of property, plant and equipment	1.153	2.083
17. Payments received from the disposal of financial assets	1.480	1.642
18. Payments made for investments in property, plant and equipment	-34.051	-76.372
19. Payments made for investments in intangible assets	-3.786	-5.635
20. Payments made for investments in financial assets	-0.436	-1.397
21. Payouts stemming from the purchase of consolidated companies and other business units	-0.029	0
22. Cash flow from investing activities (16.-21.)	**-35.669**	**-79.679**
23. Payment received from the sale of treasury shares	0	0.779
24. Payments made to shareholders and minority shareholders	-25.229	-24.704
25. Payments received from issue of debt instruments and raising of loans	0	199.600
26. Payments made for discharging debt instruments and repaying loans	-1.452	-39.642
27. Cash flow from financing activities (23.-26.)	**-26.681**	**136.033**
28. Changes in cash and cash equivalents (15.+22.+27.)	-20.168	146.985
29. Effect of exchange rate changes on cash and cash equivalents	-0.387	-0.232
30. Cash and cash equivalents at beginning of period	159.821	13.068
31. Cash and cash equivalents at end of period (28.-30.)	**139.266**	**159.821**

The consolidated cash flow statement is explained in the notes under [38].

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 well as electronics and software development.

As stipulated by EU Regulation (EC) No. 1606/2002 the consolidated financial statements of Bertrandt AG for the year ending 30 September 2017 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 2016/2017 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 substantial changes in the presentation 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 2016/2017
The following table sets out the International Financial Reporting Standards and IFRIC Interpretations that are applicable as of fiscal 2016/2017.

TABLE 28

Standard/ Interpretation		Compulsory application[1]	Expected effects
IFRS 11	Amendments to IFRS 11: Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations	01/01/2016	None
IFRS 10, IFRS 12 and IAS 28	Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception	01/01/2016	None
IAS 1	Amendments to IAS 1: Presentation of Financial Statements – Disclosure Initiative	01/01/2016	None
IAS 16 and IAS 38	Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation	01/01/2016	None
IAS 16 and IAS 41	Amendments to IAS 16 and IAS 41 – Agriculture: Bearer Plants	01/01/2016	None
IAS 27	Amendments to IAS 27: Separate Financial Statements – Equity Method in Separate Financial Statements	01/01/2016	None
Improvements to IFRS	Adoption of Annual Improvements to IFRS Cycle 2012-2014	01/01/2016	Single-case audit

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

International Financial Reporting Standards and Interpretations that have been published but are not yet effective
The following standards and interpretations have already been adopted by the IASB and to some degree endorsed by the European Union but were not yet effective in fiscal 2016/2017. Bertrandt will apply them for the accounting period for which they become effective.

TABLE 29

Standard/ Interpretation		Compulsory application[1]	Expected effects
IFRS 2[2]	Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions	01/01/2018	None
IFRS 4[2]	Amendments to IFRS 4: Insurance Contracts – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	01/01/2018	Currently under examination
IFRS 9[3]	Amendments to IFRS 9: Financial Instruments Amendments to IFRS 9: Prepayment Features with Negative Compensation[2]	01/01/2018 01/01/2019	No substantial effects, more detailed disclosures in the Notes
IFRS 15[2,4]	Revenue from Contracts with Customers Amendments to IFRS 15	01/01/2018	Examination concluded with the result that application has no effects. More detailed disclosures in the Notes
IFRS 16[2,5]	Leasing	01/01/2019	Currently under examination, more detailed disclosures in the Notes
IFRS 17[2]	Insurance Contracts	01/01/2021	Currently under examination
IAS 7[2]	Amendments to IAS 7: Statement of Cash Flows – Disclosure Initiative	01/01/2017	None
IAS 12[2]	Amendments to IAS 12: Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses	01/01/2017	None
IAS 28[2]	Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures	01/01/2019	Currently under examination
IAS 40[2]	Amendments to IAS 40: Transfers of Investment Property	01/01/2018	Currently under examination
IFRIC 22[2]	IFRIC Interpretation 22: Foreign Currency Transactions and Advance Considerations	01/01/2018	Currently under examination
IFRIC 23[2]	IFRIC Interpretation 23: Uncertainty over Income Tax Treatments	01/01/2019	Currently under examination
Improvements to IFRS	Adoption of Annual Improvements to IFRS Cycle 2014-2016	01/01/2017/ 01/01/2018	Single-case audit

[1]Fiscal years beginning on or after the specified date.
[2]Not yet endorsed by the EU.
[3]No substantial impact on classification of financial instruments expected. Impacts of changes in impairment model currently under examination. Final evaluations planned for next fiscal year. No substantial impact expected.
[4]Customer contracts were analysed in a group-wide project. The analyses showed that accounting for the customer projects has continued to be in line with the principles of time-period related revenue recognition that have applied to date.
[5]General recognition of all leases as right-of-use assets and recognition of corresponding lease liability on the lessee's balance sheet. A positive effect on the operating result and a negative effect on net finance income expected.

[2] PRINCIPLES OF CONSOLIDATION

Subsidiaries are all entities over which Bertrandt AG has direct or indirect control pursuant to the criteria provided in IFRS 10. The subsidiaries are included in the financial statements by applying the principle of full consolidation. The financial statements of the fully consolidated companies are prepared pursuant to IFRS 10 using uniform accounting policies. Entities are consolidated for the first time on the date on which control is transferred to Bertrandt AG and deconsolidated when such control ceases. The balance sheet date of the separate financial statements of the consolidated group companies corresponds to the fiscal year of Bertrandt AG, with two exceptions: Bertrandt Engineering Shanghai Co., Ltd. whose fiscal year is the calendar year due to statutory requirements, and Fariba Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG.

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

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

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

[3] 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 and Tappenbeck as well as Bertrandt Fahrerprobung Süd GmbH in Nufringen; Bertrandt Projektgesellschaft mbH; Bertrandt Services GmbH; Bertrandt Technikum GmbH in Ehningen and Bertrandt Technologie GmbHs in Immendingen, Mönsheim and Sassenburg; Bertrandt Ehningen GmbH in Ehningen; Bertrandt GmbH in Hamburg; Bertrandt Verwaltungs GmbH in Mönsheim; Bertrandt Automotive GmbH & Co. KG; Bertrandt Immobilien GmbH & Co. KG and Bertrandt Grundbesitz GmbH & Co. KG, each located in Pullach i. Isartal; as well as Bertrandt Energie GmbH in Mönsheim; Bertrandt München GmbH in Munich and Bertrandt Tappenbeck GmbH in Tappenbeck. Moreover, Fariba Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG in Mainz (formerly Appalusa Grundstücksverwaltungsgesellschaft mbH) and the entities newly incorporated in the year under review, Bertrandt Beteiligungen GmbH and Bertrandt Solutions GmbH, each located in Ehningen, Bertrandt Grundstücks GmbH in Nufringen and b.professional GmbH in Mannheim were included for the first time in the consolidated financial statements.

The consolidated companies additionally include the foreign entities Bertrandt Engineering Shanghai Co., Ltd. in Shanghai; Bertrandt Engineering Technologies Romania SRL in Sibiu; Bertrandt France S.A., Bertrandt S.A.S., each located in Paris/Vélizy-Villacoublay; Bertrandt Otomotiv Mühendislik Hizmetleri Ticaret Limited Sirketi in Istanbul; Bertrandt Technologie GmbH in Steyr; Bertrandt UK Limited in Dunton and Bertrandt US Inc. in Detroit.

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: aucip. automotive cluster investment platform GmbH & Co. KG, Bertrandt Entwicklungen AG & Co. OHG, each located in Pullach i. Isartal and indirect investments in aucip. automotive cluster investment platform Beteiligungs GmbH; MOLLIS automotive GmbH; NAMENU tool GmbH and, for the first time, MCIP tool GmbH, each located in Pullach i. Isartal. In addition, Bertrandt Campus GmbH, and, for the first time, the indirect investment in Bertrandt Campus Grundbesitz GmbH, each located in Ehningen, and of which Bertrandt has joint control, are also accounted for in the consolidated financial statements under the equity method as joint ventures.

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

[4] FOREIGN CURRENCY TRANSLATION

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

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

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

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

TABLE 30

Currency translation

relative to one euro		Average rate on balance sheet date		Annual average rate	
		30/09/2017	30/09/2016	2016/2017	2015/2016
China	CNY	7.8400	7.4829	7.5171	7.2526
United Kingdom	GBP	0.8827	0.8621	0.8711	0.7820
Romania	RON	4.5995	4.4520	4.5389	4.4785
Turkey	TRY	4.2038	3.3743	3.8855	3.2531
Hungary	HUF	311.1300	308.8900	308.6830	312.2290
United States	USD	1.1812	1.1219	1.1048	1.1111

[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 net assets, 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 when the service has been performed (especially service contracts) or when the risks have passed to the customer (contracts for work), if the amount of revenues can be estimated reliably and if it is probable that the Company will collect the consideration. Revenues are recognised net of all deductions such as discounts and bonuses. 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. Government grants are recognised only where it is reasonably certain that the applicable conditions have been met and the grants will be disbursed. They are charged to the periods in which the expenses that the grants are to cover are incurred. Interest income and expense and all other income and expenses are recognised in the period in which they arise.

Intangible Assets

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

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

Goodwill is tested for impairment annually in accordance with IAS 36 and IFRS 3. The assessment is carried out at least once a year; however it is always carried out whenever an impairment indicator arises. To test goodwill for impairment, the higher of the value in use and fair value, less costs of disposal of the respective classes of cash-generating units is used. At Bertrandt, these are the segments Digital Engineering, Physical Engineering and Electrical Systems/Electronics pursuant to the definition in IFRS 8. 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 before tax of 9.3 percent (previous year 8.1 percent) and for the terminal growth rate of 8.3 percent (previous year 7.1 percent) are applied in the Digital Engineering segment. In the Physical Engineering segment, the WACC before tax is 8.9 percent (previous year 6.7 percent) and for the terminal growth rate it is 7.9 percent (previous year 5.7 percent). The terminal growth rate is based on a growth factor of one percent (previous year also one percent). Adjusting the WACC by +/- four percentage points has no influence on the results of the impairment tests for goodwill.

Corporate forecasts take account of current knowledge as well as historical performance. On this basis forecasts are made regarding future developments of revenues and earnings. Adjusting the figures for revenues and earnings by +/- five percent has no influence on the results of the impairment tests for goodwill. On the basis of the underlying assumptions, future cash flows are determined. The discounted cash flow method is used to calculate the value in use from these derived future cash flows of the cash generating units. Where the carrying amount exceeds the recoverable amount, a corresponding impairment loss is recognised.

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

Property, plant and equipment

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

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

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are initially capitalised as part of the cost of that asset. At Bertrandt this is relevant for property, plant and equipment. The capitalisation rate is 1.4 percent (previous year 1.4 percent).

Investment properties

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

Impairment losses

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

Financial Instruments

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

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

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

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

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

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

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

Other investments
Loans are recorded at amortised cost.

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

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

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

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

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

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

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

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

Inventories

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

Current and deferred income tax

Tax expense for the period under review comprises current income tax and deferred tax.

Current income tax expense is calculated according to national tax laws effective at the reporting date. 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. For the calculation of deferred taxes the tax rates are used which 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 defined benefit pension plans 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.

Government subsidies for innovative projects or other 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. 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 is recognised under revenues, net of value added tax and all discounts and bonuses claimed.

Of the consolidated revenues of EUR 992.276 million (previous year EUR 992.021 million), EUR 857.976 million (previous year EUR 883.918 million) were contributed by the domestic entities and EUR 134.300 million (previous year EUR 108.103 million) by the foreign companies. This breakdown reflects the regional segmentation of Bertrandt's operations.

The share of revenues recognised based on the PoC method is EUR 659.910 million (previous year EUR 664.345 million).

There are two customers with whom Bertrandt generated more than ten percent of its total revenues respectively, in both cases across all segments. Total revenues generated by these two customers amount to EUR 341.139 million (previous year EUR 400.045 million) and EUR 220.800 million (previous year EUR 211.918 million) respectively.

[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 2016/2017 is comprised of the following:

TABLE 31

Other operating income

EUR million	2016/2017	2015/2016
Work-related income	**4.884**	**5.071**
of which non-cash benefits to employees	4.328	4.154
of which rental income	0.556	0.917
Non-work-related income	**2.456**	**1.814**
of which income from disposal of assets	0.420	0.401
of which income from reversal of provisions	1.813	0.944
of which income from reversal of impairment losses	0.223	0.469
Miscellaneous other operating income	**1.342**	**4.586**
of which payments for damages received	0.089	0.148
of which income from exchange-rate differences	0.603	0.518
of which miscellaneous	0.650	3.920
Total	**8.682**	**11.471**

Rental income comprises other rental income from sub-leases in the amount of EUR 0.323 million (previous year EUR 0.684 million) and from investment property in the amount of EUR 0.233 million (previous year EUR 0.233 million). For the coming fiscal years other rental income of EUR 1.342 million (previous year EUR 1.994 million) is expected. Of this, rental income of EUR 0.517 million (previous year EUR 0.693 million) arises from leases with a term of up to one year, EUR 0.755 million (previous year EUR 1.263 million) from leases with a term between one and five years and EUR 0.070 million (previous year EUR 0.038) from leases with a term of more than five years. In the period under review, miscellaneous other operating income does not include any government grants for innovative projects (previous year EUR 2.778 million).

[9] COST OF MATERIALS

The cost of materials breaks down as follows:

TABLE 32

Raw materials and consumables used

EUR million	2016/2017	2015/2016
Expenditure on raw materials and consumables used	**18.728**	**20.326**
Expenditure on work purchased	**86.877**	**77.771**
of which CAD costs	18.473	16.337
of which external work	68.115	61.191
of which incoming freight	0.289	0.243
Total	**105.605**	**98.097**

In the year under review, the cost of materials increased by EUR 7.508 million.

[10] PERSONNEL EXPENSES

Overall, the group employed an average of 12,495 people in the period under review (previous year 12,518).

TABLE 33

Employees in average

number	2016/2017	2015/2016
Technical employees	914	814
Office employees	10.736	10.817
Trainees/undergraduates	348	341
Interns/post-graduates	188	231
Temporary staff	309	315
Total	**12.495**	**12.518**

Personnel expenses include expenditure on wages and salaries in the amount of EUR 581.993 million (previous year EUR 579.496 million) as well as expenditure on social security of EUR 121.600 million (previous year EUR 116.185 million) including the employer contribution to the statutory pension system presented under expenses for post-employment benefits and further defined contribution expense of EUR 58.677 million (previous year EUR 53.982 million).

TABLE 34

Personnel expenses

EUR million	2016/2017	2015/2016
Wages and salaries	**581.993**	**579.496**
Expenditure on social security	**121.600**	**116.185**
of which employer contribution to social security	62.982	62.050
of which expenditure on post-employment benefits	58.618	54.135
Total	**703.593**	**695.681**

Personnel expenses include government grants of EUR 1.648 million (previous year EUR 1.231 million) as well as subsidies for innovative projects of EUR 0.557 million (previous year EUR 0.310 million) received under government economic stimulus packages.

Bertrandt AG provided a grant for the purchase of Bertrandt shares by staff under an employee share scheme in the previous year.

A lock-up period of a total of two years applies to the sale of these shares. This resulted in personnel expenses of EUR 0.390 million in fiscal 2015/2016. In addition, expenses were incurred in relation to a management share scheme amounting to EUR 0.166 million (previous year EUR 0.543 million).

[11] DEPRECIATION/AMORTISATION

Depreciation/amortisation expense is comprised of the following:

TABLE 35

Depreciation/amortisation

EUR million	2016/2017	2015/2016
Depreciation/amortisation on		
intangible assets	5.488	5.594
property, plant and equipment	28.310	24.063
investment properties	0.066	0.068
Total	**33.864**	**29.725**

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

[12] OTHER OPERATING EXPENSES

Other operating expenses are comprised of the following:

TABLE 36

Other operating expenses

EUR million	2016/2017	2015/2016
Miscellaneous manufacturing expenses	5.708	5.304
Office premises, furnishings and fittings	38.574	37.847
Miscellaneous personnel expenses	15.800	16.809
General administrative expenses	2.346	2.600
Distribution expenses	16.444	14.738
Expenditure on exchange-rate differences	1.038	0.593
Non-work-related expenses	2.818	1.690
Other expenses	13.900	8.215
Total	**96.628**	**87.796**

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 19.416 million (previous year EUR 20.298 million). Expenses for changes in personnel structure in fiscal 2016/2017 amounted to EUR 1.882 million (previous year EUR 1.097 million).

In the period under review, government subsidies for innovative projects in the amount of EUR 0.376 million (previous year EUR 0.129 million) are included in miscellaneous other operating expense.

[13] NET FINANCE INCOME

Net finance income breaks down as follows:

TABLE 37

Net finance income

EUR million	2016/2017	2015/2016
Share of profits in associates	0.411	-0.032
Finance costs	-3.452	-2.365
Attributable to minority interests	-0.124	-0.105
Other net financial result	0.984	1.124
Net finance income	**-2.181**	**-1.378**

The finance costs of EUR 3.452 million (previous year EUR 2.365 million) include interest expense resulting from long-term loans of EUR 3.333 million (previous year EUR 2.135) and interest income allocable to the remeasurement of the loan of Fariba Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG of EUR 0.494 million (previous year EUR 0 million). Also included in net finance income are: interest on tax payments of EUR 0.509 million (previous year EUR 0.120 million); other interest, including interest arising from unwinding discounts on provisions, of EUR 0.102 million (previous year 0.067 million), and interest on current bank borrowings of EUR 0.002 million (previous year 0.043 million).

Net other finance income includes interest from tax refunds of EUR 0.702 million (previous year EUR 0 million), other interest income of EUR 0.263 million (previous year 0.394 million), interest income from government subsidies for innovative projects of EUR 0.019 million (previous year EUR 0.708 million) and interest in the amount of EUR 0 million (previous year EUR 0.022 million) arising from unwinding discounts on provisions and receivables and from discounting of provisions and receivables.

[14] OTHER TAXES

Foreign tax expenditure primarily involves the subsidiaries in France.

TABLE 38

Other taxes

EUR million	2016/2017	2015/2016
Domestic tax expense	0.449	0.509
Foreign tax expense	2.249	1.165
Other taxes	**2.698**	**1.674**

[15] INCOME TAXES

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

Income taxes thus break down as follows:

TABLE 39

Income taxes

EUR million	2016/2017	2015/2016
Actual domestic tax expense	15.191	26.999
Actual foreign tax expense	1.938	1.423
Actual tax expense	**17.129**	**28.422**
Deferred tax expense	-3.004	-2.217
Income taxes	**14.125**	**26.205**

The income tax expense in the amount of EUR 14.125 million calculated for fiscal 2016/2017 was EUR 3.272 million less than the expected income tax expense of EUR 17.397 million that would have arisen had a tax rate of 30 percent (previous year 30 percent) been applied to consolidated pre-tax earnings.

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

TABLE 40

Reconciliation of income tax

EUR million	2016/2017	2015/2016
Earnings before income tax	57.991	89.813
Expected tax rate	30.0%	30.0%
Expected income tax expense	**17.397**	**26.944**
Taxation differences affecting foreign subsidiaries	-0.250	-0.373
Tax effects of payouts and pre-year tax assessments	-1.482	0.415
Tax effect of non-deductible operating expenses and other tax modifications	-0.418	-0.380
Tax effects resulting from appreciation of loss carry-forwards	-1.076	-0.342
Consolidation effects	-0.048	-0.064
Other effects	0.002	0.005
Actual income tax expense	**14.125**	**26.205**
Effective tax rate	24.4%	29.2%

The item “taxation differences affecting foreign subsidiaries” includes, among other things, impairment of deferred tax assets from loss carry-forwards of EUR 0.050 million (previous year EUR 0 million). The item “tax effects of non-deductible operating expenses and other tax modifications” includes tax effects resulting from a tax-free grant of EUR 0.232 million (previous year EUR 1.255 million). The deferred tax assets from loss carry-forwards utilised amounted to EUR 0.089 million (previous year EUR 0.109 million).

In the period under review, tax effects of EUR -0.220 million (previous year EUR 0.354 million) resulted from the remeasurement of the retirement benefit obligations. These tax effects are recognised in total comprehensive income; their cumulated amount is EUR 0.827 million (previous year EUR 1.047 million).

[16] EARNINGS PER SHARE

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

TABLE 41

Calculation earnings per share		
according to IAS 33	2016/2017	2015/2016
Post-tax earnings (EUR million)	43.866	63.608
attributable to shareholders of Bertrandt AG (EUR million)	**43.866**	**63.608**
Number of shares (million)	10.143	10.143
Number of treasury shares (million)	-0.052	-0.052
Number of shares which are entitled to dividend (million) – diluted / basic, average weighting	**10.091**	**10.091**
Earnings per share (EUR) – diluted / basic	**4.35**	**6.30**

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

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

TABLE 42

Net gains or net losses on financial instrument by category as defined in IAS 39		
EUR million	2016/2017	2015/2016
Loans and receivables	-0.402	0.437
Financial liabilities measured at amortised cost	-3.084	-2.297
Total	**-3.486**	**-1.860**

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.

In the period under review no foreign-currency forwards or interest rate hedges were used by the Company.

TABLE 43

Total interest income and expense for financial assets or liabilities that are not at fair value through profit and loss		
EUR million	2016/2017	2015/2016
Interest income	0.256	0.396
Interest expenses	-2.976	-2.241
Total	**-2.720**	**-1.845**

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 2016/2017 as was also the case in the previous year.

Impairment losses on loans and receivables came to EUR 0.616 million in the period under review (previous year EUR 0.357 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 2016/2017, as in the previous year, this did not result in any impairment losses.

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

TABLE 44

Intangible assets

EUR million	Concessions and licences	Internally generated software	Goodwill	Internally generated software under development / advance payments made	Total intangible assets
Historical costs					
Value on 01/10/2016	46.428	0.841	9.002	0.017	56.288
Currency differences	-0.048	0	0	0	-0.048
Additions	3.208	0	0	0.578	3.786
Disposals	0.408	0.052	0	0	0.460
Reclassifications	0	0	0	0	0
Value on 30/09/2017	49.180	0.789	9.002	0.595	59.566
Amortisation					
Value on 01/10/2016	37.968	0.840	0	0	38.808
Currency differences	-0.018	0	0	0	-0.018
Additions	5.488	0	0	0	5.488
Disposals	0.407	0.051	0	0	458
Reclassifications	0.006	0	0	0	0.006
Value on 30/09/2017	43.037	0.789	0	0	43.826
Residual carring amount 30/09/2017	**6.143**	**0**	**9.002**	**0.595**	**15.740**
Residual carring amount 30/09/2016	**8.460**	**0.001**	**9.002**	**0.017**	**17.480**
Previous year					
Historical costs					
Value on 01/10/2015	40.874	0.841	9.002	0	50.717
Currency differences	-0.014	0	0	0	-0.014
Additions	5.618	0	0	0.017	5.635
Disposals	0.054	0	0	0	0.054
Reclassifications	0.004	0	0	0	0.004
Value on 30/09/2016	46.428	0.841	9.002	0.017	56.288
Amortisation					
Value on 01/10/2015	32.443	0.819	0	0	33.262
Currency differences	-0.008	0	0	0	-0.008
Additions	5.573	0.021	0	0	5.594
Disposals	0.044	0	0	0	0.044
Reclassifications	0.004	0	0	0	0.004
Value on 30/09/2016	37.968	0.840	0	0	38.808
Residual carring amount 30/09/2016	**8.460**	**0.001**	**9.002**	**0.017**	**17.480**
Residual carring amount 30/09/2015	**8.431**	**0.022**	**9.002**	**0**	**17.455**

[19] PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are recognised at cost less depreciation in accordance with their respective useful lives. As in the previous year, no impairment of goodwill was assessed in impairment tests in accordance with IAS 36. The Company has provided collateral of EUR 16.711 million (previous year EUR 0 million) in connection with its acquisition of Fariba Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG.

Technical equipment and machinery as well as other furniture, fixtures and equipment primarily consist of CAD machines, machinery and equipment for prototype construction as well as testing facilities. Borrowing costs to be capitalised as part of the cost of qualifying assets amount to EUR 0.042 million (previous year EUR 0.271).

TABLE 45

Property, plant and equipment

EUR million	Property and plant	Technical equipment and machinery	Other facilities, factory and office equipment	Advance payments and work in progress	Total PPE
Historical costs					
Value on 01/10/2016	144.514	99.944	103.783	25.864	374.105
Currency differences	0	0	-0.149	0	-0.149
Addition upon initial consolidation	20.725	0	0	0	20.725
Additions	5.693	7.653	14.219	9.644	37.209
Disposals	0.065	0.899	7.486	0	8.450
Reclassifications	8.805	7.133	2.204	-18.142	0
Value on 30/09/2017	179.672	113.831	112.571	17.366	423.440
Depreciation					
Value on 01/10/2016	14.349	51.903	72.053	0	138.305
Currency differences	0	0	-0.029	0	-0.029
Additions	4.967	9.822	13.514	0.007	28.310
Disposals	0	0.724	6.700	0	7.424
Reclassifications	0.005	0	-0.011	0	-0.006
Value on 30/09/2017	19.321	61.001	78.827	0.007	159.156
Residual carring amount 30/09/2017	**160.351**	**52.830**	**33.744**	**17.359**	**264.284**
Residual carring amount 30/09/2016	**130.165**	**48.041**	**31.730**	**25.864**	**235.800**
Previous year					
Historical costs					
Value on 01/10/2015	91.203	76.202	93.911	42.465	303.781
Currency differences	0	0	-0.057	0	-0.057
Additions	29.384	11.313	14.935	21.244	76.876
Disposals	0.960	0.263	5.268	0	6.491
Reclassifications	24.887	12.692	0.262	-37.845	-0.004
Value on 30/09/2016	144.514	99.944	103.783	25.864	374.105
Depreciation					
Value on 01/10/2015	10.845	43.946	64.167	0	118.958
Currency differences	0	0	-0.045	0	-0.045
Additions	3.504	8.174	12.385	0	24.063
Disposals	0	0.213	4.454	0	4.667
Reclassifications	0	-0.004	0	0	-0.004
Value on 30/09/2016	14.349	51.903	72.053	0	138.305
Residual carring amount 30/09/2016	**130.165**	**48.041**	**31.730**	**25.864**	**235.800**
Residual carring amount 30/09/2015	**80.358**	**32.256**	**29.744**	**42.465**	**184.823**

[20] INVESTMENT PROPERTIES

As of 30 September 2017, 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 8.9 percent (previous year 6.7 percent) and a terminal growth rate of 7.9 percent (previous year 5.7 percent). The terminal growth rate is based on a growth factor of one percent (previous year also one percent). No external independent expert's valuation was used for this purpose. In the period under review rental income of EUR 0.233 million (previous year EUR 0.233 million) was recorded. Maintenance expense came to EUR 0.002 million (previous year EUR 0.018 million).

TABLE 46

Investment properties

EUR million	Investment properties
Historical costs	
Value on 01/10/2016	4.626
Additions	0
Disposals	0
Reclassifications	0
Value on 30/09/2017	4.626
Depreciation	
Value on 01/10/2016	3.086
Additions	0.066
Disposals	0
Reclassifications	0
Value on 30/09/2017	3.152
Residual carring amount 30/09/2017	**1.474**
Residual carring amount 30/09/2016	**1.540**
Previous year	
Historical costs	
Value on 01/10/2015	4.626
Additions	0
Disposals	0
Reclassifications	0
Value on 30/09/2016	4.626
Depreciation	
Value on 01/10/2015	3.018
Additions	0.068
Disposals	0
Reclassifications	0
Value on 30/09/2016	3.086
Residual carring amount 30/09/2016	**1.540**
Residual carring amount 30/09/2015	**1.608**

[21] INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The equity method is used for all investments in associates and joint ventures. Their development was as follows:

TABLE 47

Investments accounted for using the equity method

EUR million	Associates	Joint ventures	Total
Historical costs			
Value on 01/10/2016	0.117	4.960	5.077
Additions	0	0	0
Share of profit/loss	0.004	0.407	0.411
Dividends	0	0	0
Value on 30/09/2017	0.121	5.367	5.488
Depreciation			
Value on 01/10/2016	0	0	0
Additions	0	0	0
Disposals	0	0	0
Value on 30/09/2017	0	0	0
Residual carring amount 30/09/2017	**0.121**	**5.367**	**5.488**
Residual carring amount 30/09/2016	**0.117**	**4.960**	**5.077**
Previous year			
Historical costs			
Value on 01/10/2015	0.130	4.237	4.367
Additions	0	0.750	0.750
Share of profit/loss	-0.005	-0.027	-0.032
Dividends	0.008	0	0.008
Value on 30/09/2016	0.117	4.960	5.077
Depreciation			
Value on 01/10/2015	0	0	0
Additions	0	0	0
Disposals	0	0	0
Value on 30/09/2016	0	0	0
Residual carring amount 30/09/2016	**0.117**	**4.960**	**5.077**
Residual carring amount 30/09/2015	**0.130**	**4.237**	**4.367**

[22] OTHER INVESTMENTS

Other investments are mainly employer loans which bear interest of three to five percent and are due for settlement in two to eight years. Their carrying amounts approximate their fair values. In the period under review, additions of EUR 0.436 million (previous year EUR 0.647 million) and departures of EUR 1.480 million (previous year EUR 1.642 million) were recorded, the residual value is EUR 1.685 million (previous year EUR 2.729 million).

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

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

TABLE 48

Receivables and other assets

EUR million	30/09/2017	< 1 year	1-5 years	> 5 years
Trade receivables	193.024	193.024	0	0
Other assets	29.776	21.066	6.895	1.815
Total	**222.800**	**214.090**	**6.895**	**1.815**
Previous year				
	30/09/2016	< 1 year	1-5 years	> 5 years
Trade receivables	189.879	189.879	0	0
Other assets	31.663	24.972	5.029	1.662
Total	**221.542**	**214.851**	**5.029**	**1.662**

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

Other non-current assets comprise, amongst other items, reinsurance amounting to EUR 1.815 million (previous year EUR 1.662 million).

Provisions for impairment amounted to EUR 3.611 million (previous year EUR 3.218 million). Refer to Note [43] for a breakdown of financial and non-financial receivables.

[24] DEFERRED TAX BALANCES

Deferred tax assets and liabilities were comprised of the following:

TABLE 49

Deferred tax assets and liabilities

EUR million	30/09/2017		30/09/2016	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Non-current assets	1.167	2.754	0.208	2.094
Inventories	0	17.281	0	19.997
Post-retirements benefit provisions	0.994	0	1.234	0
Other provisions	0.830	0	1.769	0
Unused tax losses	1.699	0	0.622	0
Other items	0.416	0.827	0.146	0.325
Total before offsetting	**5.106**	**20.862**	**3.979**	**22.416**
Offsetting	-1.284	-1.284	-1.506	-1.506
Deferred tax assets and liabilities	**3.822**	**19.578**	**2.473**	**20.910**

Of the deferred tax assets before offsetting, EUR 4.559 million (previous year EUR 2.942 million) have a residual maturity of more than one year. Of the deferred tax liabilities before offsetting, EUR 18.094 million (previous year EUR 20.195 million) are current and EUR 2.768 million (previous year EUR 2.221 million) are non-current liabilities.

A deferred tax asset was capitalised in the amount of EUR 0.160 million (previous year EUR 0.314 million) for companies that in the previous year or the current year generated a negative taxable income since 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 4.175 million (previous year EUR 9.157 million), which as a rule will be available for an unlimited time period. In individual countries, utilisation is restricted to between five and seven years.

No deferred tax liabilities have been recognised on the temporary differences in the carrying amounts of investments which amounted to EUR 30.043 million (previous year EUR 22.590 million) because Bertrandt AG is able to control the timing of the reversal of the temporary differences and these will not reverse in the foreseeable future.

CURRENT ASSETS

[25] INVENTORIES

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

TABLE 50

Inventories

EUR million	30/09/2017	30/09/2016
Raw materials and consumables used	**1.182**	**0.889**

As in the previous year, no impairments were made in the period under review.

[26] FUTURE RECEIVABLES FROM CONSTRUCTION CONTRACTS

Future receivables from construction contracts were comprised of the following:

TABLE 51

Future receivables from construction contracts

EUR million	30/09/2017	30/09/2016
Construction contracts before advance payments	253.817	258.556
Advance payments received on construction contracts	-134.210	-144.426
Total	**119.607**	**114.130**

In addition, the Company has established provisions of EUR 1.787 million (previous year EUR 0 million) for construction contracts where the losses to be expected exceed the costs incurred, which are included in other current provisions (Note [33]). So far, no advance payments have been received for these construction contracts.

[27] 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 0.170 million (previous year EUR 0.163 million) is recorded under current income tax assets. Current income tax assets also comprise tax refund claims in the amount of EUR 3.282 million (previous year EUR 1.670 million).

[28] 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 2017. The changes of cash and cash equivalents are stated in the cash flow statement with explanations given in the notes to the cash flow statement (Note [38]).

EQUITY AND LIABILITIES

EQUITY

[29] ISSUED SHARE CAPITAL

On 30 September 2017 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 23 February 2017 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 2022, 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 2017). 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.

[30] 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 exceed the original cost (Note [31]).

As of the balance sheet date, treasury stock comprised 51,951 shares (previous year 51,951 shares), equivalent to 0.5 percent (previous year 0.5 percent) of the Company's share capital. In the previous year, a grant for 4,022 shares had been provided under the staff share scheme, the weighted average fair value of the shares being EUR 96.85.

[31] RETAINED EARNINGS AND OTHER COMPREHENSIVE INCOME

Exchange differences of EUR -0.727 million (previous year EUR -0.542 million) resulting from the consolidation of the subsidiaries' equity were offset with retained earnings.

The change in provisions for pensions of EUR 0.734 million (previous year EUR -1.179 million) due to actuarial gains/losses in the fiscal year was offset with the tax effects allocable thereto in the amount of EUR -0.220 million (previous year EUR 0.354 million) and recognised under retained earnings according to IAS 19.

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.

NON-CURRENT LIABILITIES

[32] PROVISIONS FOR PENSIONS

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

TABLE 52

Assumptions for determining pension obligations

diverse information	30/09/2017	30/09/2016
Interest rate	1.20%	0.70%
Assumed rate of salary increase	0% / 2.50%	0% / 2.50%
Assumed rate of pension increase	1.50% / 2.50%	1.75% / 2.50%
Probability of mortality and invalidity according to Heubeck	2005 G	2005 G
Valuation of widow (pension) entitlement	Collektive	Collektive
Retirement age	65 years	65 years
Average remaining life expectancy of persons with active entitlement	5 years	6 years

As of 30 September 2017 the provisions for pensions changed by EUR -0.794 million (previous year EUR 1.332 million) and are now EUR 6.056 million (previous year EUR 6.850 million). Of this reduction in pension provisions, EUR 0.060 million are recognised as a reduction in personnel expenses (previous year EUR 0.153 million increase in personnel expenses) and EUR 0.734 million are recognised in other comprehensive income as an increase in equity (previous year EUR 1.179 million reduction in equity). As of the balance sheet date the weighted average duration of the retirement benefit obligations was 19.6 years (previous year 21.0 years).

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

TABLE 53

Actuarial present value of pension obligations

EUR million	2016/2017	2015/2016
Present value on 01/10	**6.850**	**5.518**
Service cost	0.112	0.081
Past service cost	-0.161	0
Interest expense	0.047	0.115
Paid retirement benefits	-0.058	-0.043
Actuarial gains (-)/losses (+) from changes in financial assumptions	-0.564	1.678
Actuarial gains (-)/losses (+) from historical adjustments	-0.170	-0.499
Present value on 30/09	**6.056**	**6.850**

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 0.287 million (previous year EUR 0.348 million) or increased by EUR 0.306 million (previous year EUR 0.372 million). If life expectancy is increased (decreased) by one year, the present value would be lower by EUR 0.271 million (previous year higher by EUR 0.334 million) or higher by EUR 0.272 million (previous year lower by EUR 0.332 million). The greater part of the pension provisions is not affected by variable salary increases or pension increases.

[33] CURRENT AND NON-CURRENT OTHER PROVISIONS

Other provisions are comprised of the following:

TABLE 54

Current and non-current other provisions

EUR million	Personnel provisions	Provisions for ongoing business operations	Provisions for buildings	Other provisions	Total of other provisions
Value on 01/10/2016	**40.431**	**0.600**	**2.674**	**12.958**	**56.663**
of which less than 1 year	32.891	0.600	2.674	10.421	46.586
of which more than 1 year	7.540	0	0	2.537	10.077
Currency difference	-0.063	0	0	-0.007	-0.070
Utilisation	32.592	0	0.658	7.213	40.463
Reversal	4.900	0.475	0.424	0.674	6.473
Addition	23.268	1.787	0.601	8.997	34.653
Value on 30/09/2017	**26.144**	**1.912**	**2.193**	**14.061**	**44.310**
of which less than 1 year	24.417	1.912	0.568	13.561	40.458
of which more than 1 year	1.727	0	1.625	0.500	3.852

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. Provisions for construction contracts where the losses to be expected exceed the costs incurred account for an amount of EUR 1.787 million (previous year EUR 0 million). Provisions for buildings comprise, amongst other items, maintenance costs, rent, energy costs and other incidental costs. Other provisions have been set aside for numerous discernible individual risks.

Of the reversals, an amount of EUR 4.518 million (previous year EUR 0 million) is offset against personnel expenses and an amount of EUR 0.142 million (previous year EUR 2.923 million) is offset against other expenses. Non-current provisions comprise interest expense totalling EUR 0.025 million (previous year EUR 0.064 million), of which a sum of EUR 0.009 million (previous year EUR 0 million) is reported within net finance income/costs. Moreover, the provisions for personnel expenses include provisions for obligations arising from a management retention scheme in the amount of EUR 1.561 million (previous year EUR 2.300 million). The outflow of resources associated with non-current provisions depends on the individual case.

[34] CURRENT AND NON-CURRENT BORROWINGS

Non-current borrowings comprise a bonded loan of EUR 200.000 million with maturities of five, seven and ten years. When payment is due, 100 percent of the loan amount must be paid; there are no special redemption rights. In addition, the existing loan for real estate financing of Fariba Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, which was acquired in the year under review, is reported under non-current borrowings.

The current borrowings of EUR 5.202 million (previous year EUR 2.367 million) primarily result from accrued unpaid interest, issued cheques that have not yet been presented for payment and the repayment portion of the loan of Fariba Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG.

As of 30 September 2017 the domestic and non-domestic interest rates on current and non-current financial borrowings were in the range between 0.4 percent and 6.3 percent (previous year 0.4 and 6.3 percent). The carrying amounts reported for current and the floating-rate non-current financial liabilities equal their fair values.

The maturities are as follows:

TABLE 55

Current and non-current borrowings

EUR million	30/09/2017	< 1 year	1-5 years	> 5 years
Borrowings	220.939	5.202	45.956	169.781
Previous year				
	30/09/2016	< 1 year	1-5 years	> 5 years
Borrowings	202.068	2.367	29.951	169.750

[35] CURRENT AND NON-CURRENT OTHER LIABILITIES

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

TABLE 56

Current and non-current other liabilities

EUR million	30/09/2017	< 1 year	1-5 years	> 5 years
Taxes	19.790	19.790	0	0
Payroll and church tax	7.798	7.798	0	0
Social security	2.838	2.838	0	0
Wages and salaries	0.813	0.813	0	0
Personnel obligations	34.470	34.470	0	0
Advance payments received for outstanding	9.743	9.743	0	0
Minority interests	0.859	0.859	0	0
Miscellaneous other	11.577	11.362	0.215	0
Other liabilities	**87.888**	**87.673**	**0.215**	**0**
Previous year				
	30/09/2016	< 1 year	1-5 years	> 5 years
Taxes	22.602	22.602	0	0
Payroll and church tax	8.199	8.199	0	0
Social security	2.431	2.431	0	0
Wages and salaries	0.678	0.678	0	0
Personnel obligations	36.750	36.750	0	0
Advance payments received for outstanding	18.408	18.408	0	0
Minority interests	0.791	0.791	0	0
Miscellaneous other	6.414	6.168	0.246	0
Other liabilities	**96.273**	**96.027**	**0.246**	**0**

Miscellaneous other liabilities include an investment grant of EUR 0.246 million (previous year EUR 0.278 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 0.031 million) was released to the income statement in the period under review based on the useful lives of the assets concerned. Advance payments received came to a total of EUR 143.953 million (previous year EUR 162.834 million), of which EUR 134.210 million (previous year EUR 144.426 million) were offset with receivables from construction contracts (Note [26]). As was the case in the previous year, there are no other liabilities with a maturity of more than five years in fiscal 2016/2017. Refer to Note [43] for a breakdown of financial and non-financial liabilities.

CURRENT LIABILITIES

[36] TAX PROVISIONS

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

[37] TRADE PAYABLES

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

TABLE 57

Trade payables

EUR million	30/09/2017	30/09/2016
Trade payables	**18.257**	**15.066**

[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 42.182 million (previous year EUR 90.631 million). The changes in working capital are primarily due to cash transactions affecting the following balance sheet items: future receivables from construction contracts: EUR 5.477 million (previous year EUR -25.212 million); trade receivables: EUR 3.145 million (previous year EUR 22.249 million); and trade payables: EUR 3.191 million (previous year EUR 5.305 million).

There was a net cash outflow from investing activities of EUR -35.669 million (previous year EUR -79.679 million), which primarily comprised cash outflows for additions to assets. At EUR 6.513 million, free cash flow has decreased over the previous year (EUR 10.952 million). Cash used in financing activities amounted to EUR -26.681 million (previous year EUR 136.033 million) and mainly comprises the cash outflows for dividend payments and, in the previous year, cash inflows from the issue of a bonded loan, and repayment of loans. Cash and cash equivalents are at EUR 139.266 million (previous year EUR 159.821 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 281.498 million (previous year EUR 254.820 million). Of this total, domestic non-current assets account for EUR 274.443 million (previous year EUR 249.378 million), while foreign non-current assets account for EUR 7.055 million (previous year EUR 5.442 million).

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

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

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

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

TABLE 58

Segments

EUR million	Digital Engineering		Physical Engineering		Elektrical Systems/ Electronics		Total for all divisions	
01/10 until 30/09	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016
Revenues	607.797	597.389	216.625	219.279	221.060	214.133	1.045.482	1.030.801
Transfer between segments	25.980	17.404	15.790	11.935	11.436	9.441	53.206	38.780
Consolidated revenues	**581.817**	**579.985**	**200.835**	**207.344**	**209.624**	**204.692**	**992.276**	**992.021**
EBIT	**29.283**	**47.835**	**12.976**	**22.689**	**20.611**	**22.341**	**62.870**	**92.865**
Scheduled depreciation	10.906	9.448	19.415	18.008	3.543	2.269	33.864	29.725

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 of the balance sheet date, the Company reported mortgages of EUR 16.711 million (previous year EUR 0 million) resulting from the acquisition of Fariba Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG.

[41] CONTINGENT LIABILITIES

As of the balance sheet date, the Company recorded contingent liabilities of EUR 0.725 million (previous year EUR 0 million) resulting from a pending administrative appeal brought against a non-domestic tax authority.

[42] OTHER FINANCIAL OBLIGATIONS

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

TABLE 59

Other financial obligations

EUR million	30/09/2017	30/09/2016
< 1 year	70.246	60.185
1 - 5 years	43.944	38.048
> 5 years	12.719	13.452
Total	**126.909**	**111.685**

The Bertrandt Group leases certain items of property, plant and equipment. Under these leases, the risks and rewards incidental to ownership remain, to a large extent, exclusively with the lessor (operating lease). Of the other financial obligations, EUR 61.819 million (previous year EUR 66.861 million) arise from real estate rental contracts. In addition, financial obligations from leases for other items of property, plant and equipment arise in the amount of EUR 2.715 million (previous year EUR 1.903 million) for leases with terms of up to one year, in the amount of EUR 2.085 million (previous year EUR 1.643 million) for leases with terms of one to five years and in the amount of EUR 0.107 million (previous year EUR 0.144 million) for leases with terms of more than five years. Furthermore, there are other financial obligations under supplier contracts for intangible assets of EUR 0.565 million (previous year EUR 0.291 million) and items of property, plant and equipment in the amount of EUR 26.241 million (previous year EUR 18.364 million).

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

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

TABLE 60

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	Loans and Receivables / Measured at amortised cost		Outside the scope of IFRS 7/ No measurement category under IAS 39	**Balance sheet item 30/09/2017**
	Carrying amount	Carrying amount	Fair value	Carrying amount	
Non-current assets					
Investments accounted for using the equity method				5.488	**5.488**
Other financial assets		1.685	1.685		**1.685**
Receivables and other assets		2.017	2.017	6.693	**8.710**
Current assets					
Receivable from construction contracts		119.607	119.607		**119.607**
Receivables and other assets		199.043	199.043	15.047	**214.090**
Cash and cash equivalents		139.266	139.266		**139.266**
Non-current liabilities					
Borrowings		215.737	228.787		**215.737**
Other liabilities				0.215	**0.215**
Current liabilities					
Borrowings		5.202	5.202		**5.202**
Trade payables		18.257	18.257		**18.257**
Other liabilities		22.321	22.321	65.352	**87.673**
Previous year	Measured at fair value through profit and loss	Loans and Receivables / Measured at amortised cost		Outside the scope of IFRS 7/ No measurement category under IAS 39	**Balance sheet item 30/09/2016**
	Carrying amount	Carrying amount	Fair value	Carrying amount	
Non-current assets					
Investments accounted for using the equity method				5.077	**5.077**
Other financial assets		2.729	2.729		**2.729**
Receivables and other assets		1.988	1.988	4.703	**6.691**
Current assets					
Receivable from construction contracts		114.130	114.130		**114.130**
Receivables and other assets		192.867	192.867	21.984	**214.851**
Cash and cash equivalents		159.821	159.821		**159.821**
Non-current liabilities					
Borrowings		199.701	211.044		**199.701**
Other liabilities				0.246	**0.246**
Current liabilities					
Borrowings		2.367	2.367		**2.367**
Trade payables		15.066	15.066		**15.066**
Other liabilities		25.961	25.961	70.066	**96.027**

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 inputs other than quoted prices included within Level one, which are observable either directly or indirectly. Level three input refers to market data for the measurement of financial instruments that are unobservable. Interest rate derivatives and foreign exchange forward contracts are categorised as Level two, other derivatives as Level three. The fair value of the fixed-rate tranches of the non-current financial liabilities, which are recorded at amortised cost, are determined based on the market interest curve using the zero-coupon method taking credit spreads into account (Level two). The values include interest accrued as of the reporting.

The fair values of the derivatives are determined applying methods normally used in the market. Because of short maturities of the current 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. Currently there is no concentration of financial risks.

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. To safeguard the Company's liquidity in the long term and finance its long-term investments, Bertrandt AG issued a bonded loan of EUR 200.000 million in the fiscal year 2015/2016. As a matter of principle, Bertrandt AG maintains cash pooling arrangements with most of 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 2.500 million (previous year EUR 2.500 million) in the event of immediate exercise of the option. We do not expect the option to be exercised and, moreover, collateral is available for immediate liquidation, hence a net liability of close to EUR 0 is recorded, as in the previous year.

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

TABLE 61

Originated financial liabilities

EUR million	Carrying amount	Payment obligations		
	30/09/2017	2017/2018	2018/2019 until 2020/2021	2022/2023 ff.
Borrowings	220.939	5.484	54.333	176.849
Trade payables	18.257	18.257	0	0
Other liabilities	22.321	22.321	0	0
Previous year	30/09/2016	2016/2017	2017/2018 until 2019/2020	2021/2022 ff.
Borrowings	202.068	2.878	41.417	184.212
Trade payables	15.066	15.066	0	0
Other liabilities	25.961	25.961	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 and fixed-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 latest 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 2016/2017 financial year. The risk of default in the future is also rated as minor thanks to the mainly good creditworthiness of our customers and our proactive receivables management. Individual risks are addressed by means of credit guarantee insurance cover as required in individual cases. The default risk of trade receivables reported as of the balance sheet date is covered by the provisions for impairment. The carrying amounts of the future receivables under construction contracts, the other receivables, other assets, and other loans recorded in the balance sheet in the amount of EUR 344.092 million (previous year EUR 338.401 million) represent the maximum default risk.

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

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

TABLE 62

Credit and default risk of financial assets

EUR million	Neither overdue nor impaired	Overdue but not impaired	Impaired	**30/09/2017**
Other loans	1.685	0	0	**1.685**
Future receivables from construction contracts	119.607	0	0	**119.607**
Trade receivables	153.827	38.578	4.080	**196.485**
Other assets	8.034	0	0.152	**8.186**
	283.153	**38.578**	**4.232**	**325.963**
Previous year	Neither overdue nor impaired	Overdue but not impaired	Impaired	**30/09/2016**
Other loans	2.729	0	0	**2.729**
Future receivables from construction contracts	114.130	0	0	**114.130**
Trade receivables	157.686	31.775	3.483	**192.944**
Other assets	4.977	0	0.152	**5.129**
	279.522	**31.775**	**3.635**	**314.932**

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

TABLE 63

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

EUR million	until 30 days	31 to 90 day	more than 90 days	**30/09/2017**
Trade receivables	12.646	17.946	7.986	**38.578**
Previous year	until 30 days	31 to 90 days	more than 90 days	**30/09/2016**
Trade receivables	15.523	10.947	5.305	**31.775**

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

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

TABLE 64

Adjustments made to financial assets

EUR million	2016/2017	2015/2016
Value on 01/10	**3.218**	**3.685**
Addition	0.616	0.357
Utilisation	0	0.356
Reversal	0.223	0.468
Value on 30/09	**3.611**	**3.218**

In the year under review, the Company recorded no expense from derecognised receivables (previous year EUR 0.039 million) and income from derecognised receivables was EUR 0.003 million (previous year EUR 0.001 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 are used, as a rule, to hedge the risk. Such hedges are transacted centrally via Group Treasury. As of the balance sheet date no hedges were outstanding.

In accordance with IFRS 7, sensitivity analyses are performed to present the interest risks to which the Company is exposed. These analyses show the effects of changes in market interest rates, interest payments as well as interest income and expense. If interest rates in the market had been 100 basis points higher, earnings would have been higher by EUR 1.282 million (in the previous year EUR 1.490 million higher). If interest rates in the market had been 100 basis points lower, earnings would have been lower by EUR 0.141 million (in the previous year, EUR 0.394 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 2017, the ratio of equity to total assets (equity ratio) was 48.3 percent (previous year 46.9 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 stands 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 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 stands 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. 2 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 A) In accordance with Section 21 (1) sent. 1 WpHG, Porsche GmbH, Stuttgart, Porsche GmbH, Salzburg (Austria), Louise Daxer-Piëch GmbH, Stuttgart, Ferdinand Alexander Porsche GmbH, Stuttgart, Gerhard Porsche GmbH, Stuttgart, Wolfgang Porsche GmbH, Stuttgart, Hans-Peter Porsche GmbH, Stuttgart, Porsche Holding Gesellschaft m.b.H., Salzburg (Austria), Louise Daxer-Piëch GmbH, Salzburg (Austria), Prof. Ferdinand Alexander Porsche GmbH, Salzburg (Austria), Gerhard Anton Porsche GmbH, Salzburg (Austria), Ing. Hans-Peter Porsche GmbH, Salzburg (Austria), Louise Daxer-Piëch, Vienna (Austria), Mag. Josef Ahorner, Vienna (Austria), Mag. Louise Kiesling, Vienna (Austria), Prof. Ferdinand Alexander Porsche, Gries/Pinzgau (Austria), Dr. Oliver Porsche, Salzburg (Austria), Kai-Alexander Porsche, Innsbruck (Austria), Mark Philipp Porsche, Innsbruck (Austria), Gerhard Anton Porsche, Mondsee (Austria), Dr. Wolfgang Porsche, Munich, Hans-Peter Porsche, Salzburg (Austria) and Peter Daniell Porsche, Hallein/Rif (Austria) each informed us on 27 March 2006 that the share of voting rights in Bertrandt AG held by each of the aforementioned disclosing parties

- had exceeded the 25 percent threshold on 11 February 2002 and thereupon stood at 25.01 percent;
- had fallen below the 25 percent threshold on 26 February 2002 and thereupon stood at 24.998 percent;
- had exceeded the 25 percent threshold on 19 March 2003 and thereupon stood at 25.01 percent;
- had reached the threshold of 25 percent on 26 September 2003 and thereupon stood at 25.00 percent;
- had fallen below the 25 percent threshold on 29 September 2003 and thereupon stood at 24.99 percent;
- had exceeded the 25 percent threshold on 14 January 2004 and thereupon stood at 25.01 percent;
- had fallen below the 25 percent threshold on 1 September 2004 and thereupon stood at 24.998 percent;
- had exceeded the 25 percent threshold on 17 February 2005 and thereupon stood at 25.01 percent;
- had fallen below the 25 percent threshold on 11 March 2005 and thereupon stood at 24.998 percent;
- had exceeded the 25 percent threshold on 18 May 2005 and thereupon stood at 25.01 percent;
- had fallen below the 25 percent threshold on 28 September 2005 and thereupon stood at 24.99 percent;
- had exceeded the 25 percent threshold on 24 October 2005, thereupon standing at 25.01 percent, and as of now 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*

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;

*Note by the Company: lit a), c) and d) are partly obsolete as a result of the following printed disclosures of voting rights, which are more recent lit. b) is non-applicable as a result of the voluntary disclosure of group voting rights of 16 June 2016.

- had fallen below the 25 percent threshold on 11 March 2005 and thereupon stood at 24.998 percent;
- had exceeded the 25 percent threshold on 18 May 2005 and thereupon stood at 25.01 percent;
- had fallen below the 25 percent threshold on 28 September 2005 and thereupon stood at 24.99 percent
- and had exceeded the 25 percent threshold on 24 October 2005, thereupon standing at 25.01 percent and as of now 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 (Austrai), each informed us on 27 March 2006 that the share of voting rights in Bertrandt AG held by each of the aforementioned disclosing parties

- had exceeded the 25 percent threshold on 11 February 2002 and thereupon stood at 25.01 percent;
- had fallen below the 25 percent threshold on 26 February 2002 and thereupon stood at 24.998 percent;
- had exceeded the 25 percent threshold on 19 March 2003 and thereupon stood at 25.01 percent;
- had reached the threshold of 25 percent on 26 September 2003 and thereupon stood at 25.00 percent;
- had fallen below the 25 percent threshold on 29 September 2003 and thereupon stood at 24.99 percent;
- had exceeded the 25 percent threshold on 14 January 2004 and thereupon stood at 25.01 percent;
- had fallen below the 25 percent threshold on 1 September 2004 and thereupon stood at 24.998 percent;
- had exceeded the 25 percent threshold on 17 February 2005 and thereupon stood at 25.01 percent;
- had fallen below the 25 percent threshold on 11 March 2005 and thereupon stood at 24.998 percent;
- had exceeded the 25 percent threshold on 18 May 2005 and thereupon stood at 25.01 percent;
- had fallen below the 25 percent threshold on 28 September 2005 and thereupon stood at 24.99 percent;
- had exceeded the 25 percent threshold on 24 October 2005, thereupon standing at 25.01 percent, and as of now 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 Holding GmbH, domiciled in Salzburg, A-5020 Salzburg, Austria, informed us in accordance with Section 21 (1) sent. 1 WpHG that the share of voting rights in Bertrandt AG held by the disclosing party had exceeded the 5 percent, 10 percent and 25 percent thresholds respectively on 13 November 2006 and as of 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 party.

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 as of that date stands at 14.9 percent (1,511,343 voting rights). These voting rights are held by Friedrich Boysen Holding GmbH with registered offices in Altensteig, Germany and are attributable to Friedrich Boysen-Unternehmensstiftung in accordance with Section 22 (1) sent. 1 no. 1 WpHG.

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

Disclosure pursuant to Section 26 (1) sent. 1 WpHG
We were informed by Friedrich Boysen Holding GmbH with registered offices in Altensteig, Germany that its share of voting rights in Bertrandt AG had exceeded the threshold of 10 percent of voting rights on 21 February 2011 and as of that date stands at 14.9 percent (1,511,342 voting rights).

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

Disclosure pursuant to Section 26 (1) sent. 1 WpHG
In a letter dated 28 February 2011, received by us on the same day, we were informed by b.invest AG with registered offices in Ehningen, Germany, that its share of voting rights in Bertrandt AG had exceeded the threshold of 3 percent of voting rights on 24 February 2011 and as of that date stands at 4.8 percent (486,876 voting rights).

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 as of that date stands at 25.01 percent (equivalent to 2,537,095 voting rights). All of the aforementioned 2.537.095 voting rights are attributable to LK Holding GmbH, Salzburg, Austria in accordance with Section 22 (1) sent. 1 no. 1 WpHG via the following companies controlled by it whose share of voting rights in Bertrandt AG is or exceeds 3 percent in each case: Dr. Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart, Porsche Holding Stuttgart GmbH, Stuttgart, Volkswagen Aktiengesellschaft, Wolfsburg, Porsche Automobil Holding SE, Stuttgart, Familien Porsche-Kiesling Beteiligung GmbH, Grünwald and Louise Daxer-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 stands at 25.01 percent of voting rights (equivalent to 2,537,095 voting rights).

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

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

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

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

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

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany held by Louise Daxer-Piech GmbH with registered offices in Salzburg, Austria, exceeded the thresholds of 3 percent, 5 percent, 10 percent, 15 percent, 20 percent and 25 percent on 11 September 2013 and as of that day stands 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.

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 company whose share of voting rights in Bertrandt Aktiengesellschaft is or exceeds 3 percent: Vermögensverwaltungsgesellschaft Familie Bichler bR, Iptingen, Germany.

Publication of a disclosure pursuant to Section 26 (1) sent. 1 WpHG
In a letter dated 20 July 2015, which we received on the same day, Dr. Geraldine Porsche, Austria, provided the following disclosure of voting rights pursuant to Section 21 (1) WpHG:

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

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

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

Publication of a disclosure pursuant to Section 26 (1) sent. 1 WpHG
In a letter dated 1 June 2016 and a letter dated 16 June 2016, which we received on the same days respectively, Dr. Wolfgang Porsche, Dr. Dr. Christian Porsche, Dipl.-Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche and Felix Alexander Porsche, following an internal group restructuring, provided the following voluntary disclosure of group voting rights pursuant to Sections 21 (1) and 24 WpHG:

The share of the voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany, held by Dr. Wolfgang Porsche, Dr. Dr. Christian Porsche, Dipl.-Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche and Felix Alexander Porsche, as of 1 June 2016 and 15 June 2016 stood at 28.97 percent of voting rights (equivalent to 2,938,189 voting rights).

These shares of voting rights are attributable to Dr. Wolfgang Porsche, Dr. Dr. Christian Porsche, Dipl.-Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche and Felix Alexander Porsche in accordance with Section 22 WpHG. Names of shareholders with a share of voting rights equal to or exceeding 3 percent: Dr. Ing. h.c. F. Porsche Aktiengesellschaft. Complete chain of entities, beginning with the ultimate controlling entity: Strand 1: Dr. Wolfgang Porsche, Dr. Dr. Christian Porsche, Dipl.-Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche; Familie WP Holding GmbH; Dr. Wolfgang Porsche Holding GmbH; Ferdinand Alexander Porsche GmbH; Familie Porsche Beteiligung GmbH; Porsche Automobil Holding SE; VOLKSWAGEN AKTIENGESELLSCHAFT; Porsche Holding Stuttgart GmbH, Dr. Ing. h.c. F. Porsche Aktiengesellschaft (28.97 percent of voting rights); strand 2: Dr. Wolfgang Porsche, Dr. Dr. Christian Porsche, Dipl.-Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche; Ferdinand Porsche Familien-Privatstiftung; Ferdinand Porsche Familien-Holding GmbH, Ferdinand Alexander Porsche GmbH; Familie Porsche Beteiligung GmbH; Porsche Automobil Holding SE; VOLKSWAGEN AKTIENGESELLSCHAFT; Porsche Holding Stuttgart GmbH, Dr. Ing. h.c. F. Porsche Aktiengesellschaft (28.97 percent of voting rights).

Publication of a disclosure pursuant to Section 26 (1) sent. 1 WpHG
In a letter dated 5 July 2017, which we received on the same day, Peter Zaldivar 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 Peter Zaldivar stood at 5.07 percent of voting rights (equivalent to 514,381 of the total of 10,143,240 voting rights) as of 26 June 2017.

These shares of voting rights are attributable to Peter Zaldivar in accordance with Section 22 WpHG. Complete chain of entities, beginning with the ultimate controlling person: Peter Zaldivar, Kabouter Management, LLC (5.07 percent of voting rights).

Publication of a disclosure pursuant to Section 26 (1) sent. 1 WpHG
In a letter dated 11 July 2017, which we received on the same day, Kabouter International Opportunities Fund II, LLC with registered offices in Chicago, USA, 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 Kabouter International Opportunities Fund II, LLC with registered offices in Chicago, USA, stood at 5.01 percent of voting rights (equivalent to 508,295 of the total of 10,143,240 voting rights) as of 5 July 2017. Kabouter International Opportunities Fund II, LLC with registered offices in Chicago, USA is neither controlled by, nor does it exercise control over other companies with notifiable voting rights in Bertrandt Aktiengesellschaft with registered offices in Ehningen, Germany.

Publication of a disclosure pursuant to Section 26 (1) sent. 1 WpHG
In a letter dated 4 August 2017, 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 fallen below the threshold of 3 percent of voting rights on 1 August 2017 and as of that date stands at 2.68 percent (271,771 voting rights).

Publication of a disclosure pursuant to Section 26 (1) sent. 1 WpHG
In a letter dated 4 October 2017, which we received on the same day, Axxion S.A. with registered offices in Grevenmacher, Luxemburg, provided the following disclosure of voting rights:

Axxion S.A. with registered offices in Grevenmacher, Luxemburg has complied with its duty of notification and disclosed a "Purchase/Sale of voting shares" and the resulting total share of voting rights when it exceeded the notification threshold on 1 October 2017. The new share of voting rights is 4.96 percent (last disclosure n/a), the share of financial instruments 0 percent (last disclosure n/a) and the total share of voting rights 4.96 percent (last disclosure n/a). The total number of voting rights in our Company reported was 10143240. The notified details of the resulting situation pursuant to Sections 21, 22 WpHG were: ISIN DE000523805 in absolute figures directly (Section 21 WpHG) 1000, attributed (Section 22 WpHG) 502529, total 503529; in percent directly (Section 21 WpHG) 0.01 percent, attributed (Section 22 WpHG) 4.95 percent, total 4.96 percent. It was further disclosed that the notifying party is neither controlled nor does it exercise control over other companies with notifiable voting rights. The following was additionally explained: As of 1 October 2017 Axxion S.A. shall be in charge of managing the fund Frankfurter Aktienfonds für Stiftungen. The voting rights attached to the above listed shares are thus transferred from the former management company to AXXION S.A.

Publication of a disclosure pursuant to Section 26 (1) sent. 1 WpHG
In a letter dated 5 October 2017, which we received on the same day, BNY Mellon Service Kapitalanlage-Gesellschaft mbH with registered offices in Frankfurt am Main, Germany, provided the following disclosure of voting rights:

BNY Mellon Service Kapitalanlage-Gesellschaft mbH with registered offices in Frankfurt am Main, Germany has complied with its duty of notification and disclosed a "Purchase/Sale of voting shares" and the resulting total share of voting rights when it exceeded the notification threshold on 1 October 2017. The new share of voting rights is 0 percent (last disclosure 3.15 percent), the share of financial instruments 0 percent (last disclosure 0 percent) and the total share of voting rights 0 percent (last disclosure 3.15 percent). The total number of voting rights in our Company reported was 10143240. The notified details of the resulting situation pursuant to Sections 21, 22 WpHG were: ISIN DE000523805 in absolute figures directly (Section 21 WpHG) 0, attributed (Section 22 WpHG) 0, total 0; in percent directly (Section 21 WpHG) 0.00 percent, attributed (Section 22 WpHG) 0.00 percent, total 0.00 percent. It was further disclosed that the notifying party is neither controlled nor does it exercise control over other companies with notifiable voting rights. The following was additionally explained: As of 1 October 2017 BNY Mellon Service Kapitalanlage-Gesellschaft ceased to manage the fund Frankfurter Aktienfonds für Stiftungen. The voting rights attached to the above listed shares held by the fund are thus transferred to the new management company.

Publication of a disclosure pursuant to Section 26 (1) sent. 1 WpHG
In a letter dated 9 November 2017, which we received on the same day, Hon. Prof. Dr. techn. h.c. Dipl.-Ing. ETH Ferdinand Karl Piech provided the following disclosure of voting rights:

Hon. Prof. Dr. techn. h.c. Dipl.-Ing. ETH Ferdinand Karl Piech, born on 17 April 1937 has complied with his duty of notification and disclosed a transaction based on an "Other reason: sale of a subsidiary" and the resulting total share of voting rights when it exceeded the notification threshold on 8 November 2017. The new share of voting rights is 0 percent (last disclosure 25.01 percent), the share of financial instruments 0 percent (last disclosure 0 n/a) and the total share of voting rights 0 percent (last disclosure n/a). The total number of voting rights in our Company reported was 10143240. The notified details of the resulting situation pursuant to Sections 21, 22 WpHG were: ISIN DE000523805 in absolute figures directly (Section 21 WpHG) 0, attributed (Section 22 WpHG) 0, total 0; in percent directly (Section 21 WpHG) 0.00 percent, attributed (Section 22 WpHG) 0.00 percent, total 0.00 percent. It was further disclosed that the notifying party is neither controlled nor does it exercise control over other companies with notifiable voting rights. The following was additionally explained: This disclosure shall exempt Dipl. Ing. Dr. h.c. Ferdinand K. Piech GmbH, Salzburg and Ferdinand Karl Alpha Privatstiftung, Salzburg from the duty of disclosure. The disposal of its investments in Auto 2015 Beteiligungs GmbH by Dipl. Ing. Dr. h.c. Ferdinand K. Piech GmbH, Salzburg also meant that from the disposal date no voting rights in Bertrandt Aktiengesellschaft will be attributed to Dipl. Ing. Dr. h.c. Ferdinand K. Piech GmbH, Salzburg and Ferdinand Karl Alpha Privatstiftung, Salzburg.

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

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

[48] REPORT ON SUBSEQUENT EVENTS

No material events have occured after the end of the fiscal year, which would have any significant impact on the net assets, results of operations and financial position of Bertrandt AG.

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

The Company's corporate governance bodies are related parties pursuant to IAS 24.

Management Board

Dietmar Bichler
Chairman of the Management Board
- President of the Board of Directors Bertrandt France S.A., Vélizy-Villacoublay
- Chairman of the Supervisory Board of b.invest AG, Ehningen
- Member of the Supervisory Board of MAHLE GmbH, Stuttgart
- Member of the Supervisory Board of Lindauer DORNIER GmbH, Lindau

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., Vélizy-Villacoublay
- 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., Vélizy-Villacoublay

The total remuneration for current members of the Management Board for fiscal 2016/2017 is EUR 5.651 million (previous year EUR 7.528 million) and includes a fixed amount and a performance-related component. The compensation paid to the members of the Management Board is disclosed for the individual members in the remuneration report section in the management report. The additions to provisions for pensions for Management Board members include service cost of EUR 0.112 million for the current fiscal year (previous year EUR 0.081 million). Furthermore, provisions amounting to EUR 1.351 million (previous year EUR 1.714 million) have been set aside to cover post-retirement benefits payable to a former member of the Management Board and pensions in the amount of EUR 0.058 million (previous year EUR 0.043 million) were paid.

The following table provides an overview of the holdings of Bertrandt shares of Management Board members during the 2016/2017 fiscal year:

TABLE 65

Shares owned by members of the Management Board

number	Shares	Shares
	Balance at 30/09/2017	Balance at 30/09/2016
Dietmar Bichler	400,000	400,000
Hans-Gerd Claus	0	0
Michael Lücke	0	0
Markus Ruf	0	0
Total	**400,000**	**400,000**

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

Supervisory Board

Dr Klaus Bleyer
Chairman of the Supervisory Board
- Chairman of the Supervisory Board of Lindauer DORNIER GmbH, Lindau
- Chairman of the Supervisory Board of Jost-Global GP S.à.r.l., Luxemburg (until 27/10/2016)

Maximilian Wölfle
Deputy Chairman of the Supervisory Board
- Chairman of the Advisory Board of J. WIZEMANN GmbH & Co. KG, Stuttgart
- Chairman of the Advisory Board of Heinrich von Wirth GmbH & Co. KG, Stuttgart
- Deputy Chairman of the Advisory Board of SÜDWESTBANK AG, Stuttgart
- Member of the Advisory Board of PAUL LANGE & Co. OHG, Stuttgart
- Member of the Supervisory Board of Schwabenverlag AG, Ostfildern

Horst Binnig
- Chairman of the Executive Board of Rheinmetall Automotive AG, Neckarsulm
- Member of the Executive Board of Rheinmetall AG, Düsseldorf
- Chairman of the Board of Directors of Kolbenschmidt Pierburg Shanghai Nonferrous Components Co., Ltd., Shanghai
- Deputy Chairman of the Board of Directors of Kolbenschmidt Shanghai Piston Co., Ltd., Shanghai
- Deputy Chairman of the Supervaisory Board of KS HUAYU AluTech GmbH, Neckarsulm
- Chairman of the Supervisory Board of KS Kolbenschmidt GmbH, Neckarsulm
- Chairman of the Supervisory Board of KS Gleitlager GmbH, St.-Leon-Rot
- Chairman of the Supervisory Board of Pierburg GmbH, Neuss
- Vice Chairman of the Board of Directors of Pierburg HUAYU Pump Technology Co. Ltd., Shanghai
- Director of KSPG Holding USA, Inc., Marinette
- Chairman of the Supervisory Board of Pierburg Pump Technology GmbH, Neuss
- Chairman of the Board of Directors of KSPG (China) Investment Co., Ltd., Shanghai

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
- Director of the Institute of Management Science (IMW) of the Technical University of Vienna, Vienna
- Managing Director of Fraunhofer Austria Research GmbH, Vienna
- Member of the Board of Directors of Glutz AG, Soloturn
- Member of the Advisory Board of Herrmann Ultraschall GmbH & Co. KG, Karlsbad Ittersbach
- Member of the Advisory Board of Karl Klink GmbH, Niefern-Öschelbronn
- Member of the Advisory Board of Wittenstein AG, Harthausen
- Member of the Advisory Board of EVN AG, Maria Enzersdorf

Stefanie Blumenauer
Employee representative
- Commercial clerk

Astrid Fleischer
Employee representative
- Technical draughtswoman

Fixed compensation of the Supervisory Board members for their activity amounted to EUR 0.320 million in total in fiscal 2016/2017 (previous year EUR 0.320 million).

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

TABLE 66

Supervisory Board compensation

EUR	Fixes
	2016/2017
Dr Klaus Bleyer	112,000
Maximilian Wölfle	64,000
Horst Binnig	40,000
Prof. Dr-Ing. Wilfried Sihn	40,000
Stefanie Blumenauer	32,000
Astrid Fleischer	32,000
Total	**320,000**

The employee representatives on the Supervisory Board received usual salaries as provided for in their employment contracts, including statutory social security contributions. Other than this, the members of the Supervisory Board did not receive any compensation or benefits in the 2016/2017 fiscal year for services provided in a personal capacity, in particular those involving consulting and brokerage services.

The Bertrandt shares held by members of the Supervisory Board are broken down as follows:

TABLE 67

Shares owned by members of the Supervisory Board

number	Shares	Shares
	Balance at 30/09/2017	Balance at 30/09/2016
Dr Klaus Bleyer	0	0
Maximilian Wölfle	0	0
Horst Binnig	0	0
Prof. Dr-Ing. Wilfried Sihn	0	0
Stefanie Blumenauer	0	0
Astrid Fleischer	98	98
Total	**98**	**98**

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

[50] SHAREHOLDINGS OF BERTRANDT AG

TABLE 68

Shares owned by Bertrandt AG

%	Share in equity capital
Germany	
Bertrandt Beteiligungen GmbH, Ehningen[1]	100.0
Bertrandt Ehningen GmbH, Ehningen[1]	100.0
Bertrandt Energie GmbH, Mönsheim	100.0
Bertrandt Fahrerprobung Süd GmbH, Nufringen[1]	100.0
Bertrandt GmbH, Hamburg[1]	100.0
Bertrandt Grundstücks GmbH, Nufringen	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 Solutions GmbH, Ehningen	100.0
Bertrandt Tappenbeck GmbH, Tappenbeck	100.0
Bertrandt Technikum GmbH, Ehningen[1]	100.0
Bertrandt Technologie GmbH, Immendingen[1]	100.0
Bertrandt Technologie GmbH, Mönsheim[1]	100.0
Bertrandt Technologie GmbH, Sassenburg[1]	100.0
Bertrandt Verwaltungs GmbH, Mönsheim[1]	100.0
b.professional GmbH, Mannheim[1]	100.0
Bertrandt Automotive GmbH & Co. KG, Pullach i. Isartal[1]	94.9
Bertrandt Grundbesitz GmbH & Co. KG, Pullach i. Isartal[1]	94.9
Bertrandt Immobilien GmbH & Co. KG, Pullach i. Isartal[1]	94.9
Fariba Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG (formerly Appalusa Grundstücksverwaltungsgesellschaft mbH), Mainz	94.8
Bertrandt Campus GmbH, Ehningen	50.0
Bertrandt Campus Grundbesitz GmbH, Ehningen	50.0
Bertrandt Entwicklungen AG & Co. OHG, Pullach i. Isartal	30.0
aucip. automotive cluster investment platform GmbH & Co. KG, Pullach i. Isartal	24.9
aucip. automotive cluster investment platform Beteiligungs GmbH, Pullach i. Isartal	24.9
MCIP tool GmbH, Pullach i. Isartal	24.9
MOLLIS automotive GmbH, Pullach i. Isartal	24.9
NAMENU tool GmbH, Pullach i. Isartal	24.9
Non-Germany	
Bertrandt Engineering Shanghai Co., Ltd., Shanghai, China	100.0
Bertrandt Engineering Technologies Romania SRL, Sibiu, Rumänien	100.0
Bertrandt France S.A., Paris/Vélizy-Villacoublay, Frankreich	100.0
Bertrandt Otomotiv Mühendislik Hizmetleri Ticaret Limited Sirketi, Istanbul, Türkei	100.0
Bertrandt S.A.S., Paris/Vélizy-Villacoublay, Frankreich	100.0
Bertrandt Technologie GmbH, Steyr, Österreich	100.0
Bertrandt UK Limited, Dunton, Großbritannien	100.0
Bertrandt US Inc., Detroit, USA	100.0

[1]In accordance with Section 264 (3) ou 264b of the German Commercial Code, the annual financial statements as of 30 September 2017 have not been disclosed.

The breakdown of voting rights is largely in accordance with the shareholder structure.

With effect from 1 January 2017 Bertrandt Grundstücks GmbH, Nufringen acquired 94.8 percent of the shares in Fariba Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG (formerly Appalusa Grundstücksverwaltungsgesellschaft mbH), Mainz for EUR 0.029 million. Its business purpose is primarily the letting of real estate. By acquiring the company, the Bertrandt Group ensures the long-term development of the site.

As at the date of purchase the company had EUR 20.725 million in property, plant and equipment, EUR 0.085 million in other assets, EUR 0.490 million in deferred tax assets, EUR 20.644 million in financial liabilities, EUR 0.06 million in provisions and EUR 0.566 million in deferred tax liabilities. The assets were recognised at their fair values. Minority interests as at the date of purchase amounted to EUR 0.001 million and were measured according to the corresponding share in the equity of the purchased company. In the present consolidated financial statements, Fariba Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG (formerly Appalusa Grundstücksverwaltungsgesellschaft mbH) accounts only for intragroup income generated from letting the property in the amount of EUR 2.079 million and post-tax earnings of EUR 1.343 million.

The operating results and financial positions of the joint ventures are as follows:

TABLE 69

Net assets and operating results of joint ventures

EUR million	30/09/2017	30/09/2016
Non-current assets	39.398	33.385
Current assets	2.455	6.800
– cash and cash equivalents	2.353	5.499
Non-current liabilities	29.057	30.109
Current liabilities	2.037	0.154
Income tax expense	-0.154	0.009
Post-tax earnings / total comprehensive income	0.814	-0.053

The carrying amount of the investments in joint venture is EUR 5.367 million (previous year EUR 4.960 million).

The operating results and financial positions of associates are as follows:

TABLE 70

Net assets and operating results of associated companies

EUR million	30/09/2017	30/09/2016
Assets	57.804	34.423
Liabilities	57.397	34.025
Revenues	19.585	13.175
Post-tax earnings/Total comprehensive income	0.183	-0.047

The carrying amount of the investments in associates is EUR 0.121 million (previous year EUR 0.117 million).

The companies aucip. automotive cluster investment platform GmbH & Co. KG, aucip. automotive cluster investment platform Beteiligungs GmbH, NAMENU tool GmbH, MCIP tool GmbH, and MOLLIS automotive GmbH adopted the calendar year as their financial year. Bertrandt Entwicklungen AG & Co. OHG, Bertrandt Campus GmbH and Campus Grundbesitz GmbH have the same balance sheet date as the Bertrandt Group.

The supplier relationships between Bertrandt AG and its associates and joint ventures were based on arm's length prices. As of the balance sheet date, receivables from associates and joint ventures amounted to EUR 0.013 million (previous year EUR 0.313 million) and payables were at EUR 0.013 million (previous year EUR 0 million). The revenues amounted to EUR 0.075 million in the period under review (previous year EUR 1.612 million).

On 2 July 2014, Dr. Ing. h.c. F. Porsche AG, Stuttgart, increased its shareholding in Bertrandt AG by nearly four percentage points. After the share purchase, Volkswagen now indirectly holds around 29 percent of voting shares in Bertrandt. As in the past it is not the intention of Volkswagen to exercise influence on the Supervisory Board or the Management Board. From the date of the purchase of the shares, Bertrandt AG will be accounted for as an associate in the consolidated financial statements of the Volkswagen group under the equity method. Accordingly, the Volkswagen group has to be classified as a related party pursuant to IAS 24. All supplier relationships between Bertrandt AG and the Volkswagen group were based on arm's length prices. The revenues arising from transactions with all Volkswagen group companies amounted to EUR 341.139 million in the period under review (previous year EUR 400.045 million). In addition, other operating income of EUR 0.024 million (previous year EUR 0.194 million) and expenses of EUR 3.174 million (previous year EUR 2.743 million) have been recognised. As of the balance sheet date, receivables amounted to EUR 71.638 million (previous year EUR 86.236 million) and payables to EUR 0.049 million (previous year EUR 0.290 million). No provisions for impairment of trade receivables were made in the 2016/2017 financial year (previous year EUR 0 million).

[51] AUDITOR FEES

The auditor's fees which are expensed in accordance with Section 319 (1) of the German Commercial Code were comprised of the following:

TABLE 71

Auditor's fee

EUR million	2016/2017	2015/2016
Audit of financial statements	0.281	0.294
Tax consulting services	0.012	0.044
Other services	0.171	0.314
Total	**0.464**	**0.652**

The auditor fees contain the fees for the audit of the consolidated financial statements as well as for the statutory audits of Bertrandt AG and the subsidiaries included in the consolidated financial statements. Fees paid for tax consultancy services are mainly related to enquiries in the context of legislative changes and field tax audits. Non-audit services primarily include enquiries regarding international employee assignments, changes in accounting standards under the German Commercial Code (HFB) or IFRS, and consolidation matters.

[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 2017.

The Management Board proposes using Bertrandt AG's distributable profit of EUR 39,523,737.13 for fiscal 2016/2017 to pay a dividend of EUR 2.50 per qualified share, and carry forward the remaining amount of EUR 14,165,637.13 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 2015/2016

The Management Board's dividend proposal for the previous year of EUR 2.50 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 11 December 2017.

Ehningen, 30 November 2017

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

INDEPENDENT AUDITOR'S REPORT

1. Based on the final results of our audit we issued the following unqualified auditor's report dated November 30, 2017:

"To Bertrandt Aktiengesellschaft, Ehningen

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

Audit Opinions

We have audited the consolidated financial statements of Bertrandt Aktiengesellschaft, Ehningen, and its subsidiaries (the Group)- comprising the consolidated statement of financial position as at September 30, 2017, and the consolidated statement of (comprehensive) income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from October 1, 2016, to September 30, 2017, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Bertrandt Aktiengesellschaft, Ehningen, for the financial year from October 1, 2016, to September 30, 2017. The Corporate Governance Group Statement pursuant to § (Article) 315 Abs. (paragraph) 5 HGB ("Handelsgesetzbuch": German Commercial Code) and the Corporate Governance Report according to section 3.10 of the German Corporate Governance Code have not been audited by us with regard to content according to the German legal requirements.

In our opinion, based on the findings of our audit,

- the accompanying consolidated financial statements comply, in all material respects, with IFRS, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets and financial position of the Group as at September 30, 2017, as well as the results of operations for the financial year from October 1, 2016, to September 30, 2017, in accordance with these requirements and
- the accompanying group management report as a whole provides a suitable view of the Group's position. In all material respects, the group management report is consistent with the consolidated financial statements, complies with the German legal requirements and suitably presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the Corporate Governance Group Statement and the Corporate Governance Report mentioned above.

According to § 322 Abs. 3 Satz (sentence) 1 HGB, we state that our audit has not led to any reservations with respect to the propriety of the consolidated financial statements and the group management report.

Basis for Audit Opinions

We conducted our audit of the consolidated financial statements and the group management report in accordance with § 317 HGB and the EU Audit Regulation (No 537/2014) under consideration of the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the Group entities in accordance with provisions under EU law as well as German commercial law and professional requirements, and we have fulfilled our other German ethical responsibilities in accordance with these requirements. Furthermore, we declare in accordance with Article 10 (2) f) of the EU Audit Regulation that we have not provided any prohibited non-audit services referred to in Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from October 1, 2016, to September 30, 2017. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate audit opinion on these matters.

In our view, the matter of most significance in our audit was as follows:

Measurement of future receivables from construction contracts

Our presentation of this key audit matter has been structured as follows:
1. Matter and issue
2. Audit approach and findings
3. Reference to further information

We present the key audit matter in the following sections:

Measurement of future receivables from construction contracts

1. Future receivables from construction contracts amounting to EUR 119.6 million are reported in the consolidated financial statements of Bertrandt Aktiengesellschaft, Ehningen, as of September 30, 2017. This is equivalent to approximately 15.4% of total assets. The item includes future receivables from services in progress as of the balance sheet date as well as from services which have been completed but not yet accepted as of the balance sheet date. Future receivables are measured at cost plus a profit mark-up reflecting the degree of completion, less any losses incurred, provided that the income from the construction contract can be reliably determined. The degree of completion is calculated as a ratio of costs incurred to the total costs of the contract (cost-to-cost method).

The calculation of the total costs and estimate of expected income and hence expected profit before the commencement of the contract are subject to uncertainties. Due to the uncertainty inherent in estimates and the significance of the item for the consolidated financial statements, this item was of particular importance for our audit.

2. As part of our audit, we evaluated the methodology employed, the internal processes and controls used to determine the total costs and expected income, among other things. Furthermore, we evaluated the processes and technical systems used to record actual costs incurred, examined the manual controls and those controls implemented in the system for the respective contracts, and evaluated the audit steps and controls established for the purpose of testing for any impairment.

Taking into consideration the information available, we believe that the systems, procedures and controls established by the management are appropriate overall for properly and consistently measuring future receivables from construction contracts. Based on our audit procedures, we verified that the estimates made by management and any events and measures potentially resulting in changes to assumptions were sufficiently documented.

3. The Company's disclosures pertaining to future receivables from construction contracts are contained in notes 5 and 26 to the consolidated financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements and the Group Management Report

Management is responsible for the preparation of the consolidated financial statements, which comply, in all material respects, with IFRS, as adopted by the EU, and the additional German legal requirements applicable under § 315a Abs. 1 HGB, and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. In addition, management is responsible to disclose, as applicable, matters related to going concern. Furthermore management is responsible for using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Moreover, management is also responsible for the preparation of the group management report, which as a whole provides a suitable view of the Group's position and is consistent in all material respects with the consolidated financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development. Furthermore, management is responsible for such policies and procedures (systems) as management determines are necessary to enable the preparation of a group management report in accordance with the applicable German legal requirements and to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Group Management Report

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides a suitable view of the Group's position as well as, in all material respects, is consistent with the consolidated financial statements as well as the findings of our audit, complies with German legal requirements and suitably presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation under consideration of the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and the policies and procedures relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of those systems.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the group management report or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that the consolidated finan-cial statements give a true and fair view of the net assets and financial position as well as the results of operations of the Group in accordance with IFRS, as adopted by the EU, and the additional German legal requirements applicable under § 315a Abs. 1 HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate whether the group management report is consistent with the consolidated financial statements, its compliance with the German legal requirements and the view it provides of the Group's position.

- Perform audit procedures on the prospective information presented by management in the group management report. Based on sufficient and appropriate audit evidence, we hereby, in particular, evaluate the material assumptions used by management as a basis for the prospective information and the appropriate derivation of the prospective information from these assumptions. We are not issuing a separate audit opinion on the prospective information or the underlying assumptions. There is a significant, unavoidable risk that future events deviate significantly from the prospective information.

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

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

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

OTHER LEGAL AND REGULATORY REQUIREMENTS

Other Disclosures pursuant to Article 10 of the EU Audit Regulation

We were appointed as group auditor by the Annual General Meeting on February 23, 2017. We were engaged by the Supervisory Board on September 25, 2017. We have acted uninter-ruptedly as the group auditor of Bertrandt Aktiengesellschaft, Ehningen, since financial year 1996.

We confirm that the audit opinions contained in this auditor's report are consistent with the additional report to the audit committee referred to in Article 11 of the EU Audit Regulation (German Longform Report).

RESPONSIBLE AUDITOR

The auditor responsible for the audit is Angelika Kraus."

Stuttgart, 30 November 2017

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Angelika Kraus Wirtschaftsprüferin (German Public Auditor)	ppa. Dagmar Liphardt Wirtschaftsprüferin (German 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, 30 November 2017

Bertrandt AG

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

ALWAYS IN CLOSE PROXIMITY TO OUR CUSTOMERS, always in dialogue – these two principles are reflected in Bertrandt's decentralised organisation. We are present internationally with extensive design and testing areas to support our customers on site.

53

BERTRANDT LOCATIONS WORLDWIDE.

D

FURTHER INFORMATION

GLOSSARY

A

Ad hoc bulletins: The German Securities Trading Act obliges companies to issue ad hoc bulletins without delay on important news concerning the company that might have a considerable effect on its share. This is intended to rule out the possibility that share-relevant news is known only to insiders, who might exploit their advantage in terms of knowledge.

AktG: German Stock 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 time-frame.

B

BilMoG: Act of the modernisation of accounting law.

Borrowings: Capital raised externally by taking on loans.

C

Capital and reserves: Funds made available to a company by its legal owners. Equals the company's assets net of all liabilities, provisions and deferred items.

Capital gains tax: Tax on investment income.

Capital increase: Issue of new shares on a cash or non-cash basis or by using the company's own funds.

Cash and cash equivalents: Cash at hand plus bank balances and cheques.

Cash flow: Cash flow represents the funds generated from own operating activity and shows the ability of a company to fund itself (net profit plus depreciation and transfer to longterm provisions).

Cash-generating units: The smallest identifiable group of assets that generates cash inflows and that are largely independent of the cash inflows from other assets.

Corporate compliance: This refers to a company's efforts to comply with statutes, guidelines and voluntary codes and entails, for example, the entrenchment of applicable laws in the company's corporate culture and day-to-day business practice.

Corporate Governance: This term describes the key legal requirements concerning the management and supervision of listed companies and comprises both domestic and international standards for responsible business management.

D

DAX: The DAX (German share index) encompasses Germany's 30 largest public companies that are stock-market listed.

Deferred taxes: Income tax arising in future periods as a result of temporary differences between the IFRS carrying values and the tax base.

Derivatives: Products that are derived from a base asset and whose price depends to a large extent on the price of the underlying financial instrument. They make it possible to control market price risks. Derivatives include the following types of product: forex forward transactions, swaps, options and option-like instruments (caps, floors etc.).

Discounted cash flow method: A method of valuing a business based on capitalising future financial surpluses.

Distributable profit: The surplus of net profit or net loss plus profit or loss carry-forwards, less retained profit and minority interests.

Dividend: A distribution of a portion of a company's earnings to its shareholders.

E

Earnings per share: Derived by dividing the earnings for a period that are due to the shareholders by the average number of share outstanding during the period.

EBIT: Earnings before interest and taxes.

Equity method: Method of accounting for investments in associates in single and consolidated financial statements.

Equity ratio: Ratio of shareholders' equity to total capital.

F

Fair Value: In accordance with IFRS.

Free cash flow: Cash flow from operating activities and cash flow from investing activities.

Free float: Shares in a public company not held by major investors.

G

GCGC: The GCGC (German Corporate Governance Code) comprises material statutory provisions relating to the governance and monitoring of listed German companies. It contains acknowledged standards of responsible corporate governance acknowledged in Germany and abroad. In this way, the corporate governance and monitoring rules applicablein Germany are rendered transparent to investors.

Goodwill: Intangible asset. Corresponds to the future economic benefit of assets that cannot be individually identified or separately carried.

H

HGB: German appreviation for the Commercial Code.

I

IAS: The IAS (International Accounting Standards) are intended to ensure that accounting and reporting is comparable on an international level.

IFRS: IFRS (International Financial Reporting Standards) refer to the internationally accepted accounting standards since 2002. They therefore also comprise the applicable International Accounting Standards.

Impairment test: A method of testing the value of assets.

Institutional investor: Institutional investors may be insurance companies, pension funds, capital investment companies or also banks that regularly have investment requirement. Other investor groups comprise professional traders and private investors.

Issued capital: The ISIN (International Security Identification Number) is a tendigit number prefixed with a country code (DE = Germany, CH = Switzerland) and serves to make securities internationally identifiable.

ISIN: The share capital in a public company or company with limited liability that is to be recorded in the balance sheet.

M

Market capitalisation: Reflects the current stock-market value of the company. Derived by multiplying the number listed shares by the closing-day share price.

Material expenses: Sum of all the expenses incurred in the purchase of raw materials and supplies needed for the company's own processing, plus acquired services.

P

Payout: Dividends, bonuses, bonus shares as well as liquidation proceeds that are paid out to shareholders.

Percentage-of-completion method: Degree of completion, used to value unfinished work.

Price-earnings ratio: Ratio of the current share price to earnings per share.

S

SDAX: Defined index in the Prime Standard for smaller companies (small caps) of the traditional industries below the MDAX companies.

T

Tax rate: Ratio of actual income taxes to earnings before income taxes.

Total assets/total equity and liabilities: The sum of all assets or the sum of shareholders' equity and liabilities.

V

VorstOG: German abbreviation for Act on the Appropriateness of Management Board Compensation.

W

WACC: (weighted average cost of capital) is the rate that a company is expected to pay on average to all its security holders to finance its assets.

WKN: German abbreviation for Security Code Number.

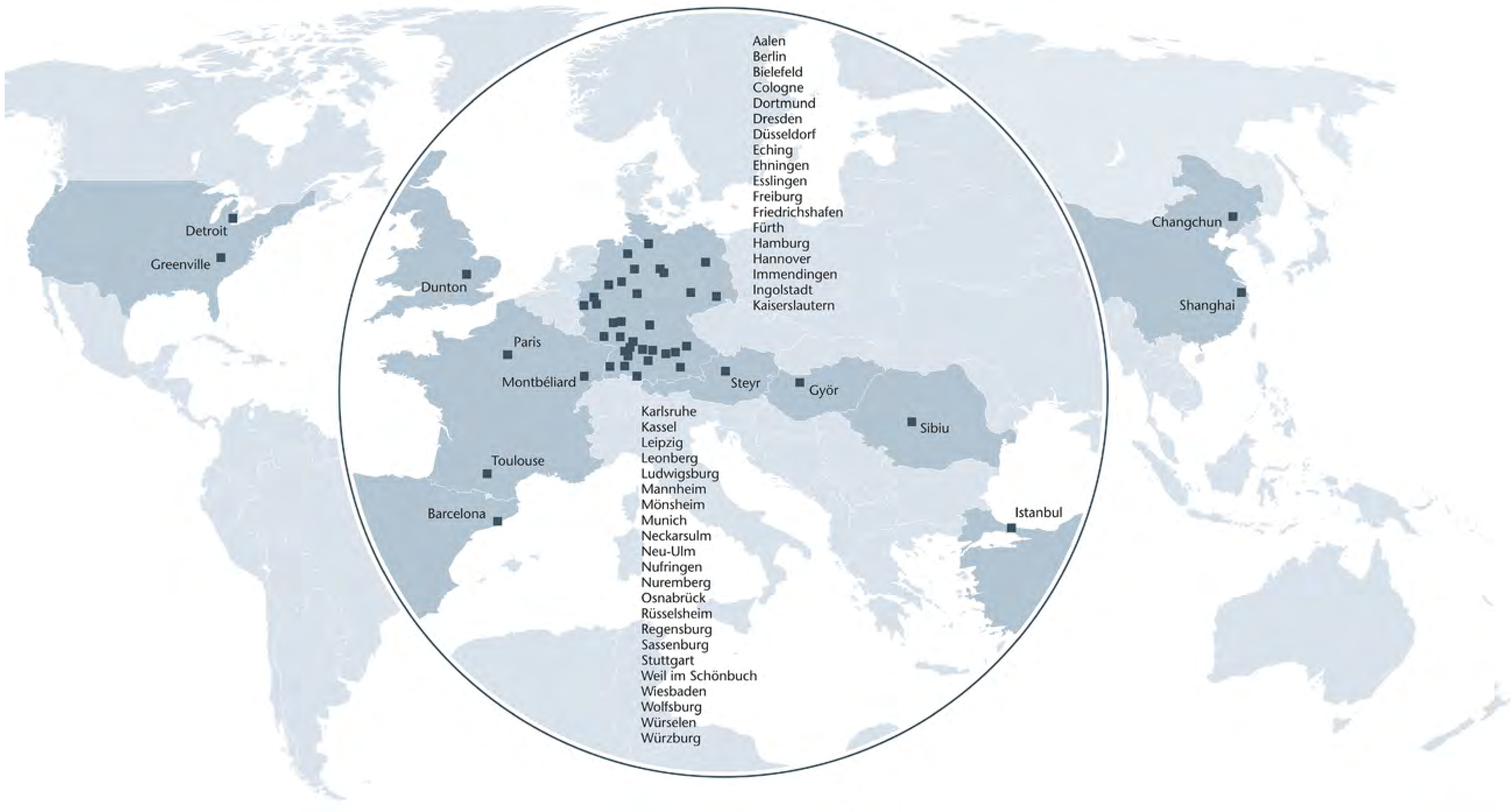
Working Capital: Current assets (trade receivables, future receivables from construction contracts, inventories and other current assets) less current liabilities (trade payables and other current liabilities not attributable to financing activity).

WpHG: German Securities Trading Act.

LOCATIONS

CHART 72

Customer orientation means for us to work closely with our customers



Further informations see:

LOCATIONS

BERTRANDT AG

Ehningen
Bertrandt AG – Headquarters
Birkensee 1
71139 Ehningen
Telephone +49 7034 656-0
Telefax +49 7034 656-4100
info@bertrandt.com

BERTRANDT DEUTSCHLAND

Aalen
Bertrandt Ingenieurbüro GmbH
Gartenstr. 1
73430 Aalen
Telephone +49 8458 3407-0
info@bertrandt.com

Bremen
Bertrandt Ing.-Büro GmbH
Cornelius-Edzard-Str. 25
28199 Bremen
Telephone +49 421 163359-0
bremen@de.bertrandt.com

Cologne
Bertrandt Ing.-Büro GmbH
Oskar-Schindler-Str. 10
50769 Köln
Telephone +49 221 7022-0
koeln@de.bertrandt.com

Donauwörth
Bertrandt Ing.-Büro GmbH
Dr.-Ludwig-Bölkow-Str. 1
86609 Donauwörth
Telephone +49 906 98004-15
donauwoerth@de.bertrandt.com

Ehningen
Bertrandt Projektgesellschaft mbH
Birkensee 1
71139 Ehningen
Telephone +49 7034 656-0
bpg@de.bertrandt.com

Ehningen
Bertrandt Technikum GmbH
Birkensee 1
71139 Ehningen
Telephone +49 7034 656-5000
ehningen@de.bertrandt.com

Gaimersheim (Ingolstadt)
Bertrandt Ing.-Büro GmbH
Lilienthalstr. 50–52
85080 Gaimersheim
Telephone +49 8458 3407-0
ingolstadt@de.bertrandt.com

Ginsheim-Gustavsburg (Rüsselsheim)
Bertrandt Ing.-Büro GmbH
Im Weiherfeld 1
65462 Ginsheim-Gustavsburg
Telephone +49 6134 2566-0
ruesselsheim@de.bertrandt.com

Hamburg
Bertrandt Ing.-Büro GmbH
Channel 9 Blohmstr. 10
21079 Hamburg
Telephone +49 40 7975129-0
hamburg@de.bertrandt.com

Immendingen
Bertrandt Technologie GmbH
Schwarzwaldstr. 48b
78194 Immendingen
Telephone +49 7034 656-0
immendingen@de.bertrandt.com

Kassel/Baunatal
Bertrandt Ing.-Büro GmbH
Guntershäuser Str. 1
34225 Kassel/Baunatal
Telephone +49 561 8907821-0
kassel@de.bertrandt.com

Leipzig
Bertrandt Technologie GmbH
Torgauer Str. 233
04347 Leipzig
Telephone +49 341 2532941-10
info@bertrandt.com

Leonberg
Bertrandt Technologie GmbH
Riedwiesenstr. 13–17
71229 Leonberg
Telephone +49 7044 9085-0
info@bertrandt.com

Ludwigsburg
Bertrandt Technologie GmbH
Heckenwiesen 20
71634 Ludwigsburg
Telephone +49 7034 656-5000
info@bertrandt.com

Mannheim
Bertrandt Technikum GmbH
Augustaanlage 18
68165 Mannheim
Telephone +49 621 432 707-60
te-nutzfahrzeuge@de.bertrandt.com

Mönsheim
Bertrandt Technologie GmbH
Friedrichshof 10
71297 Mönsheim
Telephone +49 7044 9085-0
moensheim@de.bertrandt.com

Munich
Bertrandt Ing.-Büro GmbH
Hufelandstr. 26–28
80939 München
Telephone +49 89 316089-0
muenchen@de.bertrandt.com

Neckarsulm
Bertrandt Ing.-Büro GmbH
Friedrich-Gauss-Str. 5
74172 Neckarsulm
Telephone +49 7132 386-0
neckarsulm@de.bertrandt.com

Neutraubling (Regensburg)
Bertrandt Ing.-Büro GmbH
Stettiner Str. 1 B
93073 Neutraubling
Telephone +49 8458 3407-0
regensburg@de.bertrandt.com

Nufringen
Bertrandt Fahrerprobung Süd GmbH
Ferdinand-Porsche-Str. 12
71154 Nufringen
Telephone +49 7032 955309-0
info@bertrandt.com

Regensburg
Bertrandt Ing.-Büro GmbH
Franz-Mayer-Str. 1
93053 Regensburg
Telephone +49 8458 3407-0
info@bertrandt.com

Sassenburg
Bertrandt Technologie GmbH
Dämmstoffwerk 100
38524 Sassenburg
Telephone +49 5371 9453-0
akustikzentrum_sassenburg@de.bertrandt.com

Stuttgart
Bertrandt Technikum GmbH
Hedelfinger Str. 56–80
70327 Stuttgart
Telephone +49 7034 656-5000
info@bertrandt.com

Tappenbeck (Wolfsburg)
Bertrandt Ing.-Büro GmbH
Krümke 1
38479 Tappenbeck
Telephone +49 5366 9611-0
wolfsburg@de.bertrandt.com

Weil im Schönbuch (Holzgerlingen)
Bertrandt Technikum GmbH
Max-Eyth-Str. 38
71093 Weil im Schönbuch
Telephone +49 7034 656-5000
ehningen@de.bertrandt.com

BERTRANDT CHINA

Changchun
Bertrandt Engineering Shanghai Co., Ltd.
Postcode: 130013
Kaidabeijie 1777
Automobile Industry Development Zone
Changchun City
Jilin Province
Telephone +86 431 815075-99
changchun@cn.bertrandt.com

Shanghai
Bertrandt Engineering Shanghai Co., Ltd. Rm. 21 I Huadu Mansion
828–838 Zhangyang Road
200122 Shanghai
Telephone +49 5366 9611-0
shanghai@cn.bertrandt.com

BERTRANDT FRANCE

Bièvres (Paris)
Bertrandt SAS
Burospace Bât. 10
Route de Gisy B.P. 35
91572 Bièvres CEDEX
Telephone +33 1 6935-1505
paris@fr.bertrandt.com

Montbéliard
Bertrandt SAS
10, rue Frédéric Japy
Immeuble Le Quasar 2
ZAC Val Parc
25200 Montbéliard
Telephone +33 3 819935-00
sochaux@fr.bertrandt.com

Toulouse
Bertrandt France S.A.
Park Avenue II, 57,
Avenue Du Général de Croute
31100 Toulouse
Telephone +33 53 460-4523
sochaux@fr.bertrandt.com

BERTRANDT UNITED KINGDOM

Dunton
Bertrandt UK Ltd.
Unit 34 Hornsby Square
Southfields Industrial Park
SS15 6SD Basildon
Telephone +44 1268 564-300
dunton@uk.bertrandt.com

BERTRANDT AUSTRIA

Steyr
Bertrandt Technologie GmbH
Wolfernstr. 20b
4400 Steyr
Telephone +43 7252 707 28
steyr@at.bertrandt.com

BERTRANDT ROMANIA

Sibiu
Bertrandt Engineering Technologies Romania SRL
Strada Doctor Ştefan Stâncă 2–6
550003 Sibiu
Telephone +40 21 316 08-28
info@bertrandt.com

BERTRANDT SPAIN

Barcelona
Bertrandt AG sucursal en España
c/Gresol, 2–4. Ap. Correos 183
08292 Esparraguera (Barcelona)
Telephone +34 93 777 87-00
barcelona@es.bertrandt.com

BERTRANDT TURKEY

Istanbul
Bertrandt Otomotiv Mühendislik Hiz. Tic. Ltd. Şti.
Cumhuriyet Cad. 103, Kat 3
34360 Elmadağ (Istanbul)
Telephone +90 262 6439947
istanbul@tr.bertrandt.com

BERTRANDT HUNGARY

Györ (Budapest)
Bertrandt Ing.-Büro GmbH
Magyarországi Fióktelep
Gesztenyefa u. 4.1. em. 10.
9027 Györ
Telephone +49 8458 3407-1122
bertrandt.hungaria@de.bertrandt.com

BERTRANDT UNITED STATES

Detroit, MI
Bertrandt US Inc.
1775 W. Hamlin Road
48309 Rochester Hills, MI
Telephone +1 248 598-5100
detroit@us.bertrandt.com

Greenville, SC
Bertrandt US Inc.
3453 Pelham Rd, Suite 101
29615 Greenville, SC
Telephone +1 864 214-8566
greenville@us.bertrandt.com

BERTRANDT SERVICES GERMANY

Berlin
Bertrandt Services GmbH
Louis-Bleriot-Str. 4
12487 Berlin
Telephone +49 30 6322249-0
berlin@bertrandt-services.com

Bielefeld
Bertrandt Services GmbH
Niederwall 47
33602 Bielefeld
Telephone +49 521 923 970-0
bielefeld@bertrandt-services.com

Cologne
Bertrandt Services GmbH
Oskar-Schindler-Str. 10
50769 Köln
Telephone +49 221 7022-490
koeln@bertrandt-services.com

Dortmund
Bertrandt Services GmbH
Hafenpromenade 2
44263 Dortmund
Telephone +49 231 725 198-0
dortmund@bertrandt-services.com

Dresden
Bertrandt Services GmbH
Leipziger Str. 118
01127 Dresden
Telephone +49 351 8470726-0
dresden@bertrandt-services.com

Düsseldorf
Bertrandt Services GmbH
Prinzenallee 9
40549 Düsseldorf
Telephone +49 211 520 6577-0
duesseldorf@bertrandt-services.com

Ehningen
Bertrandt Services GmbH
Birkensee 1
71139 Ehningen
Telephone +49 7034 656-4500
info@bertrandt-services.com

Esslingen
Bertrandt Services GmbH
Alleenstr. 39
73730 Esslingen am Neckar
Telephone +49 711 351304-0
esslingen@bertrandt-services.com

Freiburg
Bertrandt Services GmbH
Jechtinger Str. 11
79111 Freiburg
Telephone +49 761 888 572-0
freiburg@bertrandt-services.com

Friedrichshafen
Bertrandt Services GmbH
Otto-Lilienthal-Str. 4
88046 Friedrichshafen
Telephone +49 7541 37479-0
friedrichshafen@de.bertrandt.com

Fürth
Bertrandt Services GmbH
Breslauer Str. 10
90766 Fürth
Telephone +49 911 766388-0
info@bertrandt-services.com

Kaiserslautern
Bertrandt Services GmbH
Europaallee 7–9
67657 Kaiserslautern
Telephone +49 631 3105436-10
kaiserslautern@bertrandt-services.com

Karlsruhe
Bertrandt Services GmbH
An der Raumfabrik 29
76227 Karlsruhe
Telephone +49 721 6273699-0
karlsruhe@bertrandt-services.com

Mannheim
Bertrandt Services GmbH
Augustaanlage 18
68165 Mannheim
Telephone +49 621 432707-0
mannheim@bertrandt-services.com

Neu-Ulm
Bertrandt Services GmbH
Edisonallee 7
89231 Neu-Ulm
Telephone +49 731 715783-00
ulm@bertrandt-services.com

Nuremberg
Bertrandt Services GmbH
Pretzfelder Str. 13–15
90425 Nürnberg
Telephone +49 911 350 6449-0
nuernberg@bertrandt-services.com

Weil im Schönbuch (Holzgerlingen)
Bertrandt Services GmbH
Max-Eyth-Str. 38
71093 Weil im Schönbuch
Telephone +49 7034 656-4600
stuttgart@bertrandt-services.com

Wiesbaden
Bertrandt Services GmbH
Kreuzberger Ring 68
65205 Wiesbaden
Telephone +49 611 696674-0
wiesbaden@bertrandt-services.com

Würselen (Aachen)
Bertrandt Services GmbH
Karl-Carstens-Str. 1
52146 Würselen
Telephone +49 211 520 6577-0
aachen@bertrandt-services.de

Würzburg
Bertrandt Services GmbH
Goerdelerstr. 4
97084 Würzburg
Telephone +49 931 991780-0
wuerzburg@bertrandt-services.com

FINANCIAL CALENDAR

Annual report 2016/2017
Annual press and analysts' conference
14 December 2017
Stuttgart/Frankfurt

Report on the 1st quarter 2017/2018
19 February 2018

Annual General Meeting
21 February 2018
10:30
City Hall Sindelfingen

Report on the 2nd quarter 2017/2018
14 June 2018

13th Capital Market Day
14 June 2018

Report on the 3rd quarter 2017/2018
29 August 2018

Annual report 2017/2018
Annual press and analysts' conference
13 December 2018

Annual General Meeting
20 February 2019
10:30
City Hall Sindelfingen

SUSTAINABILITY REPORT

How does Bertrandt approach sustainability? Our digital Sustainability Report provides information about responsible corporate governance, our employees, the environment, business partners and society. (only available in German).

Sustainability Report

CREDITS

Published and edited by
Bertrandt AG
Birkensee 1, 71139 Ehningen
Germany
Telephone +49 7034 656-0
Telefax +49 7034 656-4100
www.bertrandt.com
info@bertrandt.com

HRB 245259
Amtsgericht Stuttgart

Contact
Dr Markus Götzl
Head of Corporate Strategic Development, Marketing, Public and Investor Relations Department
Telephone +49 7034 656-4201
Telefax +49 7034 656-4488
markus.goetzl@de.bertrandt.com

Julia Nonnenmacher
Corporate Communication
Telephone +49 7034 656-4037
Telefax +49 7034 656-4242
julia.nonnenmacher@de.bertrandt.com

Design, layout and production
SAHARA Werbeagentur, Stuttgart
www.sahara.de

Text (pp. 20 to 43)
Alisa Hardt
Julia Nonnenmacher

Translation Agency
teamword –
financial & legal translations, Heidelberg
www.team-word.com

Photos
Andreas Körner, Stuttgart
Bertrandt archive

Legal Notice

This report contains inter alia certain foresighted statements about future developments, which are based on current estimates of management. Such statements are subjected to certain risks and uncertainties. If one of these factors of uncertainty or other imponderables should occur or the underlying accepted statements proved to be incorrect, the actual results could deviate substantially from or implicitly from the expressed results specified in these statements We have neither the intetion nor do we accept the obligation of updating foresighted statements constantly since these proceed exclusively from the circumstances on the day of their publication.

As far as this report refers to statements of third parties, in particular analyst estimations, the organisation neither adopts these, nor are these rated or commented thereby in other ways, nor is the claim laid to completeness in this respect.

CI-1279-11.17-A

Bertrandt AG
Birkensee 1, 71139 Ehningen
Germany
Telephone +49 7034 656-0
Telefax +49 7034 656-4100
www.bertrandt.com
info@bertrandt.com