CONSOLIDATED FINANCIAL STATEMENTS 2015

BayWa AG

BayWa

Management Report on the Group in the Financial Year 2015*

OVERVIEW

In a challenging market environment with widespread declines in prices for raw materials and agricultural produce, the BayWa Group was able to develop successfully in the reporting year 2015 and improve its operating result. The key factor in this trend was the systematic internationalisation of business activities. For instance, BayWa opened new agricultural trade offices in Ukraine, Russia and Argentina in 2015 and acquired the British grain trader Wessex Grain Ltd. Wessex Grain Ltd., based in Somerset, operates in the collection business in south and south-west England. BayWa also acquired the Romanian agricultural trader Patberg International S.R.L. based in Bucharest, which was renamed BayWa Agri Romania S.r.l. In the Agricultural Equipment business unit, BayWa established Barloworld Limited, Johannesburg, a joint venture for agricultural equipment sales in sub-Saharan Africa in which BayWa and Barloworld each hold a 50% share. In the area of renewable energies, the Munich-based trade and services group acquired project rights for several solar parks with a total output of 75 megawatts (MW) in North and South America; in addition, new branch openings in Japan and Singapore marked the first step into the South-East Asian market.

Revenues in the Agriculture Segment increased slightly in the financial year 2015 by 0.5% to €10,154.7 million. This was due to another significant rise in trading volume by 12.6 percent to approximately 30.2 million tonnes in the Agricultural Trade business unit and further sales growth in the Fruit business unit. The sharp decrease in prices for agricultural produce had an offsetting effect; as a result, revenues in the Agricultural Trade business increased disproportionately to sales volume by only 1.1% to €8,321.4 million. The development of agricultural produce prices was reflected in a fall in farmers' investment propensity, resulting in revenues in the Agricultural Equipment business unit falling by 3.8% year on year to €1,260.7 million. The new Digital Farming business unit, which was established in the fourth quarter, recorded revenues of €5.2 million. Revenues in the fruit business rose by 0.6% to €567.4 million. Earnings before interest and tax (EBIT) in the Agriculture Segment fell by €20.6 million year on year to €87.2 million. This was primarily due to the lack of summer rain in Germany and resulted in a decline in the use of crop protection products, much lower corn collection volumes and a lack of grain drying income. In addition, low water surcharges for freight led to a rise in logistics costs. There was also a moderate decline in EBIT in the Agricultural Equipment business unit on account of a drop in new machinery business. Start-up costs were incurred for the expansion of the Digital Farming business unit, which were not compensated by any income in the reporting year. By contrast, the Fruit business unit performed well, boosting its EBIT by 31.2% to a record-breaking €27.0 million.

For the Energy Segment, 2015 was a record-breaking year. BayWa r.e. renewable energy GmbH increased its revenues by 29.5% to €1,017.8 million thanks to strong project management business and a high number of systems sold. Among the sales was the "Beethoven" project in South Dakota, USA, BayWa r.e.'s largest wind farm to date with total output of 80 MW. EBIT in the Renewable Energies business sector rose by €25.3 million to a record-breaking €61.8 million. Conventional energies revenues declined by 16.9% to €2,246.4 million. This decline was solely due to the sharp fall in the price of crude oil in 2015, which pushed down prices for heating oil and fuels. By contrast, EBIT almost tripled due to higher margins and sales figures, rising by €9.7 million to €15.4 million. Total revenues in the Energy Segment declined by 6.4% to €3,264.2 million, while this segment's EBIT improved substantially by 82.6% to €77.2 million.

Business activities in the building materials industry were hampered by unfavourable weather conditions in the first few months of 2015, with construction business only really gaining momentum in the reporting year after Easter.

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*2014 figures adjusted; please refer to the "Earnings, Financial Position and Assets of the BayWa Group" on page 17 of the Management Report on the **Group with regard to the adjustments.**

At the same time, a sharp fall in demand on European building materials markets outside of Germany led to foreign producers increasing their market presence in Germany. This put pressure on prices for building and insulation materials in the reporting year. Even though the building materials trade was able to increase sales overall, the Building Materials Segment declined in the financial year 2015 by €28.4 million, or 1.9%, to €1,496.4 million (2014: €1,524.8 million). Thanks to the continued optimisation of the network of locations and a strong performance in the fourth quarter, EBIT came in at €27.4 million and almost matched the previous year's figure of €28.0 million.

In total, the BayWa Group generated revenues of €14,928.1 million in the reporting year. This equates to a 1.8% year-on-year decline, which was primarily due to the fall in prices for fossil energy carriers. The BayWa Group's operating result improved by 4.0% to €158.1 million. This was due to the excellent performance in the Energy Segment, particularly in the area of renewable energies. Consolidated net income decreased by 23.7% to €61.6 million, due to the fact that tax income of €0.3 million in the previous year turned into income tax expenses of €26.5 million in the financial year 2015. Earnings per share attributable to the shareholders of BayWa AG amounted to €1.39 (2014: €1.78). The BayWa Group holds promising positions in global growth markets. The continued strategy of internationalisation is carving out new earnings potential, which is reflected in the anticipated rise in EBIT in this financial year as stated in the Outlook section. Against this backdrop, the Board of Management and Supervisory Board will put forward a proposal to the Annual General Meeting of Shareholders to raise the dividend from €0.80 per share to €0.85 per share.

BACKGROUND TO THE GROUP

BayWa Group Business Model

Group structure and business activities

The BayWa Group

2015	Revenues (in € million)	Employees (annual average)
Agriculture	10,154.7	10,094
Energy	3,264.2	1,825
Building Materials	1,496.4	4,093
Other Activities	12.8	597
Total	**14,928.1**	**16,609**

BayWa AG was established in 1923 and has its principal place of business in Munich. Through consistent growth and the continual expansion of its scope of services, BayWa has grown from its humble beginnings in agricultural cooperative trading into one of the world's leading trade, services and logistics companies. Its business focus is on Europe, but BayWa has also established an international trade and procurement network by maintaining important activities in the USA and New Zealand and business relations from Asia to South America. The BayWa Group's business activities are divided into three segments – Agriculture, Energy and Building Materials – and encompass wholesale, retail, logistics, as well as extensive supporting services and consultancy. The BayWa Group has registered places of business in 34 countries, either through itself or through Group holdings.

Digitalisation, the "Internet of things" and global electronic networking are gradually penetrating all facets of the economy and our lives. As this trend takes hold, an increasing number of analogue business models are being systematically restructured as omnichannel models. The keys to success are the scalability of the business model, the speed of implementation (in other words the duration of the period from product development to marketable status) and the corporate culture. Launching an innovative business as a separate unit takes a tremendous amount of willingness. What is more, disproportionately high costs and start-up losses must also be planned for. BayWa identified this trend at an early stage and integrated it into its business model and entrepreneurial activities. This is leading to more efficient business processes, a broader range of products and services and the development of new customer groups. The focus is always on improving the benefit for the customer. Current examples are the establishment of the new Digital Farming business unit and the BEEGY GmbH joint venture in the Renewable Energies business sector, which pools energy production, services and IT into complete solutions and services for private customers, the trade sector, commerce and industry.

BayWa AG heads up business operations in three segments, both directly and through its subsidiaries, which are included in the group of consolidated companies. Besides the parent company BayWa AG, the BayWa Group comprises 294 fully consolidated companies. Furthermore, 32 companies were included at equity in the financial statements of BayWa.

Agriculture Segment
The Agriculture Segment traditionally accounts for the largest share of revenues at the BayWa Group; in 2015, it accounted for roughly 68% of revenues. In the past, this segment had been divided into three business units – Agricultural Trade, Fruit and Agricultural Equipment – covering the full range of agricultural products and services. However, given the increasing scale of digitalisation in the agricultural industry, BayWa has pooled its related activities in an independent Smart Farming business unit since the fourth quarter of 2015.

The Agriculture Segment is strongly influenced by natural phenomena, such as the weather and the effect these phenomena have on harvests. These factors have a direct impact on the offering and pricing in the markets for agricultural commodities and produce. Globalisation means that international developments – such as record or failed harvests in other parts of the world or changes in exchange rates and transport prices – increasingly affect price development in regional markets. The extent to which the prices of individual agricultural commodities influence one another has increased significantly in recent years and prices have become more volatile. Supply and demand for operating resources, or fertiliser and crop protection product prices, for example, are also increasingly influenced by global and regulatory factors. What's more, changes in the legal framework conditions, especially in the field of renewable primary products and renewable energies, can trigger considerable adaptive reactions in the markets trading agricultural products. Finally, regulations, for instance those issued by the EU, exert a major influence on pricing and structures in a number of relevant markets.

Agricultural Trade
BayWa is the leading European company in agricultural trade with a global reach. BayWa's Agricultural Trade business unit supplies farmers with operating resources such as seed, fertilisers, crop protection and foodstuff throughout the entire agricultural year and collects, stores and sells harvested produce. For its harvesting activities, BayWa maintains a dense network of high-performance locations in its core regions with significant transport, processing and storage capacities that ensure seamless goods delivery, quality assurance, processing, correct storage and handling of agricultural products. When it comes to the procurement and marketing of produce, BayWa possesses a global network comprising both inland and deep water ports. BayWa sells products to local, regional and national companies in the foodstuff, wholesale and retail industries through its in-house trade departments.

In the case of grain and oilseed, BayWa acts as a supply chain manager and covers the entire value chain from procurement and logistics to sales and is continuing to expand its international grain trading activities. A global trading and marketing platform has been set up in the shape of BayWa Marketing & Trading International B.V. (BMTI) in Rotterdam. Furthermore, further internationalisation was pursued in agricultural trade business in the financial year 2015 with the establishment of new trade offices in Ukraine, Russia and Argentina and the acquisition of grain trader Wessex Grain Ltd. in Great Britain. Wessex Grain Ltd., based in Somerset, operates in the collection business in south and south-west England. This region is an important procurement market for the Benelux, Spain and Ireland export markets. BayWa also acquired Romanian agricultural trader Patberg International S.R.L. based in Bucharest, which was renamed BayWa Agri Romania S.r.l. The move secures the BayWa Group access to this key procurement market for agricultural produce in Romania. In international terms, BayWa is one of the largest agricultural traders in the world, with access to supplies in both the northern and southern hemispheres. The BayWa Group supplies customers all over the world, from Great Britain and Ireland and the Netherlands and Belgium to Eastern Europe, the Baltic states and the MENA region (Middle East and North Africa).

In its traditional core regions, BayWa's agribusiness is embedded in the agricultural cooperatives trading structure. In Germany, this business is focused on a variety of regions on account of historical structures. BayWa has over 237 sites, which form part of an extensive and dense network in its regional markets, particularly in Bavaria, Baden-Wurttemberg, Lower Saxony, Mecklenburg-Vorpommern, Thuringia, Saxony and southern Brandenburg. By expanding its digital activities, BayWa is also acquiring new customers beyond these regions. Through its Austrian subsidiary RWA Raiffeisen Ware Austria AG, BayWa maintains close business relations across the whole of Austria with 472 cooperative warehouses. Numerous privately owned medium-sized trading enterprises, mainly operating locally, make up the competitive environment for agricultural products. In contrast, there are a number of wholesalers operating nationwide that offer equipment and resources. All in all, BayWa has established a leading market position for itself in the agricultural trade in Germany and Austria.

Fruit
In Germany, BayWa's Fruit business unit is a leading supplier of dessert fruit to the food retail industry, the largest single seller of dessert pome fruit and the largest supplier of organic pome fruit. Furthermore, BayWa also collects, stores, sorts, packages and trades fruit for customers in Germany and abroad as a marketer under contract at its 7 sites in the Lake Constance, Neckar and Rhineland-Palatinate regions. BayWa has reorganised its Fruit business unit's national business, which was transferred to the newly founded subsidiary BayWa Obst GmbH & Co. KG with effect from 1 January 2015. In doing so, BayWa focused its fruit business on the increasing specialisation in the national and international market. This allowed the processes and structures in the fruit business to be optimised, meaning that national fruit business can benefit from greater orientation towards the international flow of goods and the development of growth markets. BayWa has been operating in international fruit business since 2012 through its subsidiary T&G Global Limited (T&G). T&G is the leading fruit trader in New Zealand and also supplies parts of Asia and the South American market. Following T&G's acquisition of the third-largest apple supplier in New Zealand, Apollo Apples Limited, in the financial year 2014, the BayWa Group has increased its share in New Zealand apple exports to approximately 35%. In the financial year 2015, T&G acquired two New Zealand tomato growers, Great Lake Tomatoes Limited, Auckland, and Rianto Limited, Auckland, and entered into a joint venture

with asparagus trader and exporter M+G Vizzarri in Australia. Through the joint venture T&G Vizzarri Farms Pty Ltd, T&G has become a leading asparagus trader in the southern hemisphere and improved its position in the Australian food retail sector and in relation to its customers in South East Asia. What's more, BayWa is developing and cultivating new varieties of table grapes in Peru for the Asian market.

Through the reciprocal marketing of dessert fruit and pome fruit between the northern and southern hemispheres, BayWa is in the position to provide partners in the retail industry with fresh produce all year round, expand its product range and seize sales opportunities for German fruit on the international growth markets. The sales structures of T&G and its affiliates offer the potential to open up additional sales markets, particularly in Asia. For instance, T&G opened a branch in Shanghai in autumn 2015 to provide its Chinese contacts with optimum support.

Agricultural Equipment

The Agricultural Equipment business unit offers a full line of machinery, equipment and facilities for all areas of agriculture. The most important customer groups include those in agriculture and forestry, local government, and industry. Aside from tractors and combine harvesters, the range of machinery also includes versatile municipal vehicles, road-sweeping vehicles, mobile facilities for wood shredding and forklift trucks for municipal services and commercial operations. The range on offer for forestry extends from large machinery and equipment such as forestry tractors, wood splitting and chipping machinery, forest milling cutters and mulchers, cable winches, road and path construction machinery right through to small appliances such as chainsaws and brush cutters and the necessary protective clothing. In addition, an extensive network of workshops and mobile service vehicles provide maintenance and repair services for machinery and equipment.

For products made by AGCO and CLAAS, BayWa is the world's largest sales partner, and it maintains a closely linked network of in-house workshops in southern and eastern Germany that are tailored to manufacturer brands. The range of workshop services is also complemented by mobile service vehicles to provide maintenance and repair services, supply replacement parts and trade in used machinery. BayWa also sells used machinery via an online platform. Through Agrimec Group B.V., a joint venture founded between Agrifirm Group B.V. and BayWa, the company has been represented in the sale and servicing of agricultural machinery in the Netherlands since 2014. In 2015, BayWa established Barloworld Limited, Johannesburg, the joint venture BHBW Limited for agricultural equipment sales in sub-Saharan Africa in which BayWa and Barloworld each hold a 50% share. The joint venture holds licences to distribute AGCO brands Massey Ferguson and Challenger. The joint venture's first sales trading company began operations on 1 November 2015 in the Zambian capital Lusaka. The medium-term plan is to expand the joint venture's presence in Zambia and development more markets in sub-Saharan Africa. This marks the systematic continuation of the business unit's strategy of internationalisation to secure long-term growth opportunities.

Digital Farming

Digitalisation is changing agriculture as we know it. Nowadays, potential for optimisation at agricultural operations is more about optimising whole processes instead of implementing individual measures. Site-specific farm management allows costs for operating resources to be reduced significantly. Machinery and system maintenance costs can also be reduced through the rapid collection, assessment and transmission of technical data. By establishing a brand-new business unit for digital farming, BayWa is plotting a course into the digital future. The Digital Farming business unit also comprises PC-Agrar Informations- und Beratungsdienst GmbH, acquired by BayWa effective as at 1 April 2015, alongside the BayWa Group's existing e-commerce activities, which are already pooled in the new business unit. With its "Agrar-Office" software, PC-Agrar GmbH offers farmers a future-oriented, cross-manufacturer digital information platform. Moving forward, the aim is to develop solutions that allow farmers to seize the opportunities of smart farming across all types of machinery and operating resources and irrespective of the size of the farm. BayWa offers a range of modular tools and solutions for this purpose and aims to take on a leading role in the market in this area. PC-Agrar's sales subsidiary, LAND-DATA Eurosoft – renamed FarmFacts GmbH & Co. KG in November 2015 – was awarded a gold medal at the Agritechnica trade fair in autumn 2015. Together with a number of partners, FarmFacts has development a brand-new integrated solution for organic and mineral fertilisation known as "Connected Nutrient Management". LAND-DATA Eurosoft was also awarded a silver medal for its irrigation control software "ICA-Wireless". The next step is farm management, in other words the networking of entire areas of farms and processes with upstream and downstream stages. BayWa already offers an overall concept for medium-sized and small farms in the shape of the new "Next Farming" product generation.

Energy Segment

In the financial year 2015, the Energy Segment accounted for around 22% of consolidated revenues. The segment's business activities are divided into the conventional energy business and the Renewable Energies business sector, which is housed in BayWa r.e. renewable energy GmbH.

Conventional Energy

In its conventional energy business, BayWa predominantly sells heating oil, fuels, lubricants and wood pellets in Bavaria, Baden-Wurttemberg, Hesse, Saxony and Austria. In the heating business, heating materials are primarily sold through in-house sales offices. Diesel and Otto fuels are sold through over 244 of the Group's fuel stations in Germany. In addition, supplies are delivered to the fuel station chains operated by partner companies and wholesalers. In Austria, more fuel stations are managed by subsidiaries. The Group company GENOL acts as a wholesale fuel supplier to cooperative fuel stations. BayWa sells lubricants to commercial and industrial customers, as well as to farmers and operators of combined heat and power plants. BayWa is also one of the leading suppliers of environmentally friendly, vegetable oil-based lubricants. The subsidiary BayWa Energie Dienstleistungs GmbH offers extensive and individual solutions for energy provision to residential properties, municipal and commercial buildings and the healthcare and industrial sectors.

Besides the large mineral oil trading companies, the competitive environment is shaped mainly by medium-sized fuel traders. Having developed over time, there is now a close connection with agribusiness, as farmers are among the largest customer groups. In the Energy Segment, conventional energy business is mainly shaped by volatile price trends in the crude oil markets. The prices of fossil-based heating materials, fuels and lubricants are also subject to considerable fluctuations, which affect the demand for these products. In addition, demand for heating oil has been falling for years due to the increasingly widespread use of renewable energy sources and gas, as well as the improvement in energy efficiency in buildings.

BayWa r.e. renewable energy

The Group pools its entire renewable energy value chain in BayWa r.e. renewable energy. Activities are divided into four areas: project development/realisation, services, photovoltaic trade and energy trade. Project development/realisation encompasses project planning and management and the construction of wind power, photovoltaic and biomass plants through to the sale of finished plants. In February 2015, project licenses were acquired for the construction of several solar parks with a total output of 75 megawatts (MW) in North and South America. In addition, BayWa r.e. also acquired project licenses for 31 wind power projects at the end of 2015 with a total output of some 375 MW spread across various sites in Germany but mainly in North Rhine-Westphalia and Rhineland-Palatinate. Services comprise planning and technical services, the provision of operating resources and plant operations and maintenance. In this area, BayWa r.e. acquired the service business for renewable energy plans of Deutsche Immobilien Leasing GmbH in 2015. In addition, BayWa r.e. also trades in photovoltaic systems and components and markets electricity, gas and heat generated from renewable sources. This business sector has been internationally oriented right from day one, as BayWa r.e. pursues a double diversification strategy in order to reduce reliance on certain national markets and respective renewable energy sources. BayWa r.e. is now represented in all major European markets, North America, Japan and Singapore: a total of 16 countries.

The market for renewable energies is a largely regulated market where energy is produced and fed into the grid at prices set by the government. Developments in the market are therefore largely determined by changes in the structure and size of state subsidies. BayWa's wind energy and solar activities operate in Austria, Croatia, Denmark, France, Germany, Great Britain, Italy, Japan, Mexico, Poland, Romania, Singapore, Sweden, Switzerland, Spain and the USA. This ensures that BayWa is well diversified both in terms of its range of energy carriers and its geographic distribution. By consolidating various affiliated companies in the umbrella brand BayWa r.e. renewable energy and setting up a clear business structure in both the areas of wind energy, solar and biomass as well as in the Projects/Services and Trade functional units, the foundations have been laid to eliminate overlapping activities, take advantage of synergies and thus participate in the anticipated market growth. Generally, investment incentives through guaranteed feed-in tariffs or tax breaks affect demand. In Germany, the structuring of subsidies in the German Renewable Energy Sources Act (EEG) is a major factor influencing demand for wind energy, photovoltaic and biomass plants, as the profitability of these plants is determined by the statutory feed-in tariffs. Similar subsidy mechanisms usually exist in foreign markets. Furthermore, regulatory intervention in free trade also influences prices for systems components. Changes to relevant legislation can therefore have significant effects on investments in renewable energy.

Building Materials Segment
Approximately 10% of consolidated revenues are generated in the Building Materials Segment. The segment primarily comprises building materials trading activities in Germany and Austria. In addition, BayWa supplies a number of franchise partners in the building materials and DIY and garden centres business in Austria and Italy through its Austrian subsidiary AFS Franchise-Systeme GmbH. With a total of 145 locations, the BayWa Group is Germany's number two in the building materials trade and ranks among the leading suppliers in Austria with 31 sites. The number of franchise locations is currently 1,320.

In the building materials trade, BayWa mainly caters to the needs of small and medium-sized companies, tradesmen, commercial enterprises and municipalities. Private building companies and house owners are also important customers. The key success factors in this business are physical proximity to the customer, the product mix, advisory services and close relations with industrial customers. BayWa takes these factors into account with a targeted focus on its customer groups when it comes to sales and customer consulting services. Further focal points include comfortable living and energy efficiency. BayWa offers its customers a wide range of emissions-tested building materials and solutions for energy-efficient construction or renovation. In the case of conventional construction materials, being close to the customer is a significant competitive advantage. However, at the same time, the cost of transporting heavy or bulky construction materials with relatively low added value necessitates excellent location structures and optimum logistics.

The building materials market is strongly fragmented both in Germany and in Austria. In Germany, there are around 760 companies in total with some 2,250 sites specialised in the building materials trade. The majority of these are small or medium-sized enterprises, which often join forces in the form of procurement groups and similar organisations.

Changes in the economic and political environment in particular may have a positive or negative effect on the Building Materials Segment, especially in the case of subsidy programmes concerning energy-efficient renovation and residential construction. The development of the building materials trade generally follows overall building activity. Civil engineering and road construction depend greatly on public-sector spending. In the area of private construction, incentives such as government subsidies for renovation or refurbishment measures and favourable interest rates for financing play a major role in investment decisions. In addition, manifold regulations influence general investment propensity levels and the demand for certain products. Construction laws and directives, such as the German Energy Saving Ordinance (EnEV) or the introduction of energy certification for buildings, construction permits, public procurement law, as well as directives on fire and noise insulation are of particular significance.

Management, Monitoring and Compliance

BayWa is an Aktiengesellschaft (stock corporation) under German law with a dual management structure consisting of a Board of Management and a Supervisory Board.

As at 31 December 2015, the Board of Management consisted of five members: Prof. Klaus Josef Lutz (Chairman, responsible for agricultural and fruit trading), Andreas Helber (responsible for finance and building materials), Roland Schuler (responsible for operating resources trading and agricultural equipment/digital farming), Matthias Taft (responsible for energy) and Reinhard Wolf (responsible for RWA Raiffeisen Ware Austria AG). The Board of Management is solely responsible for managing the company with the primary aim of increasing its value over the long term.

The BayWa AG Supervisory Board consists of 16 members. It monitors and consults the Board of Management in its management activities and regularly discusses business development, planning, strategy and risks together with the Board of Management. In accordance with the German Codetermination Act (MitbG), shareholder and employee representatives also sit on the Supervisory Board of BayWa AG to ensure codetermination on the basis of parity. The Supervisory Board has formed six committees in order to boost efficiency.

Cooperation between the Board of Management and the Supervisory Board and on corporate governance at BayWa AG is detailed in the Supervisory Board report and the corporate governance declaration.

The main task of the Corporate Compliance organisational unit is to perform preventative duties. Corporate Compliance draws on training courses and an extensive range of consultancy and information services to prevent breaches of the law. Its activities are focused on corruption prevention and antitrust law. Comprehensive frameworks have been developed and implemented across the company on these issues. Furthermore, a Group-wide code of conduct has been introduced, creating a uniform set of values which apply to the entire BayWa Group. Employees who wish to report potential breaches of compliance regulations are now able to register their grievances through an anonymous tip-off system in addition to existing possibilities, such as the ombudsman. Reported information is assessed and followed up in conjunction with Group Audit. Corporate Compliance and the Group Audit organisational unit work together closely in internal investigations of an antitrust or criminal nature. There is also an extensive range of compliance controls to review and guarantee adherence to compliance principles. Corporate Compliance is managed by the Chief Compliance Officer, who reports directly to the Chief Executive Officer. Compliance Officers are also appointed in BayWa's business units, as well as at all significant affiliated companies. They are available to employees as additional contact partners and act as conduits.

The areas of foreign trade law, data protection, tax compliance, environmental law and data security are managed by independent departments in the company.

Corporate Goals and Strategy

As a partner to its customers, BayWa intends to ensure that the company is fit for the future and independent. Its corporate governance is oriented over the long term and shaped by the company's responsibility towards customers, employees, other stakeholders and the company as a whole. The environment and the markets in which BayWa operates are subject to constant changes. In order to reinforce its position and expand its presence by carving out market opportunities, BayWa acts with entrepreneurial foresight while remaining decisive, quick-thinking and flexible. BayWa achieves its growth targets through the organic development of existing activities, through general development of new business areas in Germany and abroad and through acquisitions. In addition, BayWa joins forces with other companies to seize new business opportunities through partnerships and cooperation. The internationalisation of the company's business activities represents a central strategic thrust: through targeted acquisitions, the development of new business areas and organic growth in agricultural trade, fruit, agricultural equipment and renewable energies, BayWa has succeeded in entering new corporate dimensions over the past few years. This means that the Group has taken a major step towards its aim of becoming Europe's leading agricultural trade, distribution and logistics provider with global reach. In fruit trade, BayWa is also setting its sights on its medium-term target of offering a diverse and attractive range of produce throughout the year by systematically expanding its procurement base in the southern hemisphere. In order to secure long-term growth opportunities in the agricultural equipment sector, the Group intends to take on a leading role as an independent provider of smart farming solutions for all farm sizes, alongside its geographic expansion. As one of Europe's largest providers of renewable energies, BayWa's focus is on driving forward the expansion of its renewable energies business on a global stage. Internationalisation forms the key foundations for the growth that reinforces BayWa's competitive position and opens up new markets. Other focuses include expanding digital offerings and strengthening the BayWa umbrella brand.

BayWa continually analyses its business portfolio – comprising the Agriculture, Energy and Building Materials Segments and their respective business units and business sectors – in view of future growth and earnings potential. Another important aspect is the further improvement of the business risk profile. The increasing internationalisation of business activities in the agriculture and energy industries reduces reliance on individual national markets. BayWa reorganised its agricultural trade activities in the reporting year in order to boost effectiveness in relevant markets. BayWa Agricultural Sales (BAV), which comprises collection and trade business involving operating resources and feedstuff, and the Agricultural Equipment and Digital Farming business units have been pooled in BayWa Agri Services. BayWa Agri Supply & Trade (BAST) encompasses BayWa's national and international trading, distribution and logistic activities involving grain, oilseed and co-products. It consists of three organisational units, BayWa Agricultural Products, BayWa Agricultural Trade and BayWa Agrar International. Effective as at 1 January 2016, BayWa Agricultural Trade's operating resources business was allocated to BAV. Produce trade is carried out by BAST. The newly established Digital Farming business unit has been housed in the Agriculture Segment since the fourth quarter of 2015.

At the same time, BayWa systematically pursues the strategy of restructuring, adapting or disposing of any activities with insufficient growth and/or earnings prospects. This way, BayWa counteracts the structurally driven decline in demand for heating oil for years by acquiring smaller competitors; in order to expand its market position moving forward, BayWa is also considering a corporate partnership under BayWa stewardship. BayWa is also aiming to find an effective solution to improve competitiveness and safeguard jobs in the medium term in its building materials business.

Strengthening the market position, boosting revenues and optimising the business portfolio all serve the same goal: increasing the profitability of the BayWa Group's business activities over the long term. The newly acquired companies open up a wide range of business opportunities and, therefore, also earnings opportunities. Revenues growth can generate economies of scale, such as in procurement through the pooling of procurement volume, which leads to more favourable purchasing conditions. The continual improvement of cost structures has always been a core element of the BayWa strategy. The focal point here is on optimising the network of sites, structuring processes efficiently, intensifying the use of existing sales structures and strengthening cooperation between Group companies at an operating level. Continuous development of the Group risk management system is aimed at mitigating risks and minimising risk costs.

The development of the BayWa Group is accompanied by a solid and proactive financing strategy. It is shaped by the caution traditionally exercised by companies in the cooperative and agricultural sectors, but also takes into account the changing requirements of an established international Group. In its corporate financing, BayWa puts its faith in tried-and-tested, reliable partners in the cooperative federation. Furthermore, it makes sure that there is sufficient diversification in terms of financing sources, so as to guarantee its independence and limit risks. Efficient management of working capital is vital at the BayWa Group as it represents a net figure for current assets less current liabilities. BayWa aims to maintain a balanced capital structure. The target equity ratio stands at 30%, but can be temporarily breached when taking advantage of growth opportunities.

Control System

Strategic controlling of the corporate divisions is based on value-oriented corporate governance and integrated risk management. Operational management of the corporate divisions is conducted based on targets; the key earnings figures EBITDA, EBIT and EBT are primarily used as the most significant financial performance indicators. The development of financial performance indicators in the financial year 2015 is described in the Financial Report in the section "Financial Performance Indicators". Non-financial performance indicators are still of secondary importance at BayWa.

The value-driven management approach supports the medium- and long-term streamlining of the portfolio and the strategic orientation of capital allocation within the Group. This approach shows whether the ratio between the operating profit achieved and the risk-adjusted cost of capital is appropriate, i.e. whether the segment has earned its cost of capital. Return on average capital invested in the corporate divisions is calculated by applying the weighted average cost of capital (WACC) model. The return on invested capital (ROIC) of the corporate divisions is then measured against the respective cost of capital. There is economic profit if the return on invested capital is higher than the cost of capital specific to each business unit. The development of an efficient risk management system is particularly important in safeguarding long-term economic success, especially in international business. The risk management system is monitored and managed by a Risk Board established in 2009 and headed up by the Chief Executive Officer. The Agricultural Coordination Center (ACC), set up for this purpose in 2014, was developed further in the financial year 2015 and its instruments enhanced: In the newly created organisational unit Economics and Public Affairs Department (EPAD), market analysis is carried out for all of the BayWa Group's agriculture activities. In addition, a system to coordinate trade management has been created in the shape of the Global Book System (GBS), which reconciles and optimises trade and risk positions of individual product lines in grain, oilseed and co-product trade for national and international divisions.

FINANCIAL REPORT

Operative Business Development

Agriculture Segment

Market and industry development

Global grain production – excluding rice – increased in harvest year 2014/15 by just under 1.4% to a record-breaking 2,023 million tonnes. Harvest volumes exceeded the figure forecast at the start of 2015 by 22 million tonnes. In Germany, the harvest brought in 48.8 million tonnes of grain in 2015, down roughly 6% on the extremely high previous-year figure. Corn harvest volumes in Germany suffered a particular decline, falling by 26%, due to the hot summer and dry weather conditions. With overall weather conditions providing favourable worldwide, the first half of 2015 saw successive increases in forecasts for the global grain harvest in harvest year 2015/16 to a total of 2,000 million tonnes. As a result, the harvest only fell just short of the previous two years. On the back of the record-breaking harvest of 676 million tonnes in harvest year 2014/15, the oilseed harvest in 2015/16 is once again expected to be very high at 672 million tonnes. Due to the ample supply situation, prices of much agricultural produce declined even further in 2015 – with the exception of fruit and vegetables. The positive supply situation was primarily caused by the low number of weather-related failed harvests. The much-anticipated negative impact of El Niño on the southern hemisphere harvest failed to materialise. As a result, exchange-traded funds and speculative investors who had gambled on prices rising were forced to reposition themselves. This caused grain prices to plummet in the second half of the year, with price volatility increasing at the same time. Over the year as a whole, prices fell by roughly 12% to their lowest level in five years. This price trend meant that the willingness among German farmers to sell grain was subdued at times. The solid supply situation also meant that processors were also reticent when it came to their buying activities. At the end of the year, the price of wheat on the MATIF commodity futures exchange was some 10% down year on year at approximately €175 per tonne. All in all, the producer price index for agricultural produce in Germany had fallen by some 5% year on year by the end of the third quarter.

Global milk production increased even further in 2015. Production in the European Union (EU), the world's largest milk producer, rose by 1.1% to just under 162 million tonnes in 2015. The end of the milk quota as at 31 March 2015 led to considerable increases in production in some EU member states. By contrast, milk production decreased slightly in Germany in 2015. Global trading volumes of dairy products fell by 1.7% to roughly 71.3 million tonnes in 2015. This was primarily due to the decline in demand from China, as well as the ban on imports from Australia, the EU, Canada, Norway and the USA imposed by Russia in August 2014. The ample supply situation put prices on the dairy market around the world under pressure, which gave dairy-producing farms an increasing number of problems. The FAO (Food and Agriculture Organization) Dairy Price Index fell from the annual high of 185.9 points recorded in March by almost 20% to 149.5 points in December 2015.

Global meat production in 2015 rose by approximately 1.1% to 318.8 million tonnes. In the EU, meat production was up by 2.5% to 45.6 million tonnes, making it the second-largest meat producer after China. In Germany, meat production increased by roughly 1% to 8.8 million tonnes, with pork production increasing in particular and accounting for some 58% of German meat production. There were also slight increases in poultry production, whose share in overall production rose to approximately 21%. Beef production lost a small amount of its market share to poultry, but continues to account for roughly 14% of overall production. According to the FAO Meat Price Index, global market prices for meat fell by some 20% between October 2014 and early March 2015 and subsequently treaded water at this level. This stabilisation was due to the higher prices for beef, while prices for pork and poultry declined further. The development of prices in the EU and Germany largely followed the global trend. The financial situation of German animal feeding operations has deteriorated considerably as a result.

The price index for agricultural operating resources has declined in Germany over the past three years. At the end of the third quarter of 2015, costs for operating resources were down 0.8% year on year. This trend is likely to have actually increased in tempo in the fourth quarter, particularly due to the sharp fall in the price of crude oil. Seed prices fell by 2.3%. This was partly due to the fall in market prices for agricultural produce. The supply situation is guaranteed in most cases, in spite of the dry conditions in 2015. Cultivation areas for grain legumes for the 2015 harvest were increased in size significantly to meet rising demand caused by greening regulations. On average, fertiliser prices rose by 3% year on year. Prices for nitrogen fertilisers declined marginally in 2015, whereas phosphate fertilisers experienced a significant price rise due to the significant exploitation of phosphate reserves and the scarcity in supply worldwide. Sales of fertilisers fell by 6.2% on account of the lack of usage caused by the dry conditions in the reporting year. Sales of crop production products declined substantially year on year, as the dry weather meant that much lower volumes of products were required. Prices rose slightly by 1.9% year on year. Prices of feedstuffs were down 1.7% on the previous year on average.

Due to the less favourable weather conditions compared to the previous year, harvest volumes were down across almost all fruit produce in Germany in 2015. As anticipated in the forecast at the start of the year, the 2015 German apple harvest was down 13% on the exceptionally positive harvest in 2014 at 903,000 tonnes. Periods of dryness with some tropical temperatures hampered fruit growth and caused fruit sunburn. At roughly 12.0 million tonnes, harvest volumes in the EU were down by some 4% on the record-breaking harvest of the previous year. Prices in the previous year came under pressure from high harvest volumes and the Russian import embargo, whereas the lower harvest in 2015 caused producer prices to rise noticeably. In New Zealand, the 2015 apple harvest increased in volume by roughly 11% year on year to 543,146 tonnes; originally, an increase of 13% had been anticipated. New Zealand exports over 60% of its apple harvest, with roughly two-thirds destined for Asia – and rising.

Investment activities in agriculture declined considerably in 2015 due to the significant downturn in farmers' revenue and income situation compared to previous years. Low producer prices for milk and feeding pigs dampened farmers' investment propensity. According to estimates by the German Engineering Foundation (VDMA), revenues in the agricultural equipment sector fell by 4% to just under €7.4 billion. At the start of the year a decline in investments of 7% had been anticipated. Tractor revenues declined in Germany by a disproportionately high 9.7%, while new tractor registrations fell by 6.9%. Sales of other agricultural machinery developed considerably better, with revenues declining by just 2.5% in 2015. Development of mowers and lawnmowers and self-propelled forage harvesters, in particular, was extremely dynamic. There is enormous potential for growth in digital farming: just 39% of farmers have a digitalised acreage index and only 33% are able to apply different fertilisers to different areas.

Business Development

Revenues in the Agricultural Trade business unit increased by €90.7 million, or 1.1%, to €8,321.4 million in the financial year 2015. The rise in revenues was largely the result of the 4.5 million tonnes, or 30.4%, rise in BayWa's grain trading volume to 19.5 million tonnes, caused by company expansion. All in all, grain and oilseed turnover stood at roughly 30.2 million tonnes (2014: 26.8 million tonnes). This overcompensated for lower revenues due to considerably lower corn collection volumes, a lack of grain drying revenues due to the lack of rain in the summer and the sharp fall in prices for agricultural produce. There was also a slight 1.2 million tonnes decline in turnover volume of oilseed and other products to 10.7 million tonnes. In terms of operating resources, BayWa Group focuses on the sale of seed, fertilisers, crop protection and feedstuff. Demand was varied here in 2015. Sales of fertilisers went against the general market trend and stood at just under 2.5 million tonnes, an increase in volume of 5.7% – with prices also improving on the previous year. This was primarily the result of a significant rise in sales from Austrian subsidiary RWA Raiffeisen Ware Austria Aktiengesellschaft. Seed sales also increased in the reporting year, rising by 10.6% against the backdrop of stable prices. The dry weather in the summer cut short the period of effective crop protection application, meaning that many farmers were not able to perform as many treatments as in the previous year. Feedstuff sales fell in the reporting year by 12.3% as a result of the transition from in-house to external procurement. Earnings before interest, tax, depreciation and amortisation (EBITDA) in the Agricultural Trade business unit declined in the reporting year by €24.5 million, or 25.4%, to €71.9 million primarily as a result of the fall in produce prices. In addition, low water surcharges for freight led to a rise in logistics costs. Finally, start-up costs were incurred on account of the ongoing international expansion of business, which did not generate any revenues in the reporting year. At €30.3 million, depreciation and amortisation in this business unit was slightly up on the 2014 figure of €31.5 million, meaning that EBIT (earnings before interest and tax) fell year on year by €23.3 million to €41.6 million. This equates to a decline of 35.9%. Financial expenses declined by €1.5 million to €22.0 million largely as a result of the price-related fall in working capital employed. Overall, Agricultural Trade business unit's earnings before tax stood at €19.6 million in 2015, down by €21.8 million on the previous year's figure of €41.4 million.

As expected, total fruit sales at the BayWa Group rose significantly by 16.2% in 2015. Alongside the record-breaking harvest in New Zealand, this rise was primarily due to the first-time full-year inclusion of Apollo Apples Limited. International sales volumes of New Zealand company T&G Global Limited (T&G) rose by 40.5%, while marketing volume in Germany was 6.9% down on the previous year's figure. Revenues in the Fruit business unit increased marginally by 0.6% in 2015 to €567.4 million (2014: €563.9 million). The major decline in German fruit business was more than evened out by growth in international activities. EBITDA improved by €5.9 million, or 17.4%, to €40.0 million. This rise in earnings was primarily due to the marketing of the record-breaking harvest in

New Zealand, operating improvements at T&G and the full-year earnings contribution of the New Zealand company Apollo Apples Limited, which was acquired in December 2014. Depreciation and amortisation was down by €0.5 million at €13.0 million. As a consequence, the operating result (EBIT) rose by a disproportionately high 31.2%, or €6.4 million, to €27.0 million. In the course of growth investments and financing of the increased working capital, financing costs increased by €1.3 million to €5.7 million. Overall, earnings before tax in the Fruit business unit improved in the reporting year by €5.1 million, or 31.8%, to €21.3 million.

Business involving tractors and other agricultural machinery declined significantly in 2015 due to a fall in farmers' investment propensity. All in all, sales of new tractors were down 8.7% at 3,986. However, sales of used machinery rose by 2.3% to 1,789. In terms of farm and animal equipment, the business unit benefited from a high level of orders from 2014. However, the same high level of revenues recorded in the previous year was unable to be matched against the backdrop of a market-related fall in demand for buildings and systems in the reporting year. By contrast, sales rose in the service and repair business, which recorded a rise in demand for customer services on account of high tractor and combine harvester sales in previous years. The Agricultural Equipment business generated total revenues of €1,260.7 million in 2015, which equates to a €50.0 million, or 3.8%, decline year on year. EBITDA declined by €1.4 million, or 4.3%, to €31.9 million, above all because of a fall in business in new machinery. Depreciation and amortisation declined by €0.6 million, or 5.5%, to €10.4 million in the reporting year, resulting in a decline in EBIT of €0.8 million, or 3.7%, to €21.5 million. Financing costs fell by €1.8 million to €9.5 million as a result of the reduction in working capital. In total, earnings before tax in the Agricultural Equipment business unit climbed by €1.0 million to €12.0 million in 2015.

The new Digital Farming business unit, which was established in the fourth quarter of 2015, mainly comprises the business activities of PC-Agrar GmbH, acquired in April 2015, and its subsidiaries. In 2015, the Digital Farming business unit generates revenues of €5.2 million. BayWa has set itself the target of taking on a leading role as a component partner to the agricultural industry when it comes to smart farming and farm management solutions. Start-up costs were incurred due to the establishment of business unit structures and investments in future growth, which led to negative EBITDA of €2.2 million in the reporting year. After depreciation and amortisation of €0.7 million, EBIT came to €–2.9 million in 2015. The business unit's earnings before tax also came to this figure, as no major financing costs were incurred.

Revenues in the Agriculture Segment increased in the financial year 2015 by 0.5% to €10,154.7 million. The operating result before depreciation and amortisation (EBITDA) fell by €22.2 million to €141.6 million (2014: €163.8 million), particularly due to the fall in revenues in trade with agricultural produce. After depreciation and amortisation of €54.4 million in the reporting year (2014: €56.0 million), the segment's EBIT declined by €20.6 million to €87.2 million. The segment's financing costs fell in the reporting year by €2.0 million to €37.2 million. In total, the Agriculture Segment recorded earnings before tax of €50.0 million in financial year 2015, down from €68.5 million in the previous year.

Energy Segment

Market and industry development

The price of crude oil fell sharply over the course of 2015 on account of the ongoing situation of excess supply worldwide, the anticipated return to the oil market of Iran following the conclusion of the nuclear deal and the weaker than expected economic growth, particularly in emerging economies. Contrary to expectations of a rise to USD80 to 85 per barrel, the price of oil fell from roughly USD56 per barrel at the beginning of the year by just under 35% to under USD37 per barrel at the end of the year. Prices last fell to this level in late 2008 at the height of the financial crisis. The price of heating oil largely followed this trend and was considerably down on 2014 levels throughout 2015. In the German heating market, heating oil sales declined year on year by 3.7% in 2015. The fall in sales was the result of an ongoing structural decline in consumption as well the comparatively mild winter. Total fuel sales rose by 2.1% between January and December 2015 against the backdrop of a 1.8% increase in vehicle stock. Sales of Otto fuels declined by 1.4%, while diesel fuel consumption was up by 4.0%. Total lubricant sales in 2015 fell year on year by 2.4% despite the positive economic environment in Germany overall. This was primarily due to the decline in lubricating grease and hydraulic oil sales, while demand for engine oils rose by 5.5%.

The renewable energies trend accelerated worldwide in 2015. Investments in these energies rose to a total of USD329.3 billion in 2015, a 4.2% year-on-year increase from USD315.9 billion.

Photovoltaic capacity expansion worldwide was up 27% year on year in 2015 at 51 gigawatts (GW), and rose to a much greater extent than the anticipated 5%. Just under 30% of newly installed plants were located in China, with

Japan accounting for roughly a further 20% and the USA some 19%. Europe accounted for a share of just under 17% in worldwide capacity expansion in 2015. The largest individual markets are Great Britain, with expansion of 4.0 GW, and Germany with expansion of 1.4 GW, although capacities of newly installed solar power systems declined (2014: 1.9 GW). As a result, the German government missed its annual capacity expansion target of 2.4 GW to 2.6 GW for the second year in succession. This was primarily due to the fact that subsidies under the German Renewable Energy Sources Act (EEG) for free-standing plants of up to 10 megawatts (MW) were removed as at 1 September 2015. Since then, subsidies are only being granted through tender processes. At the end of 2015, the total output of the solar power plants compensated under the German Renewable Energy Sources Act (EEG) installed in Germany was 39.7 GW.

According to the World Wind Energy Association (WWEA), wind power capacity worldwide increased by 56.6 GW, a rise of roughly 7% on the previous year, and therefore exceeded forecast capacity expansion to 54.0 GW. Just under 29 GW, or roughly 51%, of newly installed capacity was attributed to China. The second-largest wind power plan market in 2015 was the USA with capacity expansion of 8.6 GW. Great Britain only recorded onshore wind power capacity expansion of some 0.4 GW in 2015. In Germany, wind power capacity expansion reached 3.5 GW (2014: 4.4 GW), significantly higher than the figure of 2.5 GW targeted by the German government. At the end of 2015, onshore wind power plants with a total output of 41.7 GW were operating in Germany. This equates to a year-on-year rise of some 9%.

Approximately 9,000 biogas plants were operating in Germany at the end of 2015, with a total output of roughly 4.2 GW. Some 200 of this amount were commissioned in 2015 – most of which consisted of small-scale manure-based plants with an output of up to 75 kilowatts (KW). Most plants have already been in operation for some 15 years, so subsidies under the German Renewable Energy Sources Act (EEG) are set to expire in five years. Since the application of the amendment to the German Renewable Energy Sources Act (EEG), new biomass projects are no longer attractive due to the massive cuts to subsidies in Germany. The only opportunities exist in repowering or using bio-energy plants as a standby source on the electricity market as well as in service business. Under these circumstances, it is doubtful whether the German government will reach its target of covering 6% of natural gas consumption through biomethane in 2020 and 10% of consumption by 2030.

Business Development

Heating oil sales in BayWa's conventional energy business increased by 2.5% in the financial year 2015. The increase in sales volume was primarily due to the fact that consumers seized on the falling prices to fill up their tanks. Heating oil sales also benefited from the positive performance of Austrian subsidiaries. Sales of wood pellets increased by 15.7%, with the market share increasing as a result of the construction of five specialist centres in southern Germany with sophisticated logistics concepts and nationwide delivery. BayWa Group fuel sales rose marginally by 0.4% year on year, with the market-related decline in Otto fuel sales more than compensated for by the increase in diesel sales. The lubricant business saw a 4.5% increase in sales in 2015 and was therefore able to outperform the market. The decline in first fills due to the fall in new tractor registrations was more than compensated for by growth in special products such as gas engine oils or AdBlue. BayWa has been able to acquire new customers in heat contracting, including the heating supply contract for Straubing Wallmühle Airport. Conventional energy sales declined by €456.4 million, or 16.9%, in the reporting year to €2,246.4 million primarily on account of the significant decline in heating oil and fuel prices. EBITDA improved by €9.1 million, or 61.1%, to €24.0 million as a result of increases in sales as well as positive margin development in the fuel business. Depreciation and amortisation of €8.6 million was €0.5 million down on the previous-year figure. There was therefore a disproportionately high increase in EBIT of €9.7 million to €15.4 million (2014: €5.7 million). Financing costs in the reporting year amounted to €0.2 million (2014: financing income of €1.1 million). Total earnings before tax more than doubled to €15.2 million (2014: €6.9 million).

The international orientation of activities in the Renewable Energies business sector in 2015 resulted in revenues rising to over €1 billion. The output generated by all wind power, solar power and biomass plants commissioned in 2015 rose by some 76% in the reporting year to 294.9 MW (2014: 167.1 MW). Of this amount, 205.2 MW was attributed to wind power plants, 86.6 MW to solar power plants and 3.1 MW to biomass plants. Completed systems were sold in 2015 in Germany, Austria, France, Spain, Great Britain and the USA. A total of 11 solar projects with a total output of 123.1 MW were sold, with 71.5 MW of this total output attributed to Great Britain, 35.8 MW to Spain and 13.3 MW to the USA. A total of 7 wind power plants were sold in Germany, Austria, Great Britain and the USA with a total output of 164.3 MW. The USA was the largest market, accounting for 79.6 MW of output, followed by Great Britain with 29.9 MW and Austria with 27.1 MW. BayWa r.e. assumes responsibility for the commercial and technical operations as well as the maintenance of most of these wind and solar power plants, too. Sales in trading with photovoltaic components rose by 19% to 245.6 megawatts peak power output (MWp), mainly as a result of activities in the USA and Switzerland. Total revenues in the Renewable Energies business sector increase in the financial year 2015 by €231.6 million, or 29.5%, to €1,017.8 million. EBITDA rose by €31.6 million, or 53.5%, to €90.8 million, with depreciation and amortisation rising less sharply than revenues of €6.4 million, or 28.1%, to €29.0 million. The €25.3 million, or 69.2%, rise in EBIT to €61.8 million was therefore greater than the increase in revenues. At €11.2 million, financing costs were down by €1.6 million, or 12.8%, on the previous year. All in all, the business sector's earnings before tax practically doubled year on year, rising by €26.9 million to €50.6 million.

In total, revenues of the Energy Segment fell by €224.8 million, or 6.4%, year on year to €3,264.2 million in the financial year 2015. The segment's EBITDA increased by €40.7 million to €114.8 million. Adjusted for depreciation and amortisation, which increased by €5.8 million year on year to €37.6 million, EBIT climbed by €34.9 million, or 82.6%, to €77.2 million. Financing costs declined by €0.3 million to €11.4 million. Overall, the Energy Segment's earnings before tax more than doubled to €65.8 million (2014: €30.6 million).

Building Materials Segment

Market and industry development

The German construction sector began 2015 more cautiously than 2014, more due to the lack of demand for commercial and public sector construction than poor weather conditions. The construction industry only expanded by some 1% over the year as a whole – instead of the 2% forecast at the start of the year. However, revenues in the main construction industry broke the €100 billion mark for the first time since 2000. Residential construction firms recorded a solid order situation throughout the year. However, at 2%, actual residential construction growth fell just short of the forecast figure of 3%. In public sector construction, revenues stagnated at the previous year's level, whereas commercial construction recorded a decline of 0.5%. Residential construction, which accounted for the largest share of 60.2% in total investment in construction, generated real investment growth of 1.5%. Growth was primarily due to a sharp rise in the construction of new multi-storey residential properties in major urban areas; building completion rose in 2015 by approximately 27% year on year. By contrast, construction of single- and multiple-family dwellings and construction outside of major urban areas developed sluggishly. Construction volume in refurbishment, renovation and modernisation business remained on a par with the previous year. There was a decline in energy-efficient renovation, partly due to the sharp fall in energy prices. Another reason was the high capacity utilisation in the construction industry. As a consequence, renovation orders were pushed aside by new construction business. Real investments in commercial construction declined by 1.9% in 2015. Even though capacity utilisation was up on the long-term average at some 84%, investments in expansion largely failed to materialise. Contrary to original expectations, public sector construction failed to rise in 2015. In fact, public-sector spending on construction declined by 1.7%.

Contrary to expectations of a slight rise in 2015, construction investment in Austria is actually estimated to have declined by 1% in 2015. The construction industry therefore performed considerably worse that the economy as a whole. The continual decline in the level of orders in the industry in almost all of Austria's federal states led to a major downturn in sentiment in the Austrian construction industry over the course of the year. Residential construction performed poorly, in spite of rising property prices, favourable financing conditions, high demand for living space and a record-breaking number of building permits. Another contributing factor is likely to have been that the residential construction subsidies offered by Austrian federal states have been too low in the past two years to inject momentum into the residential construction industry. In Vienna, Lower Austria and Salzburg, subsidies were actually cut. In terms of commercial construction, momentum remained limited to public-sector clients, who accounted for just under one-third of commercial construction activities. Thanks to investment of just under €600 million in the construction, development and renovation of public-sector buildings, marginal growth is likely to have been achieved in the commercial construction industry by the end of 2015. Civil engineering, in which some 60% of orders originate from the public sector, was only able to stabilise itself in the second half of 2015. Increases in order intake and trust in construction firms in the second half of the year may suggest recovery, but there has barely been any improvement in capacity utilisation. The civil engineering sector only generated growth of 1% to 2% in 2015 as a whole.

Business Development

Building materials activities were hampered by unfavourable weather conditions in the first few months of 2015, with construction business only really gaining momentum in the reporting year after Easter. Industry growth is solely driven by residential construction, which was focused in 2015 on multi-storey industrial properties, in which there is lower demand for materials. What's more, demand on European building materials markets outside of Germany declined significantly at the same time. This led to foreign producers stepping up their market presence in Germany, which, in turn, put pressure on prices for building and insulation materials in the reporting year. Even though sales in building materials trading rose overall, the Building Materials Segment's revenues declined in the financial year 2015 by €28.4 million, or 1.9%, to €1,496.4 million (2014: €1,524.8 million). Due to the ongoing optimisation of the site network, EBITDA only fell by €0.7 million to €42.2 million, while depreciation and amortisation was down by €0.2 million at €14.8 million. This resulted in a marginal decline in EBIT of €0.5 million to €27.4 million. Adjusted for the slight €0.9 million fall in financing costs to €10.0 million, earnings before tax were slightly above the previous-year level of €17.1 million at €17.5 million.

Development of the Other Activities Segment in 2015

Revenues in the Other Activities Segment declined in the reporting year to €12.8 million. The previous year's figure of €82.7 million primarily comprised building materials activities in Rhineland-Palatinate and North Rhine-Westphalia, until their disposal in the second quarter of 2014. EBIT resulting from Other Activities consists of the Group's administration costs, as well as consolidation effects; in 2015, it came to €–33.7 million, down from €–26.0 million in the previous year.

Earnings, Financial Position and Assets of the BayWa Group

Adjustment of Previous-year Figures

The consolidated financial statements and the management report on the Group of BayWa AG as at 31 December 2013 were subject to a random sample audit by the Deutsche Prüfstelle für Rechnungslegung (DPR) / Financial Reporting Enforcement Panel (FREP) pursuant to Section 342b para. 2 sentence 3 German Commercial Code (HGB). This audit resulted in a total of five findings, three of which had an effect on the assets, financial position and result of operations of the BayWa Group for the financial year 2013 and, consequently, also for subsequent years. Two findings solely concerned reporting and therefore had no impact on the assets, financial position and result of operations.

The audit findings concerning the assets, financial position and result of operations were as follows:

In the financial year 2013, BayWa AG disposed of 80 properties within the scope of a sale-and-lease-back transaction. The lease of these properties was classified by BayWa AG at that time as an operating lease within the meaning of IAS 17. FREP found in its audit that, considering the existing unilateral lease extension options on the part of the lessor, the lease back of all 80 properties constituted financial leases. For this reason, the properties should have been recognised in the consolidated balance sheet at fair value together with a corresponding lease liability at the start of the lease. The rental expenses recognised in BayWa AG's consolidated financial statements in the financial years 2013 and 2014 should have been replaced with depreciation on the properties and interest expense from the lease liability. The book values resulting from the disposal in the financial year 2013 should have been recognised as deferred income in other liabilities and distributed pver the term of the lease in consideration of the lessor's extension options (a total of 25 years).

In addition, FREP also found that, in WealthCap Portfolio Finanzierungs-GmbH & Co. KG, Grünwald, Germany, a company that has similar aims as the Group and whose risks and opportunities are fully apportionable to the Group was not reported as a special purpose vehicle in the sense of IAS 27.13 in conjunction with SIC 12.8 et seq. in BayWa AG's consolidated financial statements in accordance with the standards applicable to full consolidation. Instead of reporting the investment in the company, as was the case in the past, the loans granted by the company should have been reported on the balance sheet.

It was also found that, in the course of the purchase price allocation for Cefetra B.V., which was acquired in the financial year 2013, debt and therefore also goodwill resulting from this transaction were too high.

In addition to the adjustments presented here on the basis of FREP's audit findings, the consolidated financial statements in the previous year also required correction pursuant to IAS 8 in order to rectify the incorrect calculation of deferred tax assets and liabilities caused by an erroneous tax assessment. This resulted in a reduction in deferred tax assets of €4.447 million in the consolidated financial statements as at 31 December 2014 and a corresponding rise in tax expenses.

In the reporting year, the BayWa Group opted for the early adoption of amendments to IAS 16 (Property, Plant and Equipment) and IAS 41 (Agriculture) with regard to the recognition of bearer plants, which were endorsed in European law in November 2015. These kinds of bearer plants have been removed from the scope of IAS 41 into the scope of IAS 16, therefore enabling entities to measure them at cost subsequent to initial recognition or at revaluation. Bearer plants had been subject to recognition at fair value on an annual basis in the past. However, the produce growing on bearer plants continues to be accounted for under IAS 41. The early adoption of the amendments was implemented retrospectively, meaning that the fair values of bearer plants were corrected in the previous year's annual financial statements. Since 1 January 2014, bearer plants have therefore been accounted for at cost less accumulated depreciation as a component of property, plant and equipment. The fair value of bearer plants as at 1 January 2014 was recognised at cost for accounting purposes.

The aforementioned adjustments impacted the consolidated balance sheet as at 31 December 2013 as well as at 1 January 2014 in the following manner:

In € million	01/01/2014 unadjusted	FREP findings	First-time application of IAS 41/IAS 16	01/01/2014 adjusted
ASSETS				
Intangible assets	157.0	– 2.0	–	155.0
Property, plant and equipment	1,074.2	229.5	8.0	1,311.7
Other financial assets	320.4	– 68.9	–	251.5
Non-current biological assets	12.8	–	– 12.8	–
Deferred tax assets	128.1	25.5	–	153.6
Current biological assets	0.8	–	4.8	5.6
Other current receivables and other assets	1,018.7	–	–	1,018.7
Cash and cash equivalents	92.1	–	–	92.1
SHAREHOLDERS' EQUITY AND LIABILITIES				
Other reserves	150.7	– 67.0	–	83.7
Non-current financial lease obligations	6.7	159.8	–	166.5
Other non-current liabilities	23.7	83.8	–	107.5
Other current provisions	145.3	– 0.1	–	145.2
Current financial lease obligations	4.6	4.1	–	8.7
Current trade payables and liabilities from inter-Group business relationships	766.6	–	–	766.6
Other current liabilities	221.8	3.6	–	225.4

The effects of the adjustments on the consolidated balance sheet as at 31 December 2014 are as follows:

In € million	31/12/2014 unadjusted	FREP findings	First-time application of IAS 41/IAS 16	Miscorrection of deferred taxes	31/12/2014 adjusted
ASSETS					
Intangible assets	150.1	–2.0	–	–	148.1
Property, plant and equipment	1,163.3	220.1	13.1	–	1,396.5
Participating interests recognised at equity	196.9	–	–0.4	–	196.4
Other financial assets	250.4	–68.9	–	–	181.5
Non-current biological assets	26.2	–	–26.2	–	–
Deferred tax assets	187.6	26.1	–	–4.4	209.3
Current biological assets	0.9	–	8.3	–	9.2
Other current receivables and other assets	1,086.6	–2.2	–	–	1,084.4
Cash and cash equivalents	106.1	2.3	–	–	108.4
SHAREHOLDERS' EQUITY AND LIABILITIES					
Other reserves	145.8	– 68.6	–2.8	–4.4	70.0
Minority interest in equity	264.9	–	–1.0	–	263.9
Non-current financial lease obligations	6.0	155.4	–	–	161.4
Other non-current liabilities	41.4	80.2	–	–	121.6
Deferred tax liabilities	153.8	–	–1.3	–	152.5
Current financial lease obligations	3.5	4.4	–	–	7.9
Current trade payables and liabilities from inter-Group business relationships	745.0	–	–	–	745.0
Other current liabilities	199.9	4.0	–	–	203.9

The effects on the income statement for the financial year 2014 are as follows:

in € million	2014 unadjusted	FREP findings	First-time application of IAS 41/IAS 16	Miscorrection of deferred taxes	2014 adjusted
Other operating income	178.8	3.6	–	–	182.4
Cost of materials	–13,816.6	–	– 0.3	–	–13,816.9
Gross profit	**1,526.2**	**3.6**	**– 0.3**	**–**	**1,529.5**
Personnel expenses	–792.6	– 0.5	–	–	–793.1
Depreciation and amortisation	–117.8	– 9.4	– 0.5	–	–127.7
Other operating expenses	–506.5	18.9	– 3.9	–	–491.5
Result of operating activities	**109.3**	**12.6**	**– 4.6**	**–**	**117.3**
Income from participating interests recognised at equity	3.8	–	– 0.4	–	3.4
Other income from shareholdings	33.7	–2.3	–	–	31.4
Interest expense	–65.9	– 12.5	–	–	–78.4
Financial result	**– 21.7**	**– 14.7**	**– 0.4**	**–**	**–36.8**
Result of ordinary activities (EBT)	**87.6**	**– 2.2**	**– 5.0**	**–**	**80.4**
Income tax	2.8	0.6	1.3	– 4.4	0.3
Consolidated net income	**90.4**	**– 1.6**	**– 3.7**	**– 4.4**	**80.7**
of which: profit share of minority interest	20.2	–	–1.0	–	19.2
of which: due to shareholders of the parent company	70.2	– 1.6	– 2.7	– 4.4	61.5
EBIT	**146.8**	**10.3**	**– 5.0**	**–**	**152.1**
EBITDA	**264.6**	**19.7**	**– 4.5**	**–**	**279.8**
Basic earnings per share (in €)	2.03	– 0.04	– 0.08	– 0.13	1.78
Diluted earnings per share (in €)	2.03	– 0.04	– 0.08	– 0.13	1.78

The transition to the consolidated statement of comprehensive income for the financial year 2014 following the adjustments is as follows:

in € million	2014 unadjusted	FREP findings	First-time application of IAS 41/IAS 16	Miscorrection of deferred taxes	2014 adjusted
Consolidated net income	**90.4**	**– 1.6**	**– 3.7**	**– 4.4**	**80.7**
Sum of items not subsequently reclassified in the income statement	**–94.6**	**–**	**–**	**–**	**–94.6**
Differences from currency translation	10.2	–	–0.1	–	10.1
Sum of items subsequently reclassified in the income statement	**13.3**	**–**	**– 0.1**	**–**	**13.2**
Gains and losses recognised directly in equity	**–81.2**	**–**	**– 0.1**	**–**	**–81.3**
of which: profit share of minority interest	0.8	–	–	–	0.8
of which: due to shareholders of the parent company	–82.0	–	–0.1	–	–82.1
Consolidated total result for the period	**9.2**	**– 1.6**	**– 3.8**	**– 4.4**	**–0.6**
of which: profit share of minority interest	21.0	–	–1.0	–	20.0
of which: due to shareholders of the parent company	–11.8	–1.6	–2.8	–4.4	–20.6

The adjustments had the following effects on the cash flow statement for the financial year 2014:

in € million	2014 unadjusted	FREP findings	First-time application of IAS 41/IAS 16	Miscorrection of deferred taxes	2014 adjusted
Cash flow from operating activities	**– 112.4**	**21.1**	**0.7**	**–**	**– 90.6**
Cash flow from investing activities	**– 224.7**	**– 2.2**	**– 0.7**	**–**	**– 227.6**
Cash flow from financing activities	**351.0**	**– 16.6**	**–**	**–**	**334.4**
Cash-effective changes in cash and cash equivalents	13.9	2.3	–	–	16.2
Cash and cash equivalents at the start of the period	92.1	–	–	–	92.1
Inflow/outflow of funds due to changes in the group of consolidated companies and in exchange rates	0.1	–	–	–	0.1
Cash and cash equivalents at the end of the period	**106.1**	**2.3**	**–**	**–**	**108.4**

Earnings position

in € million	2011	2012	2013	2014	**2015**	Change in % 2015/14
Revenues	9,585.7	10,531.1	15,957.6	15,201.8	14,928.1	–-1.8
EBITDA	251.3	306.6	281.4	279.8	288.3	3.0
EBITDA margin (in %)	2.6	2.9	1.8	1.8	1.9	–
EBIT	149.2	186.8	137.4	152.1	158.1	4.0
EBIT margin (in %)	1.6	1.8	0.9	1.0	1.1	–
EBT	95.4	122.6	75.1	80.4	88.1	9.5
Consolidated net income	68.1	118.0	54.3	80.7	61.6	–23.7

Revenues of the BayWa Group fell in the financial year 2015 by 1.8%, or €273.7 million, to €14.928.1 million. This trend was primarily due to the sharp fall in prices for heating oil and fuels and came in spite of a rise in trading volumes across almost all of the Group's business areas. In business with conventional energies, revenues declined substantially by €456.4 million to €2,246.4 million, despite an increase in sales volumes. This was offset by a €231.6 million rise in revenues from renewable energies to €1,017.8 million, which was primarily driven by further expansion in project management business. At €224.8 million, total revenues in the Energy Segment fell. Revenues in the Agricultural Trade business unit rose by €90.8 million to €8,321.4 million on account of an increase of grain trading volumes. Fruit trading revenues remained relatively stable year on year, while agricultural equipment revenues declined slightly. The new Digital Farming business unit contributed €5.2 million to total revenues in the segment. All in all, revenues in the Agriculture Segment climbed by €49.4 million to €10,154.7 million. The Building Materials Segment saw its revenues decrease by €28.3 million on account of falling prices for building and insulation materials.

Other operating income fell by a total of €24.6 million in the reporting year to €157.9 million. Of this amount, €7.5 million was due to a drop in income from asset disposals, which came to €26.5 million in the reporting year. The key factor in this development was the property sale of an Austrian subsidiary in the previous year. In addition, the previous year's other operating income had included negative goodwill from the acquisition of Apollo Apples Limited's business activities in New Zealand, which was recognised through profit and loss in the amount of €8.4 million. Other income declined from €47.2 million to €37.0 million due to the reversal of earn-out components from company acquisitions recognised through profit and loss. In addition, the lower income from the reversal of provisions of €10.0 million (2014: €13.9 million), from letting and leasing of €26.3 million (2014: €28.7 million) and from currency gains of €18.1 million (2014: €20.3 million) contributed a total of €8.6 million to this decline. Value adjustments of receivables or rather income from receivables written down of €7.5 million offset this decline (2014: €2.7 million). At €32.4 million, remaining other income increased by €5.2 million year on year, which was due in particular to an increase in income from the fair value measurement of biological assets of New Zealand Group companies.

The increase in inventories in the financial year of €86.7 million was largely due to the project developments in the Renewable Energies business sector during the financial year 2015.

Cost of materials fell in the reporting year by 1.8%, or €241.6 million, to €13,575.3 million, largely proportional to revenues. In spite of lower revenues and other operating income, the BayWa Group's gross profit rose by 4.7% largely as a result of increases in inventories – at €1,601.2 million, gross profit was up by €71.7 million on the previous year's figure of €1,529.5 million.

Personnel expenses climbed year on year by 4.0%, or €32.1 million, to €825.2 million, primarily due to the expansion of business activities. The acquisition of Apollo Apples Limited's business activities in December 2014 resulted in an increase in the number of employees and contributed to a corresponding rise in personnel expenses in the financial year 2015. The increasingly international orientation of agricultural trade activities, coupled with the expansion of activities in the Renewable Energies business sector, also resulted in personnel expenses increasing. Additional personnel expenses were also incurred in the new Digital Farming business unit and adjustments under collective bargaining agreements also contributed to development.

At €495.3 million, other operating expenses were up by €3.8 million, or 0.8%, on the 2015 figure of €491.5 million in the financial year 2015. The primary factors in this increase were rental and leasing costs of €51.3 million (2014: €48.3 million), travel expenses of €15.6 million (2014: €13.3 million), insurance expenses of €18.6 million (2014: €17.3 million), other expenses of €40.5 million (2014: €34.4 million) and a rise in consultancy, auditing and legal fees to €36.3 million (2014: €34.4 million). These were offset in particular by lower currency losses of €17.7 million (2014: €23.3 million), vehicle fleet costs of €73.9 million (2014: €77.2 million), energy and supply costs of €29.8 million (2014: €32.6 million) and reduced maintenance costs of €49.3 million (2014: €50.6 million). Total remaining other operating expenses came to €162.3 million, up €2.2 million year on year.

Earnings before interest, tax, depreciation and amortisation (EBITDA) rose by €8.5 million, or 3.0%, to €288.3 million in the financial year 2015 (2014: €279.8 million).

Scheduled depreciation and amortisation at the BayWa Group rose marginally by €2.5 million in the reporting year from €127.7 million to €130.2 million, which was largely the result of the unscheduled write-down on an existing plant in the Renewable Energies business sector.

All in all, earnings before interest and tax (EBIT) of the BayWa Group improved by €6.0 million, or 4.0%, in the financial year 2015 to €158.1 million.

The financial result comprises income from participating interests, which is allocated to EBITDA and EBIT, and net interest. The result of participating interests declined in the reporting year by €27.3 million to €7.6 million. Given that the equity result remained largely unchanged, this decline was the result of a reduction in the result from other participating interests and financial assets. In the previous year, this item had included accounting profit of €20.9 million from the contribution of shares in a joint venture. Furthermore, dividend income from Austrian Group company Raiffeisen Ware Austria AG also contributed to a higher result of participating interests in the previous year. The €1.6 million improvement to net interest to €–70.1 million was predominantly the result of a fall in interest expenses from pension obligations.

The BayWa Group's earnings before tax (EBT) increased by €7.7 million, or 9.5%, to €88.1 million. This increase was primarily caused by the €35.2 million rose in the Energy Segment's EBT, as the Building Materials Segment's earnings before tax only increased marginally by €0.4 million. By contrast, the revenue contribution from the Agriculture Segment declined by €18.6 million. The corresponding earnings indicators from the Other Activities Segment, together with the consolidation effects presented in the transition, came to €–45.2 million in the reporting year, down by €9.4 million on the previous year.

The BayWa Group generated tax expenses of €26.5 million in the financial year 2015 following tax income of €0.3 million in the previous year. The tax rate therefore came to 30.1% in the reporting year (2014: –0.4%). The previous year's tax income was largely the result of deferred tax liabilities resulting from the valuation differences in tax accounting and loss carryforwards from Group companies.

Taking account of income tax, the BayWa Group generated net income of €61.6 million in the financial year 2015 (2014: €80.7 million); compared with the previous year's figure, this represents a decline of 23.7%. The share in profit due to shareholders of the parent company went down by 21.6% from €61.5 million in the previous year to €48.2 million in the reporting year.

Earnings per share (EPS), which is calculated from the portion of the result attributable to the shareholders of the parent company in relation to the average number of shares outstanding of 34,643,344 (dividend-bearing shares less treasury shares), fell from €1.78 in the previous year to €1.39 in the financial year 2015.

Comparison of forecast business development with actual business development

In the Outlook section of the 2014 Management Report on the Group, BayWa forecast a moderate rise in consolidated revenues in the financial year 2015 and a noticeable improvement in the Group's relevant key earnings indicators, EBITDA, EBIT and EBT.

In agricultural trade, sales volumes for agricultural produce were set to rise considerably based on more-constant harvest marketing and fewer fluctuations in grain prices compared to the previous year. It was assumed that sales of operating resources would also rise on account of gains in market share. The operating result (EBIT) was also expected to profit from the extremely positive development of revenues and increase noticeably on the 2014 figure. In fact, actual development in the financial year 2015 differed from these expectations. High harvest volumes for many important types of agricultural produce saw trading volumes rise but also resulted in sharp falls in prices over the course of the year. In addition, sales of crop protection products also declined due to the extremely dry summer. As a consequence, original expectations regarding revenues and the operating result were not fulfilled; revenues only exceeded the previous year's figure by a small margin, while EBIT fell significantly year on year.
Significant revenue growth was anticipated in fruit trading thanks to the full-year inclusion of New Zealand company Apollo Apples Limited. However, due to one-off income in the previous year, the operating result (EBIT) was expected to decrease sharply in 2015. Revenues performed as expected, whereas the negative expectations failed to materialise in view of the major rise in earnings – above all from New Zealand Group companies.
Revenues in agricultural equipment business were expected to fall slightly, with a proportional decline in the operating result (EBIT). In fact, revenues declined by 3.8% and EBIT by 3.7%, which corresponded to the forecast figures.
Due to the performance of the business units, revenues in the Agriculture Segment only rose by 0.5% to €10,154.7 million, contrary to expectations of a significant increase. There was a significant decline in the operating result (EBIT) of 19.1% to €87.2 million.

Revenues from conventional energies business were forecast to remain on a par with the previous year, with the operating result (EBIT) rising moderately. Due to the sharp fall in the price of crude oil over the course of 2015, the business unit's revenues were down significantly on the anticipated figure for the financial year 2015 at –16.9%. The operating result counteracted this effect, performing considerably better than expected with an increase of €9.6 million.
According to the forecast, revenues in the Renewable Energies business sector were set to rise by a slight margin compared to the previous year. A moderate improvement in the operating result (EBIT) was also forecast. The 29.5% rise in revenues and the 69.2% increase in EBIT exceeded expectations considerably, as many more projects were realised and sold in the reporting year than initially anticipated thanks to the positive market climate. Total revenues of the Energy Segment were down on expectations at –6.4%, with moderate growth having been forecast. The operating result (EBIT), however, exceeded expectations of moderate growth by climbing 82.6%.

Marginal revenue growth was anticipated in the Building Materials Segment. In fact, the segment's revenues fell by 1.9% due to falling market prices. A moderate improvement in the operating result (EBIT) had been assumed, but this figure fell just short of expectations by falling 1.9%.

No forecast was possible for the Other Activities Segment, as revenue and earnings development in this business area is primarily driven by opportunism in capitalising on market opportunities within the scope of BayWa's portfolio management system.

Based on the assumption of largely stable prices, a moderate rise in revenues and a noticeable improvement in earnings in the financial year were forecast for the BayWa Group in the 2014 Management Report on the Group. Seasonal effects meant that performance in the first and second quarters if 2015 was worse than expected. A significant improvement in business performance in the third and fourth quarters of the year was unable to make up for the shortfalls in the first half of the year. Against this backdrop, the original forecast for the financial year 2015 was adjusted with the publication of the third quarter interim report: full-year revenues and the operating result in 2015 were only expected to remain on a par with the previous year. Revenues then fell short of the forecast lowered midway through the year as a result of a further fall in prices for agricultural produce and in the conventional energies business. The operating result (EBIT) was somewhat better than expected in the adjusted forecast with a moderate rise of 4.0% thanks to an extremely strong final quarter.

Financial Position

Financial management

The aim of financial management within the BayWa Group is to provide the cash and cash equivalents required for the purpose of conducting regular business at all times. This task includes hedging against interest rate risk, currency risk and merchandise-related market risks by using suitable derivative instruments.

Forward exchange transactions and swaps are used selectively to hedge receivables and liabilities denominated in a foreign currency. These forward exchange transactions and swaps serve exclusively to hedge existing and future receivables and liabilities from underlyings in the purchase and sale of merchandise within the scope of customary business operations. Hedging transactions in the BayWa Group are designed to reduce the risks from fluctuating exchange rates. The volume of open positions arising from the respective underlyings and the resulting cash flows form the basis for currency hedges. Terms reflect those of the underlyings.
In the BayWa Group, financial management has been set up as a service centre for the operating units and not as a profit centre in its own right. In accordance with this conservative approach to providing services, the use of fungible financial products to generate original profit contribution in financial operations has been waived. In particular, there are no speculative risk positions in our financial operations.

Daily financial management is focused on liquidity management through cash pooling within the whole Group and the same-day provision of liquidity. The Treasury Department uses suitable IT systems and appropriate treasury management software for this purpose.
The procurement of funds is organised decentrally and based on the principle that the national entities refinance in the local currency of the respective country. This applies mainly to activities in Eastern Europe, the USA, New Zealand and the UK. Apart from this, however, the BayWa Group conducts its business mainly in euros. Treasury is responsible for the centralised monitoring of Group-wide financial exposures.

Financial management is subject to the most stringent requirements imposed by an internal control system, which includes the documentation of transactions, a hierarchy of approval and resolution procedures, comprehensive application of the principle of dual control as well as the segregation of Treasury front, middle and back offices.

The most important financing principle of the BayWa Group consists in observing the principle of matching maturities. Short-term debt is used to finance the working capital. Investments in property, plant and equipment as well as acquisitions are funded from equity, bonded loans and other long-term loans. In addition, the project companies in the Renewable Energies business sector have access to separate non-recourse financing (without the lenders having access to the BayWa Group's assets and cash flows).

The management of working capital is a focal point at BayWa and comprises the optimisation of working capital as a net figure for current assets less current liabilities. For years, BayWa has placed great importance on the best possible working capital performance. Furthermore, in 2013, a Group-wide project began to further optimise working capital management. The aim of the project is to continue to drive forward the continual reduction of the current assets employed in the company and the resulting release of liquidity without jeopardising the company's profitability. Consistent process management along the entire turnover chain is the key to success. To this end, working capital responsibilities have been redefined, the systematic inclusion of relevant parameters has been anchored in internal reporting systems, specific training and coaching programmes have been carried out and existing guidelines and process descriptions have been adapted.

Interest rate risks inherent in short-term debt are covered by BayWa in the context of its risk management through the use of simple derivative instruments. Around 50% of the borrowing portfolio is to be secured against interest rate risk through the respective hedging instruments. This partial hedging takes account of the seasonally induced strong fluctuations in financing requirements.

Long-term interest rates were hedged naturally by issuing bonded loans in 2015, 2014, 2011 and 2010 as fixed-interest as well as variable-interest rate tranches were issued and the interest rate risk was reduced as a result.

BayWa evolved from the cooperatives sector with which it remains closely connected through its shareholder structure as well as through the congruence of the regional interests of banks and commerce. These historical ties form the basis for a special kind of mutual trust. Particularly in the face of the great uncertainty still prevailing in the financial markets, both sides benefit from this partnership. The cooperative banks boast a particularly strong primary customer and deposit portfolio, which is made available for the preferential financing of stable business models.

Along with its integration into the cooperative financial association, the broad transnational diversification of the bank portfolio and the financial instruments, in particular, lower the financing risk within the BayWa Group.

Capital structure and capital base

in € million	2011	2012	2013	2014	**2015**	Change in % 2015/14
Minority interest	1,045.2	1,078.0	1,115.0	1,050.4	1,075.9	2.4
Equity ratio (in %)	26.6	24.2	21.4	18.6	17.8	–
Short-term borrowing [1]	1,697.4	1,974.2	2,421.7	2,493.5	2,769.3	11.1
Long-term borrowing	1,179.4	1,408.0	1,662.5	2,108.1	2,191.5	4.0
Debt	2,876.8	3,382.2	4,084.2	4,601.6	4,960.8	7.8
Debt ratio (in %)	73.4	75.8	78.6	81.4	82.2	–
Total capital (equity plus debt)	3,922.0	4,460.2	5,199.3	5,652.0	6,036.7	6.8

1 Including liabilities from non-current assets held for sale

As at the balance sheet date, the BayWa Group equity ratio stood at 17.8%. The equity base is a sound foundation for a trading company and a stable platform for business to develop. As an indicator, a rigid equity ratio is only of limited use for a trading company such as the BayWa Group. In particular, the change in current assets with the storage of inventories in the form of agricultural commodities, as well as the acquisition of project licences in the area of renewable energies, has a direct influence on the balance sheet total and equity ratio, but actually forms the basis for trading activities in the subsequent year. As a result, the asset coverage ratio II is used as a target indicator in the BayWa Group's capital management process. Equity and long-term borrowing should cover at least 90% of non-current assets. As at 31 December 2015, the asset coverage ratio stood at 100%. The year-on-year reduction in the equity ratio was due to the increase in total assets as a result of the Group's growth. Long-term borrowing was increased in November 2015 by the placement of a bonded loan with a nominal volume of €200.0 million. Existing investors accepted the swap offer with a nominal volume of €27.5 million, with the remaining €172.5 million able to be placed with new investors. In addition, short-term debt was taken out to expand international agricultural trade activities. Furthermore, the method in which actuarial gains and losses from provisions for pensions and severance pay in previous years are offset against equity without affecting profit or loss once again led to a reduction in equity. The reserve for actuarial losses from pension and severance pay obligations less deferred taxes came to € 215.7 million as at 31 December 2015. As this reserve results from a change of parameters not within the company's control when calculating provisions for pensions and severance pay, BayWa's capital management uses an equity ratio of 21.4% (2014: 22.4%), which has been adjusted for this effect.

Short-term borrowing is used exclusively to finance short-term funds tied up in working capital. The status of short-term borrowing disclosed at year-end regularly reflects the highest level of utilisation. Due to seasonal influences, borrowing rises through preliminary storing of operating resources and through buying up harvest produce in the fourth quarter of the financial year. Short-term borrowing rose year on year by €275.8 million, or 11.1%, and includes a rise in current liabilities of €147.1 million. By contrast, long-term borrowing increased by just 4.0% or €83.4 million. This was largely the result of the issuing of a new bonded loan of €200.0 million by BayWa AG in the reporting year, €27.5 million of which was used to redeem bonded loans issued in previous years. At the same time, obligations from bonded loans that had already been issued in previous years were reclassified into current liabilities as they are due for repayment in the subsequent year. Borrowed funds were used to expand agricultural trade business activities and project business in the Renewable Energies business sector. In addition, three acquisitions were financed through subsidiary T&G Global Limited in New Zealand to expand tomato and asparagus trade activities. The acquisition of Apollo Apples Limited's business operations was also financed by New Zealand company T&G. Besides the rise in financial liabilities, an increase in trade payables and liabilities from inter-group business relationships and other liabilities also pushed up debt.

As at 31 December 2015, the BayWa Group's total assets climbed by €384.7 million in comparison with the previous year's figure. Borrowing increased by €359.2 million due to the placement of an additional bonded loan as well as the borrowing of short-term funds to expand business activities, while equity increased by €25.5 million.

Cash flow statement and development of cash and cash equivalents

in € million	2011	2012	2013	2014	**2015**
Cash flow from operating activities	– 27.5	150.0	230.3	– 90.6	19.0
Cash flow from investing activities	– 222.6	– 193.7	84.5	– 227.6	– 143.5
Cash flow from financing activities	273.9	37.4	– 297.0	334.4	98.7
Cash and cash equivalents at the end of the period	87.0	83.2	92.1	108.4	84.5

Cash flow from operating activities amounted to €19.0 million in the financial year 2015. With consolidated net income down by €19.1 million year on year, this increase largely resulted from a non-cash result of participating interests from the contribution of shares in a joint venture and deferred tax income, both of which were included in the previous year's figure. Besides other non-cash income recognised in the previous year's result, which was largely attributable to negative goodwill, the development of non-current provisions also contributed to a rise in operating cash flow, as did a reduction in income tax payments. A significant increase in inventories, in trade receivables and in other assets not attributable to investment and financing activities was financed by cash outflows and a rise in liabilities from operating activities, meaning that cash flow from operating activities was relatively even for the financial year 2015.

Cash flow from investing activities fell year on year by €84.1 million following cash outflow of €143.5 million in the reporting year. This was primarily due to lower payments for company acquisitions, which fell from €142.2 million in the previous year to €36.9 million in the financial year 2015 and were largely attributed to the acquisition of PC-Agrar Informations- und Beratungsdienst GmbH, Great Lake Tomatoes Limited and Rianto Limited and the acquisition of Wessex Grain Ltd.'s business activities. Investments in intangible assets and property, plant and equipment totalled €174.5 million (2014: €165.2 million). By contrast, incoming payments from the sale of intangible assets, property, plant and equipment and investment property declined by €30.3 million. Following the previous year's cash outflows of €31.5 million from additions and disposals of financial assets, the financial year 2015 saw cash outflows of €7.0 million. Furthermore, the dividend received, other income assumed and interest received led to cash inflows of €10.2 million.

Cash flow from financing activities came to €98.7 million in the financial year and was predominantly attributable to the placement of a long-term BayWa AG bonded loan in November 2015 of €200.0 million and a short-term bonded loan in May 2015 of €75.0 million. In addition, funds were borrowed to fund acquisitions in New Zealand and to finance project management business in the Renewable Energies business sector. A further €2.2 million was raised by the Group through capital increases. These were offset by the partial redemption of bonded loans issued in previous years of €150.0 million. In addition, cash outflows from dividend payments at the parent company and at subsidiaries totalled €33.5 million and interest payments €25.3 million. The year-on-year reduction in cash flow from financing activities was particularly the result of an increase in borrowing year on year and a simultaneous reduction in redemption payments.

In an overall analysis of the incoming and outgoing cash payments from operating activities, investing and financing activities, and in consideration of changes to the group of consolidated companies and changes in foreign exchange rates, cash outflow from operating activities was not able to be completely compensated by the incoming cash flow from operating activities and from financing activities. As a result, cash and cash equivalents at the end of the reporting year came to €84.5 million, which is €23.9 million lower than in the previous year.

Financial base and capital requirements

The BayWa Group's financial base is primarily replenished by funds from operating activities. Furthermore, the Group was allocated funds from the placement of a new bonded loan in the financial year 2015; these funds were used both for company acquisitions and to finance non-current and current assets. Moreover, the Group receives funds from measures to streamline portfolios, such as the disposal of real estate not essential to operations or non-strategic financial participation and sale-and-lease-back transactions.

Capital requirements are defined by investment financing and the ongoing financing of operations, the repayment of financial liabilities and ongoing interest payments. The overall view of liquidity and debt is determined through the calculation of adjusted net liquidity or net debt and used for internal financial management as well as for external communication with financial investors and analysts. Net liquidity and net debt is calculated from the sum total of cash and cash equivalents less outstanding commercial paper, bank debt and finance lease obligations, as reported in the balance sheet.

Matched to funds committed, the financing structure remains largely short term, but the ratio of of long- to short-term financing has evened out somewhat through the issuing of bonded loans in the last few financial years. Along with short-term borrowing, the Group finances also itself by way of a multi-currency Commercial Paper Programme, the total volume of which was expanded from €400.0 million to €500.0 million in the financial year 2015; as at the reporting date, drawdowns with an average term of 33 days came to €266.5 million (2014: €309.2 million). By the end of the reporting period, €121.8 million (2014: €141.9 million) had been financed from the ongoing Asset Backed Securitisation Programme.

Investments

In the financial year 2015, the BayWa Group invested around €174.5 million in intangible assets (€21.3 million) and property, plant and equipment (€153.2 million) together with its acquisitions. These investments were primarily for the purpose of repair and maintenance of buildings, facilities and office fixtures and fittings, as modern locations and seamlessly operating facilities are a precondition for efficient logistics processes.

BayWa will continue to invest in modern site infrastructure in future. This includes investments in land and buildings, wherever such investments are expedient and prudent. By contrast, real estate no longer used for operations is consistently sold off. The proceeds accruing from these transactions are used to reduce debt or to finance the Group's growth.

In 2015, roughly €64.4 million was invested in new business premises Group-wide. The main focus was on the completion of company operations and investment in sites' technical facilities.

Investments in the financial year 2015 included €5.1 million in a used machinery centre at the Bamberg agricultural equipment site. A further €5.2 million was invested in other agricultural equipment sites in Abersfeld, Riedlingen, Freystadt and Geretsried.

In the Agricultural Trade business unit, major investments were carried out at the sites in Leupoldsgrün (€1.7 million) and Schweinfurt-Hafen (€1.4 million), while a further €9.2 million was invested in the building materials centres in Bad Tölz, Saal an der Donau and Nördlingen. In addition, a plot of land in Großwallstadt was acquired for €1.9 million. In the Fruit business unit, a total of €3.8 million was invested in the sites in Kressbronn, Ravensburg and Ailingen.

In addition, a total of €10.0 million was invested in a biogas plant at the Hohenhameln site by r.e Bioenergie Betriebs GmbH & Co. Vierundzwanzigste Biogas KG within the scope of an asset deal. Austrian Group company "UNSER LAGERHAUS" WARENHANDELSGESELLSCHAFT m.b.H. carried out investments of €6.0 million, which were focused on a raw materials intake plant and the construction of a building materials centre in Klagenfurt.

Ultimately, investment measures totalling €47.9 million began in the financial year 2015; these concern BayWa AG sites as well as sites belonging to other Group companies and are to be completed in the financial year 2016.

Outgoing payments for company acquisitions came to €38.3 million in the financial year 2015 and were largely attributed to the acquisitions of Great Lake Tomatoes Limited and Rianto Limited by New Zealand Group company T&G Global as well as the acquisitions of PC-Agrar Informations- und Beratungsdienst GmbH and Wessex Grain Ltd.'s business activities.

Including acquisitions, roughly 62% of total investments in non-current assets in the BayWa Group were attributed to the Agriculture Segment. The high share in investments attributed to the Agriculture Segment reflects the international expansion of agricultural trade and the development of the Group's business portfolio with the addition of the Digital Farming business unit. Some 15% of total investments were made in the Energy Segment, while just under 12% was attributed to the Building Materials Segment and just under 11% to the Other Activities Segment.

Asset position

In the reporting year, non-current assets increased marginally year on year by 1.1%, or €25.5 million, to €2,287.2 million. Additions to intangible assets and property, plant and equipment amounting to €213.8 million within the scope of investing activities and changes to the group of consolidated companies in core business were offset by disposals of €23.7 million and transfers amounting to €20.9 million. Adjusted for scheduled depreciation and amortisation in the financial year of €128.2 million and exchange rate-induced increases of €1.0 million, intangible assets and property, plant and equipment increased by a total of €42.0 million. Shares in companies recognised at equity rose by €7.4 million to €203.9 million. Besides earnings contributions from associated companies, investment in a joint venture in renewable energies was a key factor in this development. Other financial assets declined by €13.3 million to €168.2 million, primarily as a result of the repayment of loans received from shareholders. Sales completed in the financial year 2015 or property sales planned for the coming financial year and the resulting recognition of the properties concerned under non-current assets held for sale led to a reduction in investment real estate of €16.9 million. Non-current liabilities and other assets rose by €5.5 million, whereas deferred tax assets were up by €2.3 million.

Project developments in the Renewable Energies business sector and the international expansion of agricultural trade activities saw the BayWa Group's inventories increase by €155.2 million year on year to €2,141.5 million. The increase in financial assets from €153.4 million to €222.4 million was due to the expansion of Group companies' commodity futures recognised as financial instruments due caused by the expansion strategy in agricultural trade. At €1,254.8 million, the value of other current receivables and other assets as at the reporting date climbed by €170.3 million year on year. This was due to a rise in trade receivables and receivables from financing activities in the case of sold project companies in the area of renewable energies. This was offset by the €8.7 million and €9.8 million reductions in non-current assets and disposal groups classified as held for sale respectively. This was due to the disposal of the assets of Raiffeisen Kraftfutterwerke Süd GmbH as part of an asset deal as at 1 March 2015. As at the reporting date, this item only contained real estate inventories, which are intended to be sold in the subsequent year. The BayWa Group's balance sheet increased by 6.8%, or €384.7 million, to €6,036.7 million as at the reporting date of 31 December 2015.

Traditionally, BayWa has always placed an emphasis on ensuring matching maturities in the financing of assets. Current liabilities of €2,769.3 million – consisting of current financial liabilities, trade payables, tax, other liabilities along with current provisions and liabilities from disposal groups – were offset by current assets and assets held for sale/disposal groups of €3,749.5 million. By the same token, there is roughly 143% coverage for non-current assets amounting to €2,287.2 million through equity and long-term borrowing of €3,267.4 million. Ensuring matched maturities in financing is an important quality criterion for the financing partners of BayWa in the context of raising short-term funds.

Composition of assets

in € million	2011	2012	2013	2014	**2015**	Change in % 2015/14
Non-current assets	1,623.4	1,783.3	2,094.0	2,261.7	2,287.2	1.1
of which land and buildings	642.0	530.1	775.4	814.4	845.4	3.8
of which financial assets	210.6	232.8	251.5	181.5	168.2	–7.3
of which investment property	63.6	86.2	82.4	72.8	55.9	–23.2
Non-current asset ratio (in %)	41.4	40.0	40.3	40.2	37.9	–
Current assets	2,039.8	2,444.4	3,061.8	3,371.8	3,739.7	10.9
of which inventories	1,165.4	1,432.6	1,836.0	1,986.3	2,141.5	7.8
Current asset ratio (in %)	52.0	54.8	58.9	59.5	61.9	
Assets/disposal groups held for sale	258.8	232.5	43.4	18.5	9.8	–47.0
Total assets	3,922.0	4,460.2	5,199.3	5,652.0	6,036.7	6.8

General statement on the business situation of the Group

At the time the Management Report of the BayWa Group was drawn up, the Board of Management continued to view the development of business as positive. Earnings development in the Agriculture Segment in 2015 was negatively impacted by a series of unusual external factors, but this situation did not change the medium- and long-term business outlook of the BayWa Group. In fact, BayWa benefited in 2015 from its strategic orientation in international markets and the development of new business sectors such as renewable energies by considerably expanding the basis of its business and noticeably reducing reliance on individual country markets. The BayWa Group has a well-balanced, fit-for-the-future business portfolio to underpin its success in the future.

Financial Performance Indicators

BayWa orients the short-term management of its corporate divisions with the development of key earnings indicators EBITDA, EBIT and EBT. Key earnings indicators for the segments of the BayWa Group developed as follows in the financial year 2015:

Key financial earnings figures

	Earnings before interest, tax, depreciation and amortisation (EBITDA)			Earnings before interest and tax (EBIT)			Earnings before tax (EBT)		
in € million 2015		Change (absolute)	Change in %		Change (absolute)	Change in %		Change (absolute)	Change in %
Agricultural Trade	71.9	–24.5	–25.4	41.6	–23.3	–35.9	19.6	–21.8	–52.6
Fruit	40.0	5.9	17.4	27.0	6.4	31.2	21.3	5.1	31.8
Agricultural Equipment	31.9	–1.4	–4.3	21.5	–0.8	–3.7	12.0	1.0	8.8
Digital Farming	–2.2	–	–	–2.9	–	–	–2.9	–	–
Agriculture Segment	**141.6**	**–22.2**	**–13.6**	**87.2**	**–20.6**	**–19.1**	**50.0**	**–18.6**	**–27.1**
Energy	24.0	9.1	61.1	15.4	9.6	> 100	15.2	8.3	> 100
Renewable Energies	90.8	31.6	53.5	61.8	25.3	69.2	50.6	26.9	> 100
Energy Segment	**114.8**	**40.7**	**55.0**	**77.2**	**34.9**	**82.6**	**65.8**	**35.2**	**> 100**
Building Materials Segment	**42.2**	**–0.7**	**–1.6**	**27.4**	**–0.5**	**–1.9**	**17.5**	**0.4**	**2.2**

The difference in the contributions from each segment to the total earnings of the BayWa Group in all three key earnings indicators, EBITDA, EBIT and EBT, is calculated from the earnings contribution of the Other Activities Segment as well as on the basis of economic influence factors at Group level. BayWa does not perform any entrepreneurial management in the Other Activities Segment, as this segment encompasses peripheral activities that are of secondary importance in the BayWa Group. Group-wide economic influence factors are circumstances not attributable to the operational management of the segments.

Medium- to long-term portfolio optimisation in the BayWa Group is carried out through value-oriented management. Using economic profit as a basis, this system calculates the surplus return on invested capital (ROIC) of the corporate divisions by means of their risk-weighted costs of capital.

Economic profit

in € million 2015	Agricultural Trade	Fruit	Agricultural Equipment	Energy	Renewable Energies	Building Materials
Net operating profit	41.6	27.0	21.9	15.4	61.8	27.4
Average invested capital [1]	1,158.5	291.7	388.2	40.1	899.2	305.3
ROIC (in %)	3.59	9.26	5.64	38.41	6.87	8.99
Weighted average cost of capital (WACC) (in %)	6.30	5.90	6.80	6.30	5.20	6.50
Difference (ROIC/WACC) (in %)	–2.71	3.36	– 1.16	32.11	1.67	2.49
Economic profit by business unit	– 31.4	9.8	– 4.5	12.9	15.0	7.6
			Agriculture		Energy	Building Materials
Economic profit by segment			–26.1		27.9	7.6

1 Intangible assets + property, plant and equipment + net working capital

In the financial year 2015, the BayWa Group's Energy and Building Materials Segments achieved positive economic profit (in other words, positive net income after respective capital costs). The Agriculture Segment posted negative economic profit of €–26.1 million. Agricultural trade's economic profit contribution to the Agriculture Segment was also negative at €–31.4 million. This was primarily caused by the low amount of summer rain in Germany, which resulted in a drop in the use of crop protection products, a sharp decline in the volume of corn collection volume and a lack of grain drying income. In addition, low water surcharges for freight led to a rise in logistics costs. The negative economic profit of the Agricultural Equipment business unit of €–4.5 million was chiefly caused by the decline in new machinery business. The Fruit business unit increased its economic profit to €9.8 million. International business was the key factor in this increase, with a record-breaking harvest in New Zealand, operating improvements at T&G Global Limited and the full-year earnings contribution of New Zealand company Apollo Apples Limited, which was acquired in December 2014. Economic profit cannot be calculated for the Digital Farming business unit yet, as it was only established in the fourth quarter of 2015. In the Energy Segment, the Renewable Energies business sector generated economic profit of €15.0 million thanks to strong project management business and an increase in the number of sold plants. Business with conventional energies generated positive economic profit of €12.9 million in the reporting year, primarily as a result of a rise in sales volumes. The Energy Segment's economic profit totalled €27.9 million. The Building Materials Segment generated positive economic profit of €7.6 million in the financial year 2015 due to successful optimisation of the site network.

Employees

The number of employees at BayWa rose once again in 2015. By the end of the year, the BayWa Group employed 16,229 employees (2014: 15,917). In terms of an annual average, the number of employees rose year on year by 537 to 16,609, equating to an increase of 3.3%. This change was due to a series of strategic measures. In the Agriculture Segment, for instance, the Fruit, Agricultural Trade and Agricultural Equipment business units were all strengthened internationally through targeted recruitment and acquisitions. In addition, the establishment of the new Digital Farming business unit also resulted in an increase in the number of employees. By contrast, the number of employees in the Building Materials Segment decreased due to that fact that BayWa sold off its building materials business in North Rhine-Westphalia and Rhineland-Palatinate. The number of employees in the Energy Segment remained largely stable, with the slight decline in conventional energies practically evened out by the slight increase in the Renewable Energies business sector.

Development of the average number of employees in the BayWa Group

					Change	
	2012	2013	2014	**2015**	2015/14	in %
Agriculture	8,730	9,038	9,489	10,094	605	6.4
Energy	1,564	1,720	1,830	1,825	–5	–0.3
Building Materials	4,868	4,718	4,178	4,093	–85	–2.0
Other Activities	518	498	575	597	22	3.8
BayWa Group	15,680	15,974	16,072	16,609	537	3.3

Personnel development – more than simply training

Motivated and highly qualified employees and managers are the cornerstone of BayWa's success. Strategically oriented personnel development and training is therefore essential.
Through its personnel development and training measures, the Group gives its employees the opportunity to make systematic and individual progress in their careers. Besides a range of training courses, the Group also offers numerous development programmes for a variety of target groups.

Well over 16,000 employees took part in training courses and seminars in 2015, completing over 29,000 days' training. This training was focused on developing personal / social skills (over 17,000 training days) and qualification in specialist subjects (over 12,000 training days).

Increasing internationalisation in personnel

In June 2015, an international meeting was organised for the first time with personnel managers from several international subsidiaries. This meeting laid the foundations for the further intensification of cooperation. Besides overarching international personnel measures that are already in place in certain areas, a number of international talent management projects are also planned.

Quality training for a successful future

Extensive, professional training provides the best platform for a promising future – both for trainees and for the BayWa Group. With more than 1,300 trainees in Germany and Austria, the BayWa Group ranks among the most important companies offering trainee programmes. The trainee ratio of 10.1% is much higher than the average. The quality of training in the 29 apprenticeships also remains at a constantly high level.

BayWa Foundation promotes knowledge of a balanced diet among children

Securing the welfare of future generations requires action today. This includes transferring knowledge of healthy eating to primary school children. "Planting vegetables. Harvesting health." is the name of the BayWa Foundation's latest project, which stands for switching the focus from fast food and on to fresh fruit and vegetables from the school garden. Many children don't know where food comes from, how it is made and why healthy eating is so important. The result? Poor and insufficient diets are becoming increasingly widespread and can cause tiredness, loss of concentration and poor performance at school. Long-term health issues and social problems can also be traced back to the wrong diet. For instance, the number of overweight children has increased by 50% over the past 30 years according to the KiGGS study published by the Robert Koch Institute in 2013; the number of obese children has doubled over the same period. Through its long-term education projects, the BayWa Foundation is striving to improve children's nutrition and make them fit for the future. More information about the BayWa Foundation's projects can be found at www.baywastiftung.de.

Healthy employees in safe workplaces

Employee health and safety and the protection of the environment are key issues at BayWa. As a result, measures are being taken to prevent accidents and damage to health and safety, such as the organisation of tailor-made training courses and the implementation of special protective equipment. Employees are also supported in their efforts to maintain their physical and mental health over their entire professional careers through a range of back therapy courses, exercise classes, company sport programmes, nutritional advice, occupational health advice and stress-prevention seminars.

Sustainability at BayWa

As an international trading and services group, BayWa assumes its ecological and social responsibility. With its products and services, BayWa covers the basic human needs for food, energy and shelter. It gears its business practices towards the needs of future generations and pursues strategic sustainability targets. BayWa's sustainability philosophy arises from its cooperative tradition and is based on binding values.

The Code of Conduct, adopted by the Board of Management in 2015, applies to the employees, managers and Board of Management or Board of Director members of all companies in the BayWa Group. It defines the standards for general business conduct, as well as for special topics, such as legal conformity or the avoidance of conflicts of interest. Other binding guidelines for fair conduct with integrity include BayWa's Articles of Association, its corporate guidelines, the management policy as well as the regulations on corporate governance.

As an integrated member of the business world and society, BayWa cultivates a continuous dialogue with its stakeholders, which it achieves through transparent communication as part of its investor and public relations activities, through personal dialogue with customers and employees, by attending events and by having efficient risk and complaints management.

BayWa demonstrates ecological responsibility in its core business, as well as in its operations. BayWa includes requirements in its range of products and services which climate change involves. In its operational processes, BayWa relies on renewable energies and renewable raw materials, environmentally friendly products, as well as an efficient use of resources and transport logistics. By providing them with advice and services, BayWa supports its customers and suppliers in their efforts to achieve their own environmental targets.

Within the scope of its social responsibility, BayWa pursues a policy of sustainable personnel management. Secure jobs and an occupational health management scheme are just as much a part of these efforts as continuous professional development for employees. BayWa is one of the leading companies in Germany where training is concerned.

BayWa's commitment to society is reflected in the work of the BayWa Foundation (www.baywastiftung.de), among other things. The BayWa Foundation supports long-term education projects on healthy eating and renewable energy. BayWa covers the Foundation's administrative costs and doubles the donations received. BayWa is tied through tradition to those regions where it operates. Here, too, BayWa contributes to society. In the reporting year, BayWa promoted the young sporting talent of the Bavarian Football Association (BFV) and supported the basketball players of FC Bayern as the main sponsor.

Since 2014, BayWa has published detailed information on its sustainability strategy and activities in the defined fields of action – Market, Environment and Climate, Employees and Quality of Life – in an annual Sustainability Report. This can be found online at www.baywa.com/en/sustainability/.

Takeover-relevant Information

Composition of subscribed capital

The subscribed capital of BayWa AG amounted to €89,046,988.80 on the reporting date and is divided up into 34,783,980 registered shares with an arithmetical portion of €2.56 each in the share capital. Of the shares issued, 33,419,593 are registered shares with restricted transferability and 121,136 recently registered shares with restricted transferability (dividend-bearing employee shares from 1 January 2016 onwards). 1,243,251 shares are not registered shares with restricted transferability. With regard to the rights and obligations transferred by the shares (e.g. the right to a portion of the unappropriated retained earnings or to participate in the Annual General Meeting of Shareholders), reference is made to the provisions laid down under the German Stock Corporation Act (AktG). There are no special rights or preferences.

Restrictions on voting rights and the transfer of shares

Pursuant to Section 68 para. 2 of the German Stock Corporation Act (AktG), in conjunction with Article 6 of BayWa AG's Articles of Association, the purchase of shares with restricted transferability by individuals and legal entities under civil and public law requires the approval of the Board of Management of BayWa AG. BayWa holds a small portfolio of registered shares (19,500 units), which, pursuant to Section 71b of the German Stock Corporation Act (AktG), do not carry voting rights as long as they are in BayWa's possession. There are no other restrictions that relate to the voting rights or the transfer of shares.

Affiliated companies with over 10% of voting rights

On the reporting date, the following shareholders held stakes in the capital that exceeded 10% of the voting rights:

- Bayerische Raiffeisen-Beteiligungs-AG, Beilngries, Germany
- Raiffeisen Agrar Invest GmbH, Vienna, Austria

Legal requirements and provisions of the Articles of Association on the appointment or dismissal of members of the Board of Management and on amendments to the Articles of Association

Supplemental to Sections 84 et seq. of the German Stock Corporation Act (AktG), Article 9 of the Articles of Association of BayWa AG on the appointment or dismissal of members of the Board of Management also requires members of the Board of Management to be appointed by the Supervisory Board. Members of the Board of Management are appointed for a maximum term of five years, and reappointment is permitted. The Supervisory Board appoints the Chairman of the Board of Management.

Pursuant to Section 179 of the German Stock Corporation Act (AktG) in conjunction with Article 21 of the Articles of Association of BayWa AG, amendments to the Articles of Association are always passed by the Annual General Meeting of Shareholders.

Authorisation of the Board of Management relating in particular to the option of issuing or buying back shares

Subject to the approval of the Supervisory Board, the Management Board is authorised to raise the share capital one or several times on or before 18 May 2020 by up to a nominal amount of €4,689,891.84 through the issuance of new registered shares with restricted transferability against cash contribution to the employees of BayWa AG and of affiliated companies within the meaning of Sections 15 et seq. of the German Stock Corporation Act (AktG). Shareholders' subscription rights are excluded. Subject to approval by the Supervisory Board, the Board of Management is authorised to specify the further content of the share rights and conditions under which the shares are to be issued.

Subject to approval by the Supervisory Board, the Board of Management is also authorised to raise the share capital one or several times on or before 31 May 2016 by up to a nominal amount of €12,500,000 through the issuance of new registered shares with restricted transferability against contributions in kind. The authorisation can be used in partial amounts. Shareholders' subscription rights are excluded. Subject to approval by the Supervisory Board, the Board of Management is authorised to specify the further content of the share rights and conditions under which the shares are to be issued.

Furthermore, subject to approval by the Supervisory Board, the Board of Management is authorised to raise the share capital on or before 31 May 2018 by up to a nominal amount of €10,000,000 through the issuance of new registered shares against contributions in kind. The authorisation can be used in partial amounts. Shareholders' subscription rights are excluded. Subject to approval by the Supervisory Board, the Board of Management is authorised to specify the further content of the share rights and conditions under which the shares are to be issued.

Furthermore, the Board of Management is authorised to offer held shares to third parties within the framework of the acquisition of or investment in companies or of mergers and to withdraw part or all of the shares without requiring a further resolution to be passed by the Annual General Meeting of Shareholders.
The Board of Management has not been further authorised by the Annual General Meeting of Shareholders to buy back shares. There are no agreements within the meaning of Section 315 para. 4 items 8 and 9 of the German Commercial Code (HGB).

Significant Events after the Reporting Date

On 26 January 2016, the Bundeskartellamt (German federal antitrust authority) conducted a search in a number of offices at the BayWa AG headquarters in Munich, Germany, on the basis of a warrant issued by the District Court of Bonn. The investigation is based on the suspicion that employees of the company were allegedly involved in agreements aimed at restricting competition in the sale of agricultural equipment. According to the court order authorising the search, several companies from the industry are being investigated. No further details on the accusations were available to the company at the time of the conclusion of the consolidated financial statements. BayWa AG will cooperate fully with the German federal antitrust authority to clarify the matter.

BayWa AG, Munich, Germany, will take over the majority interest in the Dutch supplier of exotic fruits and vegetables, TFC Holland B.V. (TFC) based in De Lier, the Netherlands, subject to approval by the antitrust authorities. The Munich-based trading and services group will receive 68.4% of the shares for a purchase price of €28.7 million. The takeover is an important step for BayWa in its international growth strategy in the Agriculture Segment. TFC has long-standing international trade relations in all procurement markets for exotic fruits – mainly for avocado, mango, ginger and citrus fruits, as well as with the European food retail industry. By expanding its portfolio in the growth market for exotic speciality fruits, in particular in the "ready-to-eat" sector, BayWa AG is strengthening its position as a leading international supplier of exotic and pome fruit.

BayWa AG, Munich, Germany, acquired 100% of the shares in Evergrain Germany GmbH & Co. KG, Hamburg, Germany, on 29 January 2016. Evergrain is specialised in international trading with malting barley. With the takeover, BayWa is expanding its specialities business internationally and aims to take a leading role in the malting barley trade in future. The biggest market potential for malting barley lies in the European Union and increasingly in the growth markets of South America and Asia.

BayWa AG, Munich, Germany, acquired the project rights for a total of 31 wind energy projects from juwi, a project developer based in Wörrstadt, Germany, through the Group company BayWa r.e. Wind GmbH, Munich, Germany. The portfolio comprises an output of around 375 MW at different locations in Germany, for the most part in North Rhine-Westphalia and Rhineland-Palatinate. BayWa r.e. renewable energy GmbH will implement the projects and complete them in line with our business model. The projects are at different stages of development. BayWa r.e. is anticipating approval for nearly one third of these projects in 2016. Following this, the aim is to immediately commence construction. BayWa r.e expects the first wind farms from the new portfolio to be commissioned as early as 2017.

Remuneration Report

The Remuneration Report is part of the Management Report and explains the system of remuneration for members of the Board of Management and the Supervisory Board.

Remuneration of the Board of Management

The remuneration system, including the main contractual components, is reviewed by the Supervisory Board once a year and adjusted if necessary.
Since 1 January 2010, the remuneration of members of the Board of Management has comprised an annual fixed salary, a short-term variable component (annual bonus) and a long-term variable component (known as the bonus bank). The ratio of fixed to variable short-term remuneration and long-term variable remuneration is roughly 50 to 20 to 30 based on full (100%) achievement of goals. The non-performance-related component comprises an

annual fixed salary and benefits, such as the use of a company car and contributions to accident and health insurance. Short-term variable remuneration takes the form of an annual bonus. The amount of this bonus depends on the extent to which objectives, determined by the Supervisory Board and geared to individually agreed goals and to the successful development of the company's business (earnings before tax), are achieved. If the targets are achieved, the agreed bonuses are paid out in full. If the targets are exceeded, the bonus will be increased, but only up to a maximum amount (cap) of 150%. If the targets are not fulfilled, the bonus will be reduced proportionately. Both negative and positive developments are therefore taken into account in calculating short-term variable remuneration.
The long-term variable component takes the form of what is known as a bonus bank. The bonus bank will be supplemented or charged on a yearly basis depending on the extent to which objectives, linked to the success of the company (earnings before tax) and determined by the Supervisory Board for three years in advance, have been achieved, exceeded or undershot. If objectives are exceeded, the amount which can be transferred to the bonus bank is capped at 150% of the target figure. If there is a credit balance on the bonus bank, one third will be provisionally paid out for financial year 2015 to the members of the Board of Management. The remaining two thirds of the credit balance on the bonus bank remain in the bonus bank. The amount is paid linearly; in other words, the amount carried in the bonus bank will be paid out provisionally to members of the Board of Management in equal instalments across three financial years, provided there is a sufficient credit balance in the bonus bank and after calculating negative bonuses. If, owing to payments made in previous years or a charge reducing the bonus bank, there is a negative balance in the bonus bank, the respective Board of Management members are obliged to pay back the provisional payments made in the two preceding years. Both negative and positive developments are therefore also taken into account in calculating long-term variable remuneration. Alongside the agreed cap on both components of remuneration, there is also a cap imposed for extraordinary developments.

In addition, there are pension commitments for the members of the Board of Management. These commitments are based partly on the most recent fixed salary (30%) and partly on the number of years of service to the company (with increases limited to 35% and 50% of the salary most recently received). The retirement age has been set at 65 years (full year). Since 1 December 2012, all obligations from pension commitments have been transferred to an external pension fund in the form of an earned entitlement, or to a provident fund. Running payments made to the pension fund or provident fund are included in the overall remuneration disclosed for the Board of Management. There are no commitments in the employment contracts of the Board of Management members if service to the company is prematurely terminated. There are also no Change of Control clauses.

The total remuneration of the Board of Management for the financial year 2015 came to €6.326 million (2014: €6.519 million); of this amount, €2.262 million (2014: €2.300 million) is variable. Contributions amounting to €1.105 million (2014: €1.230 million) were paid in benefits after termination of the employment contract (pensions).
The remuneration of the Board of Management is not itemised. Instead, it is divided up into fixed and variable/performance-related amounts and disclosed once a year in the Notes to the Consolidated Financial Statements. The relevant resolution was passed by the Annual General Meeting of Shareholders in accordance with Section 286 para. 5 of the German Commercial Code (HGB) on 19 May 2015 (Code Item 4.2.4 sentence 3). There is more information on other remuneration in the Notes to the Financial Statements and Consolidated Financial Statements.

Remuneration of the Supervisory Board

The remuneration of the Supervisory Board is based on the responsibilities and the scope of tasks of the members of the Supervisory Board as well on as the Group's financial situation and performance.
Since 1 January 2010, members of the Supervisory Board have received fixed annual remuneration of €10,000, payable after the conclusion of the financial year, plus variable remuneration of €250 for each cash dividend portion of €0.01 per share approved by the Annual General Meeting of Shareholders which is distributed to shareholders in excess of a share in profit of €0.10 per share. Variable remuneration is due and payable at the end of the Annual General Meeting of Shareholders, which has passed a resolution on the aforementioned cash dividend portion.

The Chairman of the Supervisory Board receives three times the amount and the Vice Chairman twice the amount of remuneration paid as described in the paragraph above. Additional fixed annual remuneration of €2,500 is paid for committee work. The chairmen each receive three times the respective amount.
Supervisory Board members who serve on the Supervisory Board and/or its committees for only part of the financial year will receive remuneration on a proportionate basis.

In addition, they are reimbursed for their expenses and value added tax which falls due on account of their activities as member of the Supervisory Board or its committees. Moreover, Supervisory Board members will be included in any D&O insurance taken out in the interest of the company covering personal liability in an appropriate amount. The company pays the insurance premiums.

The total remuneration of the Supervisory Board comes to €0.702 million (2014: €0.686 million), of which €0.369 million is variable (2014: €0.351 million).
Disclosure of remuneration paid to the members of the Supervisory Board in the Notes to the Consolidated Financial Statements has not been itemised (reason given in the Declaration of Conformity).

Opportunity and Risk Report

Opportunity and risk management

The corporate policy of the BayWa Group is geared toward weighing up the opportunities against the risks of entrepreneurship in a responsible way. The management of opportunities and risks is an ongoing task of entrepreneurial activity designed to ensure the long-term success of the Group.
This enables the BayWa Group to innovate, secure and improve what is already in place. The management of opportunities and risks is closely aligned to the BayWa Group's long-term strategy and medium-term planning. The decentralised regional organisation and management structure of operating business enables the Group to identify trends, requirements, and the opportunities and risk potential of frequently fragmented markets at an early stage, analyse them and take action which is both flexible and market oriented. Internationalisation also allows BayWa to tap new business opportunities, which in turn reduces its dependence on the individual country markets and their risks. Moreover, the systematically intense screening of the market and of peer competitors is carried out with a view to identifying opportunities and risks. This is flanked by ongoing communication and the targeted exchange of information between the individual parts of the Group, which leverages additional opportunities and synergy potential.

Principles of opportunity and risk management

BayWa exploits opportunities that arise in the context of its business activities but, at the same time, also enters into entrepreneurial risks. The identification of entrepreneurial opportunities, the safeguarding of the assets and the enhancing of enterprise value therefore necessitate an opportunity and risk management system.

The principles underlying the system set in place within the BayWa Group to identify and monitor risks specific to the business have been described in a risk management manual approved by the Board of Management. In addition, the Internal Audit Department regularly audits the internal risk management system which supports the processes. ISO certifications for the standardisation of workflows and for risk avoidance, as well as taking out insurance policies, supplement the Group's management of risk.

Moreover, the BayWa Group has established binding goals and conduct in its corporate policy, ethical principles and Code of Conduct, which have been implemented throughout the Group. They regulate individual employee actions when applying the corporate values, as well as their fair and responsible conduct towards suppliers, customers and colleagues.

Opportunity and risk management within the BayWa Group

In the BayWa Group, opportunity and risk management is an integral component of the planning and management and control processes. A comprehensive risk management system records and monitors both the development of the Group and any existing weak points on an ongoing basis. The risk management system covers all segments and is included as a key component of reporting. A particularly important task of risk management is to guarantee that risks to the Group as a going concern are identified and kept to a minimum. This enables the management of Group companies to react swiftly and effectively. All units have risk officers and risk reporting officers who are responsible for implementing the reporting process.

The reporting process classifies opportunities and risks into categories and estimates their probable occurrence and potential financial impact. The system is based on individual assessments, supported by the relevant management processes, and forms an integral part of core activities. It starts with strategic planning and proceeds through to procurement, sales and distribution and, finally, to counterparty risk management. As an extension of the planning process that takes place in the business areas, the procurement and sales organisations and centralised functions, the opportunity and risk management system serves to detect and assess potential divergences from expected developments. In addition to identifying and assessing key developments influencing business, this system facilitates the prioritisation and implementation of activities. As a result, the BayWa Group can make better use of the opportunities while averting or reducing the risks.

A cornerstone of the risk management system is the risk reports, which are regularly prepared by the operating units. These reports are subject to evaluation by the Board of Management and by the heads of the business units. The systematic development of existing and new systems with a built-in early warning component makes an indispensable contribution to further strengthening and building up a Group-wide opportunity and risk culture in a targeted manner.

A key component and, at the same time, an evolution of the opportunity and risk management is the Risk Board, which has been in place since the financial year 2009. Presided over by the Chief Executive Officer, the Risk Board, which consists of operations managers and support staff, meets regularly to discuss and assess operational opportunities and risks. Minuted meetings are used to develop an understanding of the opportunities and risks and form the basis of the measure of risk applied to operational decisions.

The Group-wide risk management system for the agriculture group implemented in 2014 includes the business activities of BayWa, the Cefetra Group, BayWa Agrarhandel GmbH and BayWa Agrar International B.V. The minimum requirements for risk management (MaRisk) published by the German Financial Supervisory Authority (BaFin) serve as a benchmark for BayWa's risk management. The minimum requirements for risk management (MaRisk) contain regulations for identifying, assessing, managing and monitoring all major risk types, including counterparty risk as well as operational risks, such as quality and logistics risks. BayWa adapted the standards established in the financial services sector and at leading trading companies for its Agricultural Trade business unit due to the flexible and practical framework of the material regulations. Appropriate and effective risk management pursuant to the minimum requirements for risk management (MaRisk) comprises, in particular, the formulation of strategies and the establishment of internal control procedures, taking into account the risk-bearing capacity. The internal control system consists in particular of

- Arrangements governing the organisational structure and workflow,
- Processes for identifying, evaluating, managing, monitoring and reporting risks (risk management and control processes), and
- The establishment of a risk controlling function.

The positions, including spreads (basis risks), are determined and monitored for all Group companies for the purposes of market risk management on each trading day. Alongside volume limits, value-based procedures serve the risk-appropriate management of the positions. These procedures include the regular mark-to-market valuation of pending agricultural trade transactions and the determination of the trading results derived from this, as well as the portfolio-based value-at-risk procedure. In addition, scheduled and ad hoc stress tests are performed to recognise the effects that extraordinary market price changes have on profit and loss and, where necessary, implement measures to reduce risks. The trading positions of the agriculture group as well as the risks these pose are reported to the operating units local risk officers on a daily basis as well as to the Board of Management in the form of a weekly Risk Report.

These control mechanisms are supported by a standardised, Group-wide IT system solution for risk management that was introduced in 2014, which sees all functions and processes being monitored by an external auditing company within the scope of user acceptance testing.

The Agricultural Risk Committee is part of risk governance and serves as the highest decision-making body within the agriculture group. It is composed of members of the Board of Management and meets regularly and when warranted. The Agricultural Risk Committee decides on risk guidelines and limit systems for the Agricultural Trade business unit and, where necessary, implements risk-controlling and mitigating measures.

A form of risk controlling that is independent of trading was established at both the level of the Group and in the individual agricultural trading companies to ensure that the provisions of the Agricultural Risk Committee, including compliance with the limits, are implemented in full. Group Risk Control is responsible for the Group-wide developments and implementation of risk management, risk monitoring and risk reporting methods, processes and systems. The risk officer's responsibility at the trading companies covers all risk processes within the company, including limit monitoring and reporting. The Agricultural Risk Controlling Board, which comprises Group Risk Control as well as the risk officers of the trading units, is also part of risk governance and aims to promote the regular, at least weekly, structured exchange on risk-relevant incidents.

The Agricultural Coordination Center (ACC) established for improving the commercial coordination of agricultural trading activities in the previous year underwent further development in the reporting year and was integrated into the newly created organisational unit known as the Economics and Public Affairs Department (EPAD). Alongside global market monitoring, EPAD is responsible for preparing market analyses for all agricultural activities of the BayWa Group. In order to coordinate trading management, a global book system (GBS) was established. It serves to coordinate the trading and risk positions of individual product lines with each other in addition to optimising them. It does so on an overarching scale that includes all national and international activities and regions in the trade of grain, oilseed and related products.

Macroeconomic opportunities and risks

General economic factors have an influence on consumer behaviour and investment patterns in BayWa's core markets. However, these factors have less of an influence on BayWa than on other companies. BayWa's business model is primarily geared to satisfying fundamental human requirements, such as the need for food, shelter, mobility and the supply of energy. Accordingly, the impact of cyclical fluctuations is likely to be less strong than in other sectors. As a result, BayWa is even able to turn certain opportunities arising in times of crisis to its advantage through, for instance, the identification and acquisition of suitable companies with a view to building up or expanding existing or new areas of business. BayWa is, however, unable to fully escape from severe setbacks to international economic development as a result of the global decline in prices for raw materials, for example.

Sector and Group-specific opportunities and risks

Changes in the political framework, such as changes to the regulation of markets for individual agricultural products or tax-related government subsidies of energy carriers, in addition to volatile markets, create risks. At the same time, however, they open up new prospects. Extreme weather conditions can have a direct impact on offerings, quality, pricing and trading in agricultural produce and also downstream on the operating resources business. This is offset by the rise in product and geographical diversification in the Agriculture Segment, as this has reduced the dependence on individual markets and increased procurement and marketing flexibility. In addition, BayWa counters quality-related risks with sampling and controls. Risks that arise from deterioration in the quality of inventories are reduced through the application of professional storage standards. Logistics risks from a lack of available transport capacities due to weather or strikes are identified in good time thanks to early detection systems and subsequently managed. Global climate changes are also having a long-term effect on the agricultural sector. The global demand for agricultural produce, particularly grain, continues to grow. This may give rise to a sustained price uptrend. Fruit-growing activities pose a financial risk to the Group on account of the delay between cash outflow for buying, growing and maintaining the trees and vines and the costs of the harvest, on the one hand, and cash inflow from the sale of the fruit on the other. This risk is managed by actively monitoring net working capital. The development of income in the agricultural sector filters through directly to investment capacity and propensity and therefore to the sale of high-end agricultural equipment.

In the energy business, renewable energies are particularly affected by changes in support and subsidy measures. In light of this, geographic diversification stabilises the development of revenues and profit, while diversification across a number of different energy carriers – especially wind energy, solar power and biomass – mitigates risk in certain markets that remain strongly dependent on subsidisation. Climatic risks (wind, sunshine) also play a role for affiliated BayWa electricity-generating companies in the field of renewable energies. Long-term surveys mean that average wind and sunshine are relatively easy to forecast in the medium term, although both positive and negative deviations can occur at short notice. Plant availability also poses a risk, though this is greatly reduced by the assortment of proven components provided by well-known manufacturers. The conclusion of full-service maintenance contracts ensures that maintenance and repair work is performed within defined time periods.

Political and economic factors exert the main influence on demand in the construction sector. Political factors of influence include, for instance, special depreciation for listed buildings, measures to promote energy efficiency and the construction of social housing. At the same time, the ageing housing stock in Germany will encourage growing demand for modernisation and renovation. In the Building Materials Segment, the BayWa Group is a franchiser of DIY and garden centres. After the inclusion of BayWa Bau- und Gartenmärkte in a joint venture with Hellweg, the newly established BayWa Bau- und Gartenmärkte GmbH & Co. KG, operational management was transferred to Hellweg. In light of this, the risk arises that the franchise company in the BayWa Group will no longer be able to fulfil its contractual service obligations towards franchisees in the previous manner and quality. Among other things, this may lead to claims for damages on the part of franchisees. This risk was countered by concluding long-term contracts with Hellweg.

Opportunities and risks from financial instruments

In addition to fixed- and variable-rate financial instruments, which are subject to varying degrees of interest rate risks, the BayWa Group also uses derivative hedging instruments, such as options and futures contracts, to hedge its commodity trading. In addition to interest rate risk, these derivative hedging instruments are also subject to the risk of price changes in the underlying and, depending on the base currency in which the derivative hedge is denominated, currency risk. Provided these transactions are not concluded through a stock exchange, there is also a counterparty risk. By the same token, changes to interest rates, currency exchange rates or forward market prices can lead to unplanned opportunities.

Price opportunities and risks

BayWa trades in merchandise with very high price volatility, such as grain, oilseed, fertilisers, mineral oil, biomethane and solar components, especially in its Agriculture and Energy Segments. The warehousing of the corresponding merchandise and the conclusion of supply contracts governing the acquisition of goods in future means that BayWa is also exposed to the risk of price fluctuations. Whereas the risk inherent in mineral oils and biomethane is relatively low due to BayWa's pure distribution function, fluctuations in the price of grain, oilseed, fertilisers and solar components may incur greater risks owing to their warehousing if there is no matching in the agreements on the buying and selling of merchandise. Aside from absolute price risks, different developments in terms of local premiums, the price curve over time and in product quality can also influence the course of business. If there are no hedging transactions in place at the time when agreements are signed, the ensuing risk is monitored on an ongoing basis by the respective executive bodies. Whenever necessary, appropriate measures to limit risk are taken. BayWa also operates as a project developer in the field of renewable energies. This business harbours a risk that, for instance, the planning and building of solar power plants, wind farms and biogas plants are delayed and that they may be connected to the grid later than originally planned. In such cases, if the deadline for the further reduction in feed-in tariffs is not adhered to, there is a risk that the low feed-in and electricity income could result in the profitability of the projects being lower than planned.

The BayWa Group uses a portfolio-based value-at-risk method to measure and control risks from commodity futures, which are treated as financial instruments in the sense of IAS 39 (International Accounting Standard). The value-at-risk used by BayWa aims to quantify the negative changes in the value of a portfolio, which – with a certain degree of probability (95%) – will not be exceeded during a defined period of time (five trading days). The value-at-risk calculated as at 31 December 2015 amounted to €2.693 million and indicates that the potential loss from the commodity futures considered will, with a probability of 95%, not exceed €2.693 million within the next five trading days.

Foreign currency opportunities and risks

BayWa's business activities are largely located in the euro zone. If foreign currency positions arise from goods and services transactions or projects, they are always hedged without delay. Other payment obligations or receivables denominated in a foreign currency are hedged at the time when they arise. Speculative borrowing or investing funds denominated in foreign currencies is prohibited.

Share price opportunities and risks

To a small extent, the BayWa Group's investment portfolio comprises direct and indirect investments in listed companies. Equity investments are continuously monitored on the basis of their current market values.

Interest rate opportunities and risks

Interest rate risk positions arise from the Group's floating-rate financing activities, especially from the issuing of short-term commercial papers, taking out short-term loans, as well as variable-interest bonded loans. Short-term borrowing is used mainly to finance working capital. To reduce the interest rate risk, which is not hedged using a natural hedge, BayWa uses derivatives instruments in the form of futures, interest rate caps and swaps.

In the current financial year, the issuance of another bonded loan further reduced the share of variable-rate liabilities and increased the share of fixed-rate liabilities. As a result, it was possible to reduce the average interest rate for variable-rate financial liabilities to 1.0225% (2014: 1.5%). A change in this interest rate of plus 1.0% to 2.0225% would cause interest expenses to rise by €9.192 million.

Due to the present market environment with negative refinancing rates, a reduction of the interest rate would have no impact on the current interest expenses.

Legal and regulatory opportunities and risks

The companies of the Group are exposed to risks in connection with litigation in which they are currently involved or may be involved in the future. This kind of litigation comes about in the course of normal business activities, in particular in relation to the assertion of claims from services and deliveries that are not up to standard or from payment disputes. Legal risks can also rise from breaches of compliance regulations by individual employees. Antitrust investigations were conducted at various agricultural companies in Germany in 2015, including BayWa, with regard to crop protection wholesale operations. The investigation is ongoing. As at the time of the conclusion of the consolidated financial statements, the findings of the investigation were not available, even in part. Accordingly, no provisions have been made, aside from those for legal counsel, as the Board of Management is currently unable to assess the situation. BayWa establishes provisions for the event of such litigation risks if the occurrence of an obligation event is probable and the amount can be adequately estimated. In the individual case, actual utilisation may exceed the reserve amount.

Changes in the regulatory environment can affect the Group's performance. In particular, this includes government intervention in the underlying conditions for the agricultural industry and the renewable energies business. Negative impacts are related to the adjustment, reduction or abolition of funding measures. Conversely, new regulatory and legislative developments influencing bioenergy can also result in opportunities. In the construction sector, changes to building or fiscal regulations may also have an impact on the development of business.

Plant efficiency in terms of energy generation using renewable energy carriers is strongly reliant on the regulatory environment and government subsidies. Politically motivated changes to subsidy frameworks – particularly the retroactive reduction or abolition of feed-in tariffs – can have a major impact on the value of these plants: either through a fall in potential disposal gains in the future or through lower incoming cash flow from the operation of the plants. BayWa combats the potential implications of such risks on earnings by pursuing a threefold diversification strategy in its business portfolio for renewable energies: by country, by energy carrier and by business unit (projects and service, on the one hand, and trade on the other).

Credit and counterparty risks

As part of its entrepreneurial activities, the BayWa Group has an important function as a source of finance for its agricultural trading partners. In the context of so-called cultivation contracts, the Group is exposed to a financing risk arising from the advance financing of agricultural resources and equipment, the repayment of which is made through acquiring and selling the harvest. Moreover, BayWa grants financing to commercial customers particularly in the construction sector in the form of payment terms of a considerable scope. Beyond this, there are the customary default risks inherent in trade receivables. Risks are kept to a minimum by way of an extensive debt monitoring system which spans all business units. To this end, credit limits are defined through a documented process of approval and monitored on an ongoing basis.

Alongside credit risks, counterparty risks are also reviewed on a regular basis in the Agricultural Trade business unit; this way, changes in market prices relating to outstanding sales and procurement contracts are measured in order to manage the risk of non-fulfilment of contractual obligations.

There is currently no discernible concentration of default risk from business relationships with individual debtors or groups of debtors. The maximum credit risk exposure on the reporting date corresponds to the book value of this class. The expected default risk amounts to €12.604 million (2014: €15.746 million).

Liquidity risks

The liquidity risk is the risk that the BayWa Group may not – or only to a limited extent – be able to fulfil its financial obligations. In the BayWa Group, funds are generated by operations and by borrowing from external financial institutions. In addition, financing instruments, such as multi-currency commercial paper programmes or asset-backed securitisation, are used as well as bonded loans. Existing credit lines are therefore measured to an extent deemed sufficient to guarantee business performance at all times - even in the event of growing volume. The financing structure therefore accounts for the pronounced seasonality of business activities. Owing to the diversification of the sources of financing, the BayWa Group does not currently have any risk clusters with respect to liquidity. The BayWa Group's financing structure with its mostly matching maturities ensures that interest-related opportunities are reflected within the Group.

Rating of the BayWa Group

BayWa enjoys a positive rating among banks. This achievement is due to the solidity as well as to the long and successful history of the company and its high enterprise value, underpinned by assets such as real estate. In 2015, the BayWa Group was again able to raise its credit facilities and issue a bonded loan. For reasons of cost effectiveness, BayWa deliberately dispenses with the use of external ratings.

Opportunities and risks associated with personnel

As regards personnel, the BayWa Group competes with other companies for highly qualified managers, as well as for skilled and motivated staff. The Group companies continue to require qualified personnel in order to secure future success. Excessively high employee fluctuation, brain drain and failure to win junior staff loyalty may have a detrimental effect on the Group's business performance. BayWa counteracts these risks by offering its employees extensive training and continuous professional development in order to secure expertise. Management based on trust, the tasking of employees in line with their natural talents and abilities, as well as the definition of and adherence to our ethical principles creates a positive working environment.

At the same time, BayWa AG promotes the ongoing training and professional development of its employees. With more than 1,300 trainees in Germany and Austria in 2015, the Group ranks among the largest companies offering training specifically in rural areas. BayWa recruits a large majority of its future specialist and managerial employees from the ranks of these trainees. Long years of service to the company are a testament to the great loyalty that employees show to BayWa. This attitude creates stability and continuity and also secures the transfer of expertise down the generations.

IT opportunities and risks

The use of cutting-edge information technology characterises the overall business activity of the BayWa Group. All key business processes are supported by IT and mapped using state-of-the-art software solutions. In a trading company with high numbers of employees, having work processes supported electronically is imperative. The continuous review and revising of processes, however, involves more than the mere implementation of new IT components. It is always accompanied by an optimisation of process workflows, as a result of which opportunities in the form of synergy and cost savings potential can be identified and realised. At the same time, the risk inherent in the system rises in tandem with the growing complexity and dependency on the availability and reliability of the IT systems.

To realise the opportunities and minimise the risks, the IT skills and expertise of the BayWa Group are always kept up to date. The resources are pooled in RI-Solution GmbH, a BayWa subsidiary that provides the Group companies with IT services at the highest standard. Extensive precautionary measures, such as firewalls, virus protection updated on a daily basis, disaster recovery plans and training in data protection, serve to safeguard data processing. Segregated in organisational terms, a data protection officer monitors compliance with security and data protection standards.

Overall assessment of the opportunity and risk situation by Group management

An overall assessment of the current opportunity and risk situation shows that there are no risks which could endanger the Group as a going concern. There are currently no such risks discernible for the future either. All in all, the risks to the BayWa Group are limited and manageable.

Along with potentially non-influenceable or only indirectly influenceable geopolitical risks and macroeconomic risks, operational risks are also the focus of monitoring. As far as the latter are concerned, the BayWa Group has taken appropriate measures to manage and control these risks.

Internal Control System and Risk Management System in Relation to the Group Accounting Process

The Internal Control System (ICS), which monitors accounting processes, is a key component of opportunity and risk management. The BayWa Group has set in place a professional control system, which has been certified in many areas, comprising measures and processes to safeguard its assets and to guarantee the presentation of a true and fair view of the result of operations.

The consolidated financial statements are drawn up through a centralised process. Compliance with legal provisions and regulations pertaining to the Articles of Association during this process is guaranteed by the prescribed accounting standards. Corporate Accounting acts as a direct point of contact for the managers of the subsidiaries in matters pertaining to reporting and the annual and interim financial statements and draws up the consolidated financial statements in accordance with IFRS (International Financial Reporting Standards).

A control system which monitors the accounting process ensures the complete and timely logging of all business transactions in accordance with the statutory provisions and the regulations laid down under the Articles of Association. Moreover, it serves to guarantee that stocktaking is duly and properly performed and that assets and liabilities are recognised, valued and disclosed appropriately. The control system uses both IT-based and manual control mechanisms to fully ensure the regularity and reliability of accounting. Beyond this, suitable control mechanisms, such as strict compliance with the principle of dual control and analytical reviews, have been established in all processes relevant for accounting. In addition, Internal Audit, which is independent of these processes, audits all accounting-related processes.

The obligation of all subsidiaries to report their figures every month to BayWa on an IFRS basis in a standardised reporting format makes it possible to swiftly identify deviations from planned targets, thereby offering an opportunity to take action at short notice.

Corporate Accounting monitors all processes relating to the consolidated financial statements as part of quarterly reporting, such as the capital, liabilities, expenses and income consolidation and the elimination of inter-company results, in conjunction with the reconciliation of the Group companies.

The departments and units of the Group involved in the accounting process are suitably equipped in quantitative and qualitative terms, and training courses are conducted regularly.

The integrity and responsibility of all employees in respect of finance and financial reporting are ensured through obliging each employee to observe the code of conduct adopted by the respective company.

The employment of highly qualified personnel, targeted and regular training and continuous professional development, along with stringent functional segregation in financial accounting in the preparation, booking and controlling of vouchers is guaranteed through compliance with local and international accounting principles in the annual and consolidated financial statements.

Outlook

Outlook for the Agriculture Segment

Expected market and industry development

The agricultural industry continues as a growth market. The long-term forces driving growth in demand include, in particular, the constantly expanding global population, whose need for food is continuously increasing. In addition to this, rising income levels lead to a change in consumption habits in favour of animal products. At the same time, the decline in the amount of land available for cultivation per capita necessitates constant increases in yield per hectare, which can only be achieved through further increases in productivity in the agricultural sector. The degree of mechanisation in agricultural production will therefore continue to incease, and the digitisation of agriculture, expanding at a dynamic rate, will have a significant impact on the optimisation of workflows and boosting income. At the same time, the need for operating resources is also growing in order to optimise yields per hectare. The global interconnection of markets for agricultural produce is widening the procurement and sales basis for internationally active companies and accordingly allows for the continuous supply of the markets. However, particularly good or poor harvests of certain agricultural products or in certain regions can cause strong fluctuations in global market prices over the short term. That being said, a stable to positive price trend for agricultural produce can be assumed over medium- and long-term perspectives.

Based on current forecasts for the harvest season 2015/16, grain and oilseed are set for another excellent harvest; grain harvest volume – excluding rice – is expected to amount to 2,000 million tonnes, only slightly below the record level of 2,023 million tonnes seen the previous year. Global consumption is expected to rise by just under 1% to 1,983 million tonnes, meaning that inventories are likely to increase by approximately 20 million tonnes to 475 million tonnes. As a result, the coverage of the inventory stocks will increase from 84 days in the grain year 2014/15 to 87 days in the grain year 2015/16. Overall, a good supply situation is also expected for the EU. While forecasts indicate that the harvest volume will be some 8% smaller in the grain year 2015/16, this nonetheless stands to be largely offset by lower wheat exports and higher corn imports. According to their most recent forecast, experts from the International Grains Council (IGC) anticipate a slight drop in the global harvest volume for wheat and corn in the grain year 2016/17. Compared over several years, grain prices are significantly down on the highs of 2011 and 2012. Owing to the good supply situation worldwide, grain prices are expected to fall slightly over the short term. A sustainable recovery of prices is likely to occur only if the harvest prospects for 2016/17 deteriorate. The weakening of the euro's exchange rate with respect to the US dollar could lead to lower levels of grain exports from the United States and benefit exports from the euro zone.

In the case of feedstuff grain, the US Department of Agriculture (USDA) forecasts a minor increase in inventories in the grain year 2015/16, as the anticipated consumption of 1,266 million tonnes is just below the production volume at 1,270 million tonnes. Following a slight price decline in 2015, a larger drop in prices for staple and mixed feed is not expected for 2016.

In the case of agricultural operating resources, a slight increase in demand is also expected for seed in 2016, as EU environmental, or greening, requirements became compulsory on 1 January 2015. Under these new regulations, agricultural operations must initially ensure that 5% their land is set aside as an Ecological Focus Area (EFA). Many farmers left this land fallow in the past year. However, the land may continue to be used for farming under certain conditions, including the cultivation of high-protein plants to bind nitrogen in the soil or the cultivation of catch and cover crops. Demand for seeds for legumes and other catch and cover crops is therefore likely to rise. Assuming that the cultivation structure remains largely the same in 2016 and that we will see normal weather conditions, the use of crop protection products is expected to be well above the previous year's level. In particular, the demand for fungicide is likely to go up again following the sharp drop during the previous year due to dry weather. Prices are expected to remain stable on the whole in 2016. Assuming that we will see normal weather conditions during 2016 as a whole, a moderate increase in fertiliser sales is anticipated, as the dry weather also limited the application of fertiliser in 2015. While the relatively mild winter 2015/16 allowed for an early start to fertilising, traders and farmers have been reticent so far concerning advance sales, especially with regard to nitrogen fertilisers. The German Fertiliser Ordinance (DüV) set to take effect in autumn 2016 could lead to a slight drop in demand. The ordinance limits the amount of fertilisers containing nitrogen or phosphates that can be used and extends the fertiliser blackout period from three months to four. Following an increase in fertiliser prices of approximately 3% in 2015, prices are expected to trend sideways until summer 2016. The fall in energy prices could also have a detrimental effect on fertiliser prices in the second half of the year. As in previous years, different types of fertiliser are expected to develop differently.

Assuming that we will see normal weather conditions in Germany, an average harvest yield for apples of some 965,000 tonnes is anticipated in 2016, which is largely on par with 2015. The political and regulatory framework is also the same as in the previous year. Demand is likely to experience virtually constant development. In light of this, fruit prices are expected to remain stable. Similar development is anticipated for the other EU countries. Based on current fruit development overall, the apple harvest in the southern hemisphere is expected to total some 5.3 million tonnes (previous year: approximately 5.4 million tonnes). Following last year's record harvest, apple production in New Zealand for 2016 is anticipated to be down by 1% year on year at some 548,000 tonnes. Exports, however, are likely to increase by around 1% to 337,000 tonnes. Due to an increasing focus on greater quality and a further rise in exports to Asia, apple prices are expected to either remain stable or rise slightly.

Revenues for many types of agricultural produce suffered a considerable decline in 2015. As a result, the agricultural sector's sentiment indicator took a marked turn for the worse over the course of 2015, and the assessment of the future situation also remains subdued. At 28%, the propensity of farmers to make investments in the first half of 2016 is down considerably from 34% the previous year. At €3.3 billion, planned investment volume is also down significantly from €4.7 billion in the previous year. The negative trend in terms of investment stretches across all sectors, from the construction of farm buildings to farm and animal equipment and from technical facilities and machinery to outdoor equipment. The only area in which investment volume is on par with the previous year, albeit at a low level, is electronic equipment. Against this backdrop, the German Engineering Federation (VDMA) anticipates a decline in investment in Germany in 2016 of approximately 5% to €7.0 billion (previous year: €7.4 billion). Over the medium and long term, the agricultural equipment industry will benefit, however, from the continued increase in the use of technology to step up agricultural production and boost efficiency. Increasing digitisation in the areas of smart farming, precision farming and farm management will open up additional business potential.

Anticipated business performance

Anticipated business performance

The business activities of the Agriculture Segment were restructured with effect from 1 January 2016: The activities of the Agricultural Trade business unit were split up into the new BayWa Agri Supply & Trade (BAST) and BayWa Agricultural Sales (BAV) business sectors. BAST combines BayWa's national and international trade, distribution and logistics activities for grain, oilseed and related products. The collection business and trade in operating resources and feedstuff have been pooled in the new business sector known as BAV. The Agricultural Equipment, Digital Farming and Fruit business sectors remain unchanged.

In 2016, the BayWa Group's volume of trade in agricultural produce – particularly grain and oilseed, as well as feedstuff – is expected to be up significantly on the previous year. This is based on the positive business from the subsequent collection and storage of the harvest, high grain inventories and the high harvest volume forecasts for the grain year 2015/16. In addition, the initial inclusion of Wessex Grain Ltd. and the newly opened trading offices in Ukraine, Russia and Argentina as part of BayWa's international expansion strategy is contributing positively to growth. With the acquisition of malting barley trader Evergrain Germany GmbH & Co. KG, BayWa is also further expanding its speciality business internationally. Altogether, this is likely to result in the expansion of the handling volume of grain and oilseed to more than 32 million tonnes.

In the operating resources business, sales volume in the BAV business sector in 2016 is set to climb primarily on account of better market penetration in existing sales regions. Owing to greening requirements, the sales volume for seed is expected to increase slightly. Following a weak performance for crop protection products in 2015 due to dry weather, demand is anticipated to return to normal again. Normal weather conditions in 2016 are also likely to lead to a moderate rise in sales in the fertiliser business as well. In terms of feedstuff distribution, the restructuring of the business with new own brands is poised to have a positive impact on sales.

In total, revenues for the BAST and BAV business sectors are expected to be significantly higher than revenues in the Agricultural Trade business unit in 2015. An unusually high improvement in the operating result (EBIT) is also anticipated, as the negative impact from start-up costs for grain trading activities in Italy, Spain and Romania will no longer apply and additional earnings can be expected thanks to the continued expansion.

In the fruit business, the entire marketing volume of the BayWa Group is set to increase noticeably. The acquisition of the majority interest in the Dutch supplier of exotic fruits and vegetables, TFC Holland B.V. (TFC), will play an important role in this regard. In New Zealand, improved prices and a moderate increase in exports to Asia are expected to overcompensate for the slight decline in the harvest volume of apples. Overall, the Fruit business sector is therefore likely to be able to considerably increase revenues year on year. Due to positive one-off effects at New Zealand-based subsidiary T&G, the operating result (EBIT) will likely see an exceptionally strong rise. In addition to the acquisition in the Netherlands, the optimisation of the network of locations in the German fruit business and the ensuing productivity gains also stand to contribute to an improvement of the result.

In the agricultural equipment business, the level of orders has dropped noticeably as a result of famers' lower propensity to invest. A considerable decline in sales concerning the trade in new machinery is therefore to be expected for 2016. However, the complete takeover of the Dutch Agrimec Group B.V. is likely to offset this effect, while the farm and animal equipment business volume will probably be down significantly year on year, as well. The service business, on the other hand, is poised to expand cnonsiderably due to the high sales figures for agricultural machinery. Overall, BayWa expects to see a slight increase in revenues for agricultural equipment in 2016. Upfront costs for the specialisation of sales operations at Massey Ferguson and the new central warehouse for replacement parts near Schweinfurt, the operating result (EBIT) is likely to fall significantly short of the previous year's level.

The Digital Farming business sector is likely to generate revenues measured in euros in the high single-digit millions. Due to the necessary investments to develop this scalable business, disproportionate upfront and start-up costs are expected until 2018 as part of medium-term planning. The operating result (EBIT) as measured in euros is likely to turn out negatively in the low, single-digit millions.

On the whole, BayWa anticipates an unusually high increase in revenues in the Agriculture Segment and a significant rise in the operating result (EBIT).

Outlook for the Energy Segment

Expected market and industry development

Demand for fossil fuels in the heating business is subject to fluctuations in consumption determined by weather conditions. Purchasing behaviour is also influenced by the heating oil price trend, which, in turn, is highly dependent on the price of crude oil. Forecasts for the price of crude oil indicate that the current excess supply will persist into the third quarter of 2016. In light of this, a maximum price increase to approximately USD45 per barrel is expected. Heating oil consumption in BayWa AG's core regions is likely to see considerable further decline in 2016 due to structural factors, such as the rise of renewable energies, the increasing use of gas and energy savings through the use of modern technologies and energy-efficient building renovation. Sales of wood pellets are benefitting from the number of installed wood pellet-based heating systems, which continues to increase. The growth potential of this energy carrier is, however, limited by the regional availability of the raw material and the limited transportation distance in economic terms. Sales of fuels and lubricants are primarily dependent on economic development. In view of the forecast economic growth of 1.7% for Germany in 2016, demand can be expected to rise moderately.

In terms of renewable energies, the course has been set for long-term development: The energy concept introduced by the German federal government aims to gradually expand the proportion of electricity generated from renewable sources from the current level of around 33% to between 40% and 45% in 2025, then to 55% to 60% by 2035, and then to at least 80% in 2050. In the EU, the proportion of total energy consumed from renewable sources is to rise to at least 27% by 2030. However, renewable energy subsidies have been cut back or abolished in many countries on account of the European sovereign debt crisis.

In Germany, the amendment to the German Renewable Energy Sources Act (EEG) from August 2014 aimed to make the energy transition policy affordable for German citizens and the economy and to limit the negative impact on the entire energy provision system. As a result, direct distribution in a market premium model is becoming the norm for all operators of large-scale renewable energy plants. Surplus electricity from new plants with installed output greater than 500 kilowatts (KW) must be sold and traded on the energy exchange, usually by a direct distributor. The guaranteed feed-in tariff still applies to smaller plants with a term of 20 years. However, in the case of new plants, the EEG surcharge is also to be paid for self-generated and consumed electricity provided the de minimis thresholds of 10 KW of installed output or a generation of 10 megawatt-hours (MWh) for own consumption per year are exceeded.

An expansion corridor has been defined for onshore wind turbines – as was the case before for photovoltaic technology. Based on a feed-in tariff decline of 0.4% per quarter from 1 January 2016, the rates of reduction increase if the expansion corridor is exceeded and drop if expansion rates fall short of the defined corridor. The 2014 amendment to the German Renewable Energy Sources Act (EEG) removes all previous material-related one-off bonuses for new biomass plants. The expansion of biomass technology was focused on the use of residual materials such as slurry and refuse. The preparations for a new version of the German Renewable Energy Sources Act (EEG) are currently underway. The revised law is set to take effect already in early 2017. According to the current version of the draft, the funding of onshore and offshore wind turbines, as well as large photovoltaic systems, will occur through competitive tendering in future. The lowest bids will receive the allowance until the installed output in the invitation to tender has been reached. The only turbines/systems excluded from the invitations to tender are those with an installed output of up to 1 MW, for which the subsidy amount is determined by law. Funding for existing biomass plants is scheduled to be phased out gradually from 2020, which makes the construction, renovation or expansion of biomass plants unattractive from a financial perspective.

All in all, the expansion of capacities in the areas of photovoltaics, wind energy, solar and biomass is expected to slow considerably – as is the political intention – due to the amendment to the German Renewable Energy Sources Act (EEG). In some southern European countries, the expansion of renewable energies will also decrease sharply due to cuts to or the abolition of subsidisation. On the other hand, investments in renewable energies are expected to continue rising worldwide. China is poised to account for the largest share of this growth. The country aims to realise an increase of 150 GW in the photovoltaic sector by 2020. Forecasts project a worldwide increase of 64 GW for photovoltaics in 2016, equating to year-on-year growth of approximately 25%. The share of global photovoltaic demand attributable to the United States is expected to rise from 10% in 2015 to 15% in 2020 as a result of the extension of the solar investment tax credits (ITC) until 2019 for now. In Germany, forecasts indicate that at 1.4 GW, the expansion of new photovoltaic capacities will be on par with 2015. A major decline in investments is expected in the United Kingdom, as the Renewables Obligation Certification (ROC) funding expired at the end of March 2016.

China is by far the largest single market for wind energy as well. Installed output is set to grow there by an additional 200 GW by 2020. In the United States, which is the second-largest market in the world, rebates based on the production tax credits (PTC) have also been extended until 2019, meaning that a further increase of 9.4 GW in wind turbines can be expected there in 2016. In Europe, growth is set to subside considerably. In light of the subsidisation set to expire at the end of 2016, however, forecasts indicate an expansion in capacities of 1.2 GW in the United

Kingdom, which corresponds to a threefold increase year on year. In Germany, the installed output is expected to grow by a total of 3.6 GW in 2016, of which 2.6 GW is attributable to onshore and 1.0 GW to offshore wind turbines.

Anticipated business performance

Even though heating oil prices are at their lowest level in eleven years, it is unlikely that demand will rise, as many consumers took advantage of the sharp drop in prices over the course of 2015 to refuel. As a result, heating oil tanks are still relatively full, which is also due to the mild 2015/16 winter. In addition, the structural decline in demand in heating oil business is set to continue. The slight increase in market share is not expected to compensate for the resulting significant fall in sales. In the business with fuels and lubricants, a slight increase in sales is anticipated owing to the expected positive economic development. In terms of the sale of wood pellets, significant growth opportunities have opened up following the establishment of five specialised centres in southern Germany and warehousing locations with sophisticated logistics, as well as an online shop that provides free delivery on shipments across Germany. In addition, the takeover of the wood pellet business at Hofgut Mauer in Württemberg in autumn 2015 enhanced market penetration. In 2016, revenues in fossil and renewable heating fuels, fuels and lubricants trading are set to be up considerably in a year-on-year comparison across all product areas as based on current prices. From today's perspective, a significant decline in the operating result (EBIT) is expected based on existing business activities. It may be possible to mitigate this drop in earnings through a gain in market share above all in Austria.

The Renewable Energies business sector is set to continue down its path towards growth in 2016 through organic developments and acquisitions. The opening of branches in Japan and Singapore represents a first step in entering the market in South East Asia. Declines in some European countries or technology industries will be more than compensated for by growth in other markets. The project pipeline for commissioning and turbine/plant sales with respect to wind and solar energy currently amounts to a total of around 375 MW, of which some 200 MW is attributable to the photovoltaic business and some 175 MW to wind power. The focus of photovoltaic business in 2016 will be on new projects in the United Kingdom and the United States. With respect to wind turbines, activities are focused on Germany and France. In terms of biomass business in Germany, the focus continues to be on the repowering of existing plants, consultancy services and raw materials management. Following several years of consolidation in photovoltaic component trading in continental Europe, 2016 is likely to see this period come to an end and mark the road to recovery.

BayWa r.e.'s business in Germany is benefiting from innovative system solutions. Further increases in sales in the United States are also expected, though it is unlikely they will be able to fully compensate for declines in other regions, especially the United Kingdom. The development of revenues and earnings depends primarily on the number and capacity of project sales concluded. In contrast to the number of systems, the capacity of project sales is unlikely to reach the high level achieved the previous year in 2016. Overall, the revenues of the Group company BayWa r.e. are expected to increase considerably on 2015. As a result of lower year-on-year margin potential due to increasing competition, the operating result (EBIT) is expected to see a considerable decline, though it is expected to significantly exceed the EBIT level from 2014.

Overall, there is likely to be a significant increase in the Energy Segment's revenues for 2016 on the basis of anticipated development in individual areas. The operating result (EBIT) is expected to be below the exceptionally high figure achieved in 2015.

Outlook for the Building Materials Segment

Expected market and industry development

According to industry association Hauptverband der Deutschen Bauindustrie, the pace of growth in the German construction industry is likely to rise year on year; the construction industry's revenues are expected to increase by 3.0% to €103 billion overall. Based on the 4.6% increase in the number of building permits for residential construction in 2015, accelerated growth of real investments in residential construction by 5.0% is expected for 2016. New construction is set to be nearly 10% higher than in 2015. Factors contributing to this growth also include the doubling of funding provided by the German federal government for residential construction for 2016–2018 to €1 billion per year, as well as planned additional tax incentives to stimulate investment. Forecasts indicate a rise of 3.0% for investments in modernisation measures. The tightening of requirements from the German Energy Saving Ordinance (EnEV) and improvements made to the KfW subsidy programmes are providing positive stimuli where this matter is concerned. Following a slowdown in 2015, commercial construction is expected to stage a moderate recovery with growth of 1.6%. Investments in public-sector construction are set to expand by 2.2%, driven primarily by greater investments by the German federal government in streets, railways and waterways.

In contrast, the construction industry in Austria is expected to continue seeing weak development in 2016, according to forecasts from the Austrian Institute of Economic Research (WIFO), which anticipates an increase in construction activity of merely 0.8% in real terms. As a result, growth in the construction sector is poised to be well below the rise in macroeconomic output in 2016. This increase will be driven by a slight improvement in the order situation for structural engineering, while a lower year-on-year volume is expected for civil engineering.

Anticipated business performance

As was the case already in previous years, a large portion of growth in the construction sector is attributable to the construction of multi-storey dwellings in major urban areas, as living space in these locations remains highly scarce. In rural areas, the underlying conditions will remain a mixed bag. As a result, the construction volume of commercial buildings in the agricultural sector is expected to drop sharply. Building permits for commercial structural engineering projects also continue to face a slight decline, meaning no positive momentum can be anticipated there as well. The moderate rise in the number of building permits for new owner-occupied homes is the only factor that could lead to growth in regions outside of major urban areas. In light of this, BayWa's trade in building materials stands to participate in the generally positive industry development to only a lesser extent in 2016. In contrast, BayWa is benefiting from the growing prefabrication trend and the expansion of the business with "mobile generalists" in terms of crafts- and tradespeople. Through the continued expansion of e-commerce, additional growth opportunities are opening up beyond the existing market area. Due to the reduction in the number of building materials sites, revenues in the Building Materials Segment are expected to fall year on year by a small margin. The operating result (EBIT) is likely to be down slightly on that from 2015 due to increased costs in some areas, such as the costs of wages. Insufficient growth prospects in the medium to long term coupled with foreseeable cost increases is forcing the search for a strategic partner for building materials trading activities in Germany.

Other Activities

No forecast is possible for the Other Activities Segment, as revenue and earnings development is primarily driven by opportunism in capitalising on market opportunities within the scope of BayWa's portfolio management system.

Outlook for the BayWa Group

Prospects for the BayWa Group are positive, though restrained for 2016. Group revenues are expected to increase significantly in 2016 on the basis of the expected underlying conditions in the segments. The Group's operating result (EBIT) is anticipated to improve slightly year on year. From today's perspective, the earnings indicators EBITDA and EBT are likely to see development which is similar to that of EBIT. BayWa is continuing its strategy of strengthening profitability sustainably in order to safeguard the independence of the company over the long term and ensure that it is fit for the future.

Consolidated Balance Sheet as at 31 December 2015

Assets

In € million	Note	31/12/2015	31/12/2014 adjusted	01/01/2014 adjusted
Non-current assets				
Intangible assets	(C.1.)	166.809	148.108	154.987
Property, plant and equipment	(C.2.)	1,419.814	1,396.535	1,311.700
Participating interests recognised at equity	(C.3.)	203.876	196.444	101.601
Other financial assets	(C.3.)	168.196	181.542	251.525
Investment property	(C.5.)	55.915	72.849	82.393
Tax assets	(C.6.)	1.432	2.802	4.085
Other receivables and other assets	(C.8.)	59.610	54.142	34.122
Deferred tax assets	(C.9.)	211.525	209.271	153.635
		2,287.177	**2,261.693**	**2,094.048**
Current assets				
Securities	(C.3.)	1.983	2.127	2.171
Inventories	(C.10.)	2,141.541	1,986.319	1,836.039
Biological assets	(C.4.)	11.977	9.171	5.667
Tax assets	(C.6.)	22.595	28.009	13.506
Financial assets	(C.7.)	222.373	153.409	93.619
Other receivables and other assets	(C.8.)	1,254.756	1,084.415	1,018.734
Cash and cash equivalents	(C.11.)	84.459	108.356	92.087
		3,739.684	**3.371.806**	**3,061.823**
Non-current assets held for sale/disposal groups	(C.12.)	**9.796**	**18.500**	**43.392**
Total assets		**6,036.657**	**5,651.999**	**5,199.263**

Shareholders' equity and liabilities

In € million	Note	31/12/2015	31/12/2014 adjusted	01/01/2014 adjusted
Equity	(C.13.)			
Subscribed capital		88.997	88.687	88.409
Capital reserve		104.949	101.683	98.154
Revenue reserves		538.564	526.103	576.941
Other reserves		77.166	69.986	83.684
Equity net of minority interest		**809.676**	**786.459**	**847.188**
Minority interest		266.225	263.917	267.826
		1,075.901	**1,050.376**	**1,115.014**
Non-current liabilities				
Pension provisions	(C.14.)	625.466	637.669	512.083
Other non-current provisions	(C.15.)	82.618	83.136	86.381
Financial liabilities	(C.16.)	1,068.340	946.511	621.896
Financial lease obligations	(C.17.)	154.823	161.406	166.457
Trade payables and liabilities from inter-group business relationships	(C.18.)	5.084	2.236	3.042
Financial liabilities	(C.20.)	3.650	3.124	2.380
Other liabilities	(C.21.)	93.419	121.566	107.486
Deferred tax liabilities	(C.22.)	158.092	152.456	162.776
		2,191.492	**2,108.104**	**1,662.501**
Current liabilities				
Pension provisions	(C.14.)	29.787	29.223	28.765
Other current provisions	(C.15.)	175.940	171.201	145.245
Financial liabilities	(C.16.)	1,314.307	1,167.235	1,131.943
Financial lease obligations	(C.17.)	6.671	7.856	8.700
Trade payables and liabilities from inter-group business relationships	(C.18.)	792.220	744.998	766.616
Income tax liabilities	(C.19.)	25.301	27.593	19.652
Financial liabilities	(C.20.)	169.868	136.422	95.405
Other liabilities	(C.21.)	255.170	203.912	225.422
		2,769.264	**2,488.440**	**2,421.748**
Liabilities from non-current assets held for sale/disposal groups	(C.23.)	**–**	**5.079**	**–**
Total shareholders' equity and liabilities		**6,036.657**	**5,651.999**	**5,199.263**

Consolidated Income Statement for 2015

Continued operations

In € million	Note	**2015**	2014 adjusted
Revenues	(D.1.)	**14,928.129**	**15,201.788**
Inventory changes		86.720	–43.111
Other own work capitalised		3.825	5.334
Other operating income	(D.2.)	157.850	182.426
Cost of materials	(D.3.)	–13,575.301	–13,816.916
Gross profit		**1,601.223**	**1,529.521**
Personnel expenses	(D.4.)	–825.156	–793.069
Depreciation and amortisation		–130.161	–127.711
Other operating expenses	(D.5.)	–495.334	–491.488
Result of operating activities		**150.572**	**117.253**
Income from participating interests recognised at equity	(D.6.)	3.284	3.394
Other income from shareholdings	(D.6.)	4.291	31.431
Interest income	(D.7.)	5.616	6.772
Interest expenses	(D.7.)	–75.710	–78.426
Financial result		**–62.519**	**–36.829**
Result of ordinary activities (EBT)		**88.053**	**80.424**
Income tax	(D.8.)	–26.450	0.279
Consolidated net income		**61.603**	**80.703**
of which: due to minority interest	(D.9.)	13.399	19.276
of which: due to shareholders of the parent company		48.204	61.427
EBIT		**158.147**	**152.078**
EBITDA		**288.308**	**279.789**
Basic earnings per share (in €)	(D.10.)	**1.39**	**1.78**
Diluted earnings per share (in €)	(D.10.)	**1.39**	**1.78**

Consolidated Statement of Comprehensive Income – Transition

In € million	**2015**	2014 adjusted
Consolidated net income	**61.603**	**80.703**
Actuarial gains/losses from pension obligations and provisions for severance pay recognised in the reporting period	3.116	–94.570
Sum of items not subsequently reclassified in the income statement	**3.116**	**–94.570**
Net gain/loss from the revaluation of financial assets in the "available for sale" category recognised in the reporting period and other income from interests accounted for using the equity method	–0.501	–0.904
Reclassifications to the income statement due to disposal of financial assets in the "available for sale" category recognised in the reporting period	–	2.367
Net gain/loss from hedging instruments with a clear hedging relationship	0.016	1.031
Net gain/loss from hedging instruments with a clear hedging relationship recognised in the income statement in the reporting period	–1.647	0.576
Differences from currency translation	1.731	10.239
Differences from currency translation reclassified to the income statement during reporting period	0.301	–0.104
Sum of items subsequently reclassified in the income statement	**–0.100**	**13.205**
Gains and losses recognised directly in equity	3.016	–81.365
of which: due to minority interest	–0.875	0.775
of which: due to shareholders of the parent company	3.891	–82.140
Consolidated total result for the period	**64.619**	**–0.662**
of which: due to minority interest	12.524	20.051
of which: due to shareholders of the parent company	52.095	–20.713

Consolidated Cash Flow Statement for 2015

Note (E.1.)

In € million	2015	2014 adjusted
Consolidated net income	61.603	80.703
Income tax expenses	26.450	−0.279
Financial result	62.519	36.829
Write-downs/write-ups of non-current assets		
Intangible assets	21.238	18.475
Property, plant and equipment	106.915	105.864
Other financial assets	0.914	1.234
Investment property	2.008	3.372
Other non-cash related expenses/income		
Expenses relating to share-based payment through profit and loss	1.431	1.522
Other	1.222	−13.226
Increase/decrease in non-current provisions	−6.761	−16.948
Cash-effective expenses/income from special items		
Gain/loss from the disposal of financial assets	−0.447	−20.734
Income tax paid	−23.604	−34.134
Interest received	4.838	4.462
Interest paid	−34.667	−31.534
Other financial result	−13.643	−2.173
	210.016	**133.433**
Increase/decrease in current and medium-term provisions	4.674	24.750
Gain/loss from asset disposals	−15.472	−18.980
Increase/decrease in inventories, trade receivables and other assets not allocable to investing or financing activities	−355.949	−152.422
Increase/decrease in trade payables and other liabilities not allocable to investing or financing activities	175.776	−77.402
Cash flow from operating activities	**19.045**	**−90.621**
Outgoing payments for company acquisitions (Note B.1.)	−36.916	−142.185
Incoming payments from the divestiture of companies	–	–
Incoming payments from the disposal of intangible assets, property, plant and equipment and investment property	64.713	94.964
Outgoing payments for investments in intangible assets, property, plant and equipment and investment property	−174.538	−165.214
Incoming payments from the disposal of other financial assets	16.309	3.441
Outgoing payments for investments in other financial assets	−23.264	−34.949
Interest received	0.595	0.447
Dividends received and other income assumed	9.635	15.904
Cash flow from investing activities	**−143.466**	**−227.592**

In € million	**2015**	2014 adjusted
Incoming payments from equity contributions	2.195	4.251
Dividend payments	−33.514	−32.953
Incoming payments from borrowing of (financing) loans	313.034	472.187
Outgoing payments from redemption of (financing) loans	−157.767	−87.086
Interest paid	−25.288	−22.006
Cash flow from financing activities	**98.660**	**334.393**
Payment-related changes in cash and cash equivalents	−25.761	16.180
Cash and cash equivalents at the start of the period	108.356	92.087
Inflow/outflow of funds due to changes in the group of consolidated companies and in exchange rates	1.864	0.089
Cash and cash equivalents at the end of the period	**84.459**	**108.356**
Outgoing payments for company acquisitions included in the cash flow from investing activities are as follows:		
Purchase price of company acquisitions	−36.834	−167.448
Purchase prices paid in the financial year (including contingent purchase price components from company acquisitions in previous years)	−38.345	−145.050
Cash and cash equivalents assumed from company acquisitions	1.429	2.865
Net cash flow from the acquisition of companies	−36.916	−142.185

Please see Note B.1. of the Consolidated Financial Statements for details on the assets and liabilities of the subsidiaries and/or operating units over which control is obtained or lost, summarised by each major category. As one of the primary business purposes in the Renewable Energies business sector is the disposing of project companies once a project has been completed, incoming payments from the disposal of project companies from the group of consolidated companies are allocated to cash flow from operating activities, and not cash flows from investing activities.

Consolidated Statement of Changes in Equity

Note (C.13.)

In € million	Subscribed capital	Capital reserve
As at 01/01/2014 before adjustments	**88.409**	**98.154**
Adjustments pursuant to IAS 8	–	–
As at 01/01/2014 after adjustments	**88.409**	**98.154**
Differences resulting from changes in the group of consolidated companies	–	–
Capital increase against cash contribution/share-based payments	0.278	3.529
Changes in the fair value of assets classified as "available for sale" and derivative financial instruments as well as other income from interests accounted for using the equity method	–	–
Change in actuarial gains/losses from pension and severance pay obligations	–	–
Inter-company profits from elimination with associates recognised in equity	–	–
Dividend distribution	–	–
Differences from currency translation	–	–
Transfer to revenue reserve	–	–
Consolidated net income	–	–
Adjustments pursuant to IAS 8 – Differences from currency translation	–	–
Adjustments pursuant to IAS 8 – Consolidated net income	–	–
As at 31/12/2014 // 01/01/2015 after adjustments	**88.687**	**101.683**
Differences resulting from changes in the group of consolidated companies	–	–
Capital increase against cash contribution/share-based payments	0.310	3.266
Changes in the fair value of assets classified as "available for sale" and derivative financial instruments as well as other income from interests accounted for using the equity method	–	–
Change in actuarial gains/losses from pension and severance pay obligations	–	–
Inter-company profits from elimination with associates recognised in equity	–	–
Dividend distribution	–	–
Differences from currency translation	–	–
Transfer to revenue reserve	–	–
Consolidated net income	–	–
As at 31/12/2015	**88.997**	**104.949**

	Assessment reserve	Other revenue reserve	Other reserves	Equity net of minority interest	Minority interest	Equity
	–5.229	**582.170**	**150.658**	**914.162**	**267.826**	**1,181.988**
	–	–	–66.974	–66.974	–	–66.974
	–5.229	**582.170**	**83.684**	**847.188**	**267.826**	**1,115.014**
	–	–16.557	–1.755	–18.312	–18.798	–37.110
	–	–	–	3.807	1.966	5.773
	2.414	–	–	2.414	0.656	3.070
	–	–92.381	–	–92.381	–2.189	–94.570
	–	0.314	–	0.314	–	0.314
	–	–	–25.825	–25.825	–7.128	–32.953
	–	–	7.921	7.921	2.343	10.264
	–	55.372	–55.372	–	–	–
	–	–	70.190	70.190	20.283	90.473
	–	–	–0.094	–0.094	–0.035	–0.129
	–	–	–8.763	–8.763	–1.007	–9.770
	–2.815	**528.918**	**69.986**	**786.459**	**263.917**	**1,050.376**
	–	2.335	–1.258	1.077	–4.380	–3.303
	–	–	–	3.576	0.050	3.626
	–1.558	–	–	–1.558	–0.574	–2.132
	–	3.348	–	3.348	–0.232	3.116
	–	–5.903	–	–5.903	–	–5.903
	–	–	–27.628	–27.628	–5.886	–33.514
	–	–	2.101	2.101	–0.069	2.032
	–	14.239	–14.239	–	–	–
	–	–	48.204	48.204	13.399	61.603
	–4.373	**542.937**	**77.166**	**809.676**	**266.225**	**1,075.901**

Notes to the Consolidated Financial Statements
as at 31 December 2015*

Drawn up in accordance with the International Financial Reporting Standards (IFRS)/International Accounting Standards (IAS) adopted within the European Union, as well as in accordance with the additional information required under Section 315a para. 1 of the German Commercial Code (HGB).

* Previous-year figures adjusted; please refer to Note (B.7.) for the corresponding adjustments.

(A.) BACKGROUND TO THE BayWa CONSOLIDATED FINANCIAL STATEMENTS

(A.1.) General information, accounting and valuation methods

BayWa AG has its principal place of business in Arabellastrasse 4, 81925 Munich, Germany. The BayWa Group, with BayWa AG as the ultimate parent company, is a group of trading and services companies with core activities in the following business areas: Agricultural Trade, Fruit, Agricultural Equipment, Digital Farming, Energy, Renewable Energies and Building Materials. The Agricultural Trade business sector comprises trading in agricultural produce and operating resources. The Fruit business sector combines all activities of the Group in the business of fruit and vegetable growing and trading these products. The full range of agricultural equipment and services is offered in the Agricultural Equipment business sector. The Digital Farming business section, which was added in the financial year 2015, provides software solutions and integrated services for process-controlled operations management in agriculture (smart farming). The Energy business sector has an extensive network, which ensures the supply of heating oil, fuels, lubricants and wood pellets to commercial and private customers. In the Renewable Energies business sector, the Group offers customers services geared towards project planning for wind power, biogas facilities and solar power plants, on the one hand, and operates its own wind and biogas plants to produce electricity, on the other. The range of products and services under Renewable Energies is rounded off by the sale of solar panels. The Building Materials Segment comprises building materials sales activities, as well as the operation of DIY and garden centres of the Austrian Group companies.

The BayWa Group decided in the reporting year on the early application of the amendments to IAS 16 (Property, Plant and Equipment) and IAS 41 (Agriculture) with regard to the accounting for bearer plants, which were endorsed in European law in November 2015. According to the amendment, these kinds of bearer plants are exempt from the scope of IAS 41 and fall within the scope of IAS 16, therefore enabling entities to measure them at cost subsequent to initial recognition or at revaluation. Until now, bearer plants had been measured at fair value on an annual basis.The produce growing on bearer plants continues to be accounted for under IAS 41. The early application of the amendments was implemented retrospectively, meaning that the fair value of bearer plants was corrected in the previous year's annual financial statements. Consequently, bearer plants have been accounted for as a component of property, plant and equipment since 1 January 2014 and measured at cost less aggregated depreciation. The fair value of the bearer plants as at 31 December 2013 or 1 January 2014 was used as the historical costs. For information on the impact on the consolidated financial statements of BayWa as at 1 January 2014 and 31 December 2014 resulting from this amendment, reference is made to Note B.7. of the Consolidated Financial Statements. There were no other changes in the accounting policies and valuation methods applied to the consolidated financial statements as at 31 December 2014.

The consolidated financial statements as at 31 December 2015 were drawn up in compliance with the International Financial Reporting Standards (IFRS) as applicable within the European Union. The standards of the International Accounting Standards Board (IASB), London, and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) valid on the reporting date were fully taken into account. The consolidated financial statements therefore give a true and fair view of the net assets, financial position and result of operations of the BayWa Group and were prepared under the assumption that the company will continue as a going concern.

Moreover, the consolidated financial statements comply with the supplementary provisions set out under Section 315a para. 1 of the German Commercial Code (HGB).

The financial year of the BayWa Group covers the period from 1 January to 31 December. The financial statements of BayWa AG and its Group companies are generally prepared in accordance with the balance sheet date of the consolidated financial statements. The financial statements of Deutsche Raiffeisen-Warenzentrale GmbH, Frankfurt am Main, Germany; Raiffeisen Beteiligungs GmbH, Frankfurt am Main, Germany; BRB Holding GmbH, Munich, Germany; BEEGY GmbH, Mannheim, Germany; LWM Austria GmbH, Hollabrunn, Austria; Frisch & Frost Nahrungsmittel GmbH, Vienna, Austria; AUSTRIA JUICE GmbH, Allhartsberg (formerly: Kröllendorf), Austria; Allen Blair Properties Limited, Wellington, New Zealand; Fresh Vegetable Packers Limited, Christchurch, New Zealand; Mystery Creek Asparagus Limited, Hamilton, New Zealand; and Worldwide Fruit Limited, Spalding, UK, constitute an exception, as these companies are accounted for using the equity method. All of the above companies have different reporting dates, which are 28 February, 31 March, 30 June, 31 July or 30 September. The interim financial statements of all companies as at 30 November or 31 December form the basis for consolidation.

The accounting implemented within the Group of BayWa AG is carried out in accordance with the accounting and valuation principles uniformly applied by the whole Group; they are described under Notes C. and D. in the notes to the balance sheet and the income statement. Individual items have been disclosed separately in the balance sheet and in the income statement to enhance transparency. They are broken down and explained in the Notes to the Consolidated Financial Statements. The consolidated financial statements have been prepared in euros. Unless otherwise indicated, amounts are shown in millions of euros (€ million; rounded off to three decimal points).

(A.2.) Estimates and assumptions by management

The preparation of the consolidated financial statements necessitates that, to a certain extent, assumptions are made and estimates used which have an impact on the valuation of assets, liabilities capitalised, the income and expenses and the contingent liabilities. Estimates are necessary, particularly in respect to the measurement of property, plant and equipment and intangible assets, as well as inventories, in connection with purchase price allocation, the recognition and measurement of deferred tax assets, the recognition and measurement of pension provisions and other reserves, as well as the carrying out of impairment tests in accordance with IAS 36.

In the case of pension provisions, the discount factor, along with wage and salary and pension trends, are important parameters for estimates. An increase or decrease in the discount factor affects the net present value of the obligations arising from pension plans. Likewise, changes to anticipated wage, salary and pension trends and expected employee fluctuation also impact the defined benefit obligation (DBO).

Impairment tests on goodwill are based on future-oriented assumptions. From today's standpoint, justifiable changes to these assumptions would not result in the book values of the cash-generating unit (CGU) exceeding their recoverable amount, thereby triggering impairment. The underlying assumptions are influenced primarily by the market situation of the CGU. Please refer to Note C.1. of the Consolidated Financial Statements for information on the extent to which justifiable changes to the underlying assumptions for material goodwill could result in the book values of the respective CGU exceeding their recoverable amount.

Deferred tax assets on loss carryforwards are recognised, provided that future tax advantages are likely to be realised within the next three years. The actual taxable profits in future periods, and thus the actual usability of deferred tax assets, may differ from the estimate at the time when the deferred tax is capitalised.

In respect of property, plant and equipment, assumptions were made relating to the Group-wide establishment of useful economic lives. Deviations from the actual economic life are, therefore, possible but are estimated to be fairly low. Assumptions made in relation to the definition of useful economic lives are reviewed at regular intervals and, if necessary, modified. In the financial year 2015, the regular reviews resulted in the extension of the useful economic lives, as well as the depreciation period of a wind park to take into consideration the expected consumption of the future economic use of the wind park (changes from estimates in the sense of IAS 8.32 [d]). This resulted in a reduction in depreciation of property, plant and equipment of €3.816 million in the financial year 2015. For subsequent years, a reduction in depreciation of €3.816 million per year is also expected.

Estimates of the future revenues, growth and the inflation-adjusted margins, as well as the location and variety are required for determining the fair value of the biological assets.

Estimates have been made in respect of inventories, especially in the context of write-downs on the net realisable value. Estimates of the net realisable value are based on the substantive information available at the time when the likely recoverable amounts of inventories were estimated. These estimates take account of changes in prices and costs, which are directly associated with events after the reporting period, in as much as these events serve to elucidate the conditions already prevailing at the end of the reporting period.

The measurement of the recoverability of receivables is also subject to assumptions which are based in particular on empirical values on recoverability.

The operating expenses of "investment property" are also subject to estimates based on empirical values.

All assumptions and estimates are based on the conditions prevailing and judgements made on the reporting date. In addition, particular consideration was given to the economic development and the business environment of the BayWa Group. If, in future business periods, framework conditions should develop otherwise, there may be differences between actual and estimated amounts. In such cases, the assumptions and, if necessary, the book value of the assets and liabilities affected will be adjusted on subsequent reporting dates. At the time when the consolidated financial statements were prepared, a material change in the underlying assumptions and estimates was not anticipated.

(A.3.) Impact of new accounting standards

Accounting standards applicable for the first time in the financial year 2015 – mandatory or voluntary early application

In the financial year 2015, the following standards and interpretations were applicable for the first time. These new standards had very little or no influence on the presentation of the net assets, financial position and result of operations or on earnings per share of the BayWa Group.

In May 2013, the IASB published IFRIC 21 (Levies), which was endorsed in European law in June 2014. This interpretation clarifies, in the case of public-sector levies imposed on the basis of legal regulations, how and, in particular, when such obligations are to be accounted for in accordance with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets). According to the interpretation, the liability is to be recognised as soon as the obligating event occurs that triggers the payment of the levy in accordance with the relevant legislation. The amendment enters into force for reporting periods beginning on or after 17 July 2014. The interpretation did not have any impact on the net assets, financial position and result of operations of the BayWa Group.

As part of its annual improvements to IFRSs 2011–2013 cycle, the IASB introduced amendments to four standards in December 2013, which were endorsed in European law in December 2014. The amendments enter into force for reporting periods beginning on or after 1 January 2015. They had no impact at all or no major impact on the net assets, financial position and result of operations of the BayWa Group.

An amendment to IFRS 1 (First-time Adoption of International Financial Reporting Standards) clarifies that an entity, in its first IFRS financial statements, has the choice between applying an existing and currently effective IFRS or applying early a new or revised IFRS that is not yet mandatorily effective, provided that the new or revised IFRS permits early application. An entity is required to apply the same version of the IFRS throughout the periods covered by those first IFRS financial statements.

An amendment to IFRS 3 (Business Combinations) clarifies that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

An amendment to IFRS 13 (Fair Value Measurement) clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 (Financial Instruments: Recognition and Measurement) or IFRS 9 (Financial Instruments), regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32.

An amendment was also made to IAS 40 (Investment Property) as part of the IASB's annual improvement project. This clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in IFRS 3 and investment property as defined in IAS 40 requires the separate application of both standards independently of each other.

In June 2014, the IASB published amendments to IAS 16 (Property, Plant and Equipment) and IAS 41 (Agriculture) with regard to the accounting for bearer plants, which were endorsed in European law in November 2015. In the future, these kinds of bearer plants are removed from the scope of IAS 41 and fall within the scope of IAS 16, therefore enabling entities to measure them at cost subsequent to initial recognition or at revaluation. The produce growing on bearer plants continues to be accounted for under IAS 41. The amendments enter into force for reporting periods beginning on or after 1 January 2016. In the BayWa Group these amendments were retrospectively applied early in the financial year 2015. As a result of the amendments, bearer plants are no longer regularly measured at fair value. Instead, bearer plants in the BayWa Group are accounted for as a component of non-current assets and measured at cost less aggregated depreciation. The impact on the consolidated financial statements of BayWa AG as at 1 January 2014 and 31 December 2014 resulting from the retrospective application of this amendment is presented in Note B.7. of the Consolidated Financial Statements.

Standards, interpretations and amendments which have been published but not yet applied

The IASB and IFRS Interpretations Committee have issued the following standards, amendments of standards and interpretations that are not yet mandatorily applicable. In some cases, an endorsement of this IFRS or interpretations thereof in European law has yet to take place. All amended statements are applied at the BayWa Group once they are endorsed in European law from the date on which the endorsement takes effect. The BayWa Group decided against the premature application of these amendments.

In November 2013, the IASB published an amendment to IAS 19 (Employee Benefits [2011]), which was endorsed in European law in December 2014. The amendment clarifies requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service. The amendment enters into force for reporting periods beginning on or after 1 February 2015. The amendment is not expected to have any impact on the net assets, financial position and result of operations of the BayWa Group.

As part of its annual improvements to IFRSs 2010–2012 cycle, the IASB published amendments to seven standards in December 2013, which were endorsed in European law in December 2014. The amendments enter into force for reporting periods beginning on or after 1 February 2015. They are expected to have no impact at all or no major impact on the net assets, financial position and result of operations of the BayWa Group.

An amendment to IFRS 2 (Share-based Payment) clarifies the definitions of “vesting condition” and “market condition” and adds definitions for the terms “performance condition” and “service condition”. The latter had previously been part of the definition of “vesting condition”.

In addition, IFRS 3 (Business Combinations) contains an amendment clarifying that contingent considerations that are classified as an asset or a liability shall be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument falling within the scope of IAS 39 or IFRS 9, a non-financial asset or a liability. Changes to fair value (within the exception of changes in the valuation period) are to be recognised through profit and loss. Subsequent amendments were made correspondingly to IFRS 9, IAS 39 and IAS 37.

An amendment to IFRS 8 (Operating Segments) stipulates that an entity must disclose judgements made by management on the basis of which the management resolved to apply the aggregation criteria to operating segments. This includes a brief description of the operating segments that have been aggregated and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics. In addition, it is also clarified that an entity shall only provide reconciliations of the total of the reportable segments’ assets to the entity’s assets if the segment assets are reported regularly.

An amendment to IFRS 13 (Fair Value Measurement) clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effects of not discounting are immaterial.

An amendment was also made to IAS 16 (Property, Plant and Equipment) as part of the IASB’s annual improvement project. This clarifies that, when an item of property, plant and equipment is revalued, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount and the aggregated depreciation is calculated as the difference between the gross carrying amount and the net carrying amount after considering all impairment losses.

An amendment to IAS 24 (Related Party Disclosures) clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

An amendment to IAS 38 (Intangible Assets) clarifies that, when an intangible asset is revalued, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount and the aggregated depreciation is calculated as the difference between the gross carrying amount and the net carrying amount after considering all impairment losses.

In May 2014, the IASB published amendments to IFRS 11 (Joint Arrangements). The amendments clarify that the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3, is required to apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs with the exception of those principles that conflict with the guidance in IFRS 11. The amendments enter into force for reporting periods beginning on or after 1 January 2016. This is not expected to have any impact on the net assets, financial position and result of operations of the BayWa Group.

In August 2014, the IASB published amendments to IAS 27 (Separate Financial Statements). In future, an entity will again be able to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method. The amendments enter into force for reporting periods beginning on or after 1 January 2016. The amendments have no impact on the net assets, financial position and result of operations of the BayWa Group.

The IASB published amendments to IAS 16 (Property, Plant and Equipment) and IAS 38 (Intangible Assets) in May 2014. The amendments to IAS 16 clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate. IAS 38 was amended to introduce a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate for the same reasons as in IAS 16. In addition, guidance was introduced into both standards to explain that expected future reductions in selling prices could be indicative of a higher rate of consumption of the future economic benefits embodied in an asset. The amendments enter into force for reporting periods beginning on or after 1 January 2016. The amendments are not expected to have any impact on the net assets, financial position and result of operations of the BayWa Group.

In December 2014, the IASB published amendments to IAS 1 (Presentation of Financial Statements). The amendments are aimed at eliminating obstacles that the writers saw as relating to the exercising of discretionary powers when preparing the financial statements. The amendments enter into force for reporting periods beginning on or after 1 January 2016. The amendments are not expected to have a major impact on the presentation of the net assets, financial position and result of operations of the BayWa Group.

As part of its annual improvements to IFRSs 2012–2014 cycle, the IASB introduced amendments and clarifications to four standards in September 2014. The amendments enter into force for reporting periods beginning on or after 1 January 2016. They are expected to have no impact at all or no major impact on the net assets, financial position and result of operations of the BayWa Group.

In IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) specific guidance was introduced for cases in which an entity reclassifies an asset from “held for sale” to “held for distribution” or vice versa and cases in which held-for-distribution accounting is discontinued.

An amendment to IFRS 7 (Financial Instruments: Disclosures) adds additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of determining the disclosures required. Another amendment clarifies that the amendments to IFRS 7 on offsetting disclosures are not mandatory for all condensed interim financial statements. However, these disclosures may be required on a case-by-case basis in order to comply with the requirements of IAS 34.

An amendment was also made to IAS 19 (Employee Benefits [2011]) as part of the IASB’s annual improvement project. It was clarified that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid. Therefore, the depth of the market for high quality corporate bonds should be assessed at currency level.

An amendment to IAS 34 (Interim Financial Reporting) clarified the meaning of “elsewhere in the interim financial report” and added the requirement for a cross-reference to this other point in the report if said point is not within the main part of the interim report.

The following standards or standard amendments have not yet been endorsed by the EU as part of the IFRS endorsement procedure:

In January 2014, the IASB published an interim standard in the form of IFRS 14 (Regulatory Deferral Accounts), which permits an entity which is a first-time adopter of IFRSs to continue to account, with some limited changes, for “regulatory deferral account balances” in accordance with its previous accounting standards. The standard is seen as a short-term interim solution until the IASB concludes its longer-term comprehensive project on rate-regulated activities. Application of IFRS 14 is voluntary. The standard may be applied if the first financial statements for an entity are prepared for financial years starting on or after 1 January 2016. The standard may be applied early. The European Commission resolved in October 2015 not to endorse IFRS 14 in European law as only a few entities in the EU will fall under the scope of this standard. This means that the new standard in effect is of no relevance for German entities.

The IASB made amendments to IFRS 10 (Consolidated Financial Statements) and IAS 28 (Investments in Associates and Joint Ventures [2011]) in September 2014. The amendments clarify that, in the case of transactions with an associate or a joint venture, the extent of the gain or loss depends on whether the sold or contributed assets constitutes a business as defined in IFRS 3. The date of first-time application was initially postponed until further notice.

The IASB also made amendments to IFRS 10 (Consolidated Financial Statements), IFRS 12 (Disclosure of Interests in Other Entities) and IAS 28 (Investments in Associates and Joint Ventures [2011]) in December 2014. The amendments address issues that have arisen in the context of applying the consolidation exception for investment entities. The amendments enter into force for reporting periods beginning on or after 1 January 2016. The amendments are not expected to have any impact on the net assets, financial position and result of operations of the BayWa Group.

The IASB introduced a new standard in the form of IFRS 15 (Revenue from Contracts with Customers) in May 2014, which stipulates when and in what amount revenue is to be recognised. In addition, report writers are required to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers and replaces current revenue regulations in IAS 11 (Construction Contracts) and IAS 18 (Revenue). First-time application of the standard is compulsory for financial years starting on or after 1 January 2018. IFRS 15 has yet to be endorsed in European law. The impact of the new standard on the presentation of the net assets, financial position and result of operations of the BayWa Group is currently being reviewed.

The IASB published its final draft of IFRS 9 (Financial Instruments) in July 2014. The object of IFRS 9 is to replace the current IAS 39 (Financial Instruments: Recognition and Measurement). The standard governs all aspects of accounting for financial instruments. The latest version of IFRS 9 differs from the standard it supersedes by way of the revised classification of financial assets. These are based on the characteristics of the business model as well as on contractual payment flows for financial assets. Requirements concerning the recognition of impairment losses, which is now based on an expected loss model, were also amended. Furthermore, IFRS 9 also redefines the recognition of hedging transactions, which is now more strongly oriented towards risk management. First-time application of the standard is compulsory for financial years starting on or after 1 January 2018. Endorsement in European law is still pending. In view of the complexity of the scope addressed by IFRS 9, issuing a reliable, detailed statement on its impact is currently not possible. It is, however, assumed that these amendments will have no material impact on the presentation of the net assets, financial position and result of operations of the BayWa Group.

In January 2016, the IASB published amendments to IAS 12 (Income Taxes) that aim to clarify the different methods used in the past to recognise deferred tax assets for unrealised losses for assets stated at fair value. The amendments enter into force for reporting periods beginning on or after 1 January 2017. They are expected to have no impact at all or no major impact on the net assets, financial position and result of operations of the BayWa Group.

The IASB also amended IAS 7 (Statement of Cash Flows) in January 2016. These amendments are designed to allow users of financial statements to assess changes in liabilities arising from financing activities. The amendments enter into force for reporting periods beginning on or after 1 January 2017. The amendments are not expected to have any impact on the net assets, financial position and result of operations of the BayWa Group.

In publishing IFRS 16 (Leases) in January 2016, which governs the principles for the recognition, measurement, presentation and disclosure obligation of leases, the IASB aims to replace the current IAS 17 as well as IFRIC 4, SIC 15 and SIC 27. In the future, the standard will provide a separate lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from IAS 17. First-time application of the standard is compulsory for financial years starting on or after 1 January 2019. IFRS 16 has yet to be endorsed in European law. The impact of the new standard on the presentation of the net assets, financial position and result of operations of the BayWa Group is currently being reviewed.

(B.) INFORMATION ON CONSOLIDATION

(B.1.) Group of consolidated companies – fully consolidated companies pursuant to IFRS 10

Under the principles of full consolidation, all domestic and foreign companies on which BayWa can exercise direct or indirect control within the meaning of IFRS 10 and where the subsidiaries are not of secondary importance have been included in the consolidated financial statements, alongside BayWa AG.

	Share in capital in %	Comment
Agriculture Segment		
Agrosaat d.o.o., Ljubljana, Slovenia	100.0	
Bayerische Futtersaatbau Gesellschaft mit beschränkter Haftung, Ismaning, Germany	79.2	
BayWa Agrar International B.V., Rotterdam (formerly: Amsterdam), the Netherlands	100.0	
BayWa Agri Romania S.r.l., Bucharest, Romania	90.0	Initial consolidation on 30/04/2015
BayWa Agro Polska Sp. z o.o., Grodzisk Mazowiecki, Poland	100.0	Initial consolidation on 01/01/2015
BayWa Marketing & Trading International B.V., Rotterdam, the Netherlands	100.0	Initial consolidation on 01/01/2015
BayWa Obst GmbH & Co. KG, Munich, Germany	100.0	Initial consolidation on 01/01/2015
BayWa Rus LLC, Moscow, Russia	100.0	Initial consolidation on 15/07/2015
BayWa Ukraine LLC, Kiev, Ukraine	100.0	Initial consolidation on 04/08/2015
BGA Bio Getreide Austria GmbH, Vienna, Austria	100.0	
BOR s.r.o., Choceň, Czech Republic	92.8	
Cefetra Ibérica S.L.U., Pozuelo de Alarcón, Spain	100.0	Initial consolidation on 01/01/2015
Cefetra S.p.A., Rome, Italy	100.0	
CLAAS Nordostbayern GmbH & Co. KG, Altenstadt, Germany	90.0	
CLAAS Main-Donau GmbH & Co. KG, Vohburg, Germany	90.0	
CLAAS Südostbayern GmbH, Töging am Inn, Germany	90.0	
CLAAS Württemberg GmbH, Langenau, Germany	80.0	
EUROGREEN AUSTRIA GmbH, Mondsee, Austria	100.0	
EUROGREEN CZ s.r.o., Jiřetín pod Jedlovou, Czech Republic	100.0	
EUROGREEN GmbH, Betzdorf, Germany	100.0	
EUROGREEN Schweiz AG, Zuchwil, Switzerland	100.0	
F. Url & Co. Gesellschaft m.b.H., Lannach, Austria	100.0	
FarmFacts GmbH & Co. KG, Pfarrkirchen, Germany	100.0	Initial consolidation on 31/03/2015
Garant - Tiernahrung Gesellschaft m.b.H., Pöchlarn, Austria	100.0	
LTZ Chemnitz GmbH, Hartmannsdorf, Germany	90.0	
PC-Agrar Informations- und Beratungsdienst GmbH, Pfarrkirchen, Germany	100.0	Initial consolidation on 31/03/2015
Raiffeisen Agro d.o.o., Belgrade, Serbia	100.0	
Raiffeisen Kraftfutterwerke Süd GmbH, Würzburg, Germany	100.0	
Raiffeisen Waren GmbH Nürnberger Land, Hersbruck, Germany	52.0	
Raiffeisen-Agro Magyarország Kft., Ikrény, Hungary	100.0	
RWA RAIFFEISEN AGRO d.o.o., Zagreb, Croatia	100.0	
RWA Raiffeisen Agro Romania S.r.l., Orţişoara, Romania	100.0	Initial consolidation on 01/01/2015
RWA SLOVAKIA spol. s r.o., Bratislava, Slovakia	100.0	
Sempol spol. s r.o., Trnava, Slovakia	100.0	
TechnikCenter Grimma GmbH, Mutzschen, Germany	70.0	
URL AGRAR GmbH, Unterpremstätten, Austria	100.0	
BayWa Agrarhandel Group		
BayWa Agrarhandel GmbH (formerly: Bohnhorst Agrarhandel GmbH), Steimbke, Germany	100.0	
Agrar- und Transportservice Kölleda GmbH, Kölleda, Germany	58.0	
Agrarhandel Züssow Bohnhorst / Naeve Beteiligungs GmbH, Züssow, Germany	100.0	
Hafen Vierow - Gesellschaft mit beschränkter Haftung, Brünzow, Germany	50.0	
Ketziner Lagerhaus GmbH & Co. KG, Ketzin, Germany	100.0	
VIELA Export GmbH, Vierow, Germany	74.0	

	Share in capital in %	Comment
Cefetra Group		
Cefetra B.V., Rotterdam, the Netherlands	100.0	
Baltic Logistic Holding B.V., Rotterdam, the Netherlands	100.0	
Burkes Agencies Limited, Glasgow, UK	100.0	
Cefetra Feed Service B.V., Rotterdam, the Netherlands	100.0	
Cefetra Hungary Kft., Budapest, Hungary	100.0	
Cefetra Limited, Glasgow, UK	100.0	
Cefetra Polska Sp. z o.o., Gdynia, Poland	100.0	
Cefetra Shipping B.V., Rotterdam, the Netherlands	100.0	
Hallwood Logistics Limited, Glasgow, UK	100.0	
Shieldhall Logistics Limited, Glasgow, UK	100.0	
Sinclair Logistics Limited, Glasgow, UK	100.0	
Wessex Grain Ltd., Templecombe, UK	100.0	Initial consolidation on 30/11/2015
T&G Global Group		
T&G Global Limited (formerly: Turners & Growers Limited), Auckland, New Zealand	73.7	Acquisition of additional 0.6% of shares on 04/12/2015
Apollo Apples (2014) Limited, Auckland, New Zealand	100.0	
Berryfruit New Zealand Limited, Auckland, New Zealand	100.0	
Delica (Shanghai) Fruit Trading Ltd, Shanghai, People's Republic of China	100.0	
Delica Australia Pty Ltd, Tullamarine (formerly: Pakenham), Australia	100.0	
Delica Domestic Pty Ltd, Tullamarine (formerly: Pakenham), Australia	80.0	Disposal of 20.0% of shares on 30/11/2015
Delica Limited, Auckland, New Zealand	100.0	
Delica North America, Inc., Torrance, USA	75.0	
EFL Holdings Limited, Auckland, New Zealand	100.0	
ENZA Fresh, Inc., Seattle, USA	100.0	
ENZA Investments USA, Inc., Seattle, USA	100.0	
ENZA Limited, Auckland, New Zealand	100.0	
ENZAFOODS New Zealand Limited, Auckland, New Zealand	100.0	
ENZAFRUIT (Hong Kong) Limited, Hong Kong, People's Republic of China	100.0	
ENZAFRUIT New Zealand (Continent) NV, Sint-Truiden, Belgium	100.0	
ENZAFRUIT New Zealand (UK) Limited, Luton, UK	100.0	
ENZAFRUIT New Zealand International Limited, Auckland, New Zealand	100.0	
ENZAFRUIT Peru S.A.C., Lima, Peru	100.0	
ENZAFRUIT Products Inc., Wilmington (Delaware), USA	100.0	
ENZASunrising (Holdings) Limited, Hong Kong, People's Republic of China	51.0	
Fresh Food Exports 2011 Limited, Auckland (formerly: Mangere), New Zealand	100.0	Acquisition of additional 25.0% of shares on 25/05/2015
Fruit Distributors Limited, Auckland, New Zealand	100.0	
Fruitmark NZ Limited, Auckland, New Zealand	100.0	
Fruitmark Pty Ltd, Mulgrave (formerly: ENZACOR Pty Ltd, Pymble), Australia	100.0	
Fruitmark USA Inc., Seattle, USA	100.0	Initial consolidation on 01/08/2015
Frutesa Chile Limitada, Santiago de Chile, Chile	100.0	
Frutesa, George Town, Cayman Islands	100.0	
Great Lake Tomatoes Limited, Auckland, New Zealand	100.0	Initial consolidation on 20/10/2015
Horticultural Corporation of New Zealand Limited, Auckland, New Zealand	100.0	
Invercargill Markets Limited, Auckland, New Zealand	100.0	
Kerifresh Growers Trust 2015, Kerikeri, New Zealand	63.0	Initial consolidation on 01/04/2015
Rembrandt Van Rijen Limited, Auckland, New Zealand	100.0	Initial consolidation on 02/11/2015
Rianto Limited, Auckland, New Zealand	100.0	Initial consolidation on 02/11/2015
Safer Food Technologies Limited, Auckland, New Zealand	100.0	
Status Produce Favona Road Limited, Auckland, New Zealand	100.0	
Status Produce Limited, Auckland, New Zealand	100.0	
T&G Vizzarri Farms Pty Ltd, Tullamarine (formerly: Delica Pty Ltd, Pakenham), Australia	50.0	Transitional consolidation on 30/07/2015
Taipa Water Supply Limited, Kerikeri, New Zealand	65.0	
Turners & Growers (Fiji) Limited, Suva, Republic of Fiji	70.0	

	Share in capital in %	Comment
Turners & Growers Fresh Limited, Auckland, New Zealand	100.0	
Turners & Growers New Zealand Limited, Auckland, New Zealand	100.0	
Turners and Growers Horticulture Limited, Auckland, New Zealand	100.0	
Building Materials Segment		
AFS Franchise-Systeme GmbH, Vienna, Austria	100.0	
Bad und Heizung Krampfl GmbH, Plattling, Germany	70.0	Initial consolidation on 30/06/2015
BayWa Handels-Systeme-Service GmbH, Munich, Germany	100.0	
BayWa Vorarlberg HandelsGmbH, Lauterach, Austria	51.0	
Energy Segment		
AMUR S.L.U., Barcelona, Spain	100.0	
Åshults Kraft AB, Malmö, Sweden	100.0	
Aufwind BB GmbH & Co. Bioenergie Dessau Sechzehnte KG, Regensburg, Germany	100.0	
Aufwind BB GmbH & Co. Sechsundzwanzigste Biogas KG, Regensburg, Germany	100.0	
Aufwind BB GmbH & Co. Zweiundzwanzigste Biogas KG, Regensburg, Germany	100.0	
Aufwind Schmack Első Biogáz Szolgáltató Kft., Szarvas, Hungary	100.0	
Aurora Solar Projects, LLC, Dover (Delaware), USA	100.0	
AWS Entsorgung GmbH Abfall und Wertstoff Service, Luckau (formerly: AWS Entsorgung GmbH Abfall & Wertstoff Service, Boppard), Germany	100.0	Transfer of additional shares of 10% effective 01/01/2016
BayWa Energie Dienstleistungs GmbH, Munich, Germany	100.0	
BayWa Ökoenergie GmbH, Munich, Germany	100.0	Initial consolidation on 01/01/2015
BayWa r.e. Bioenergy GmbH, Regensburg, Germany	100.0	
BayWa r.e. Development, LLC, Wilmington (Delaware), USA	100.0	Initial consolidation on 12/02/2015
BayWa r.e. EPC, LLC, Wilmington (Delaware), USA	100.0	Initial consolidation on 18/02/2015
BayWa r.e. España S.L.U., Barcelona, Spain	100.0	
BayWa r.e. Green Energy Products GmbH, Munich, Germany	100.0	
BayWa r.e. Japan K.K., Tokyo, Japan	100.0	Initial consolidation on 26/02/2015
BayWa r.e. Mexico LLC, Wilmington (Delaware), USA	100.0	Initial consolidation on 11/06/2015
BayWa r.e. Nordic AB (formerly: BayWa r.e. Scandinavia AB), Malmö, Sweden	100.0	
BayWa r.e. Operation Services GmbH, Munich, Germany (formerly: Solarmarkt Deutschland GmbH, Schwäbisch Hall, Germany)	100.0	
BayWa r.e. Polska Sp. z o.o., Warsaw, Poland	100.0	
BayWa r.e. renewable energy GmbH, Munich, Germany	100.0	
BayWa r.e. Rotor Service GmbH, Basdahl, Germany	100.0	
BayWa r.e. Rotor Service Holding GmbH, Munich, Germany	100.0	
BayWa r.e. Rotor Service Vermögensverwaltungs GmbH, Basdahl, Germany	100.0	
BayWa r.e. Scandinavia AB (formerly: HS Kraft AB), Malmö, Sweden	76.0	
BayWa r.e. Solar Energy Systems GmbH (formerly: BayWa r.e. Solarsysteme GmbH), Tübingen, Germany	100.0	
BayWa r.e. Solar Projects LLC, Wilmington (Delaware), USA	100.0	
BayWa r.e. Solar Systems LLC (formerly: Focused Energy LLC), Wilmington (Delaware), USA	100.0	Acquisition of additional 4% of shares on 03/03/2015
BayWa r.e. Solar Systems Ltd., Machynlleth, UK	90.0	
BayWa r.e. Solardächer II GmbH & Co. KG, Gräfelfing, Germany	100.0	
BayWa r.e. Solarsystemer ApS, Svendborg, Denmark	100.0	
BayWa r.e. USA LLC, Wilmington (Delaware), USA	100.0	
Biogas Meden Ltd., London, UK	100.0	Initial consolidation on 01/01/2015
Biomethananlage Welbeck GmbH, Gräfelfing, Germany	100.0	Initial consolidation on 01/01/2015
Carnemough Solar Project Limited, London, UK	100.0	Initial consolidation on 09/10/2015
Cork Oak Solar LLC, Raleigh (North Carolina), USA	100.0	Initial consolidation on 23/12/2015
Cosmos Power S.L.U., Barcelona, Spain	100.0	
Delano Solar I, LLC, Wilmington (Delaware), USA	100.0	Initial consolidation on 11/06/2015
Diermeier Energie GmbH, Munich, Germany	100.0	
Furukraft AB, Malmö, Sweden	100.0	
GENOL Gesellschaft m.b.H. & Co KG, Vienna, Austria	71.0	

	Share in capital in %	Comment
Ge-Tec GmbH, Lienz, Austria	100.0	
INRG (Solar Parks) 14 Ltd., London, UK	100.0	Initial consolidation on 06/11/2015
Lyngsåsa Kraft AB, Malmö, Sweden	100.0	
MHH France SAS, Toulouse, France	99.0	
Mozart Wind, LLC (formerly: BayWa r.e Mozart, LLC), Wilmington (Delaware), USA	100.0	
NLP Granger A82, LLC, Wilmington (Delaware), USA	100.0	Initial consolidation on 15/01/2015
NLP Valley Center Solar, LLC, Wilmington (Delaware), USA	100.0	Initial consolidation on 15/01/2015
Notch Peak Solar, LLC, Wilmington (Delaware), USA	100.0	Initial consolidation on 29/10/2015
r.e Bioenergie Betriebs GmbH & Co. Dreiundzwanzigste Biogas KG, Regensburg, Germany	100.0	Initial consolidation on 01/01/2015
r.e Bioenergie Betriebs GmbH & Co. Vierundzwanzigste Biogas KG, Regensburg, Germany	100.0	Initial consolidation on 01/01/2015
r.e Bioenergie Betriebs GmbH & Co. Zehnte Biogas KG, Regensburg, Germany	100.0	
r.e Bioenergie Betriebs GmbH & Co. Zwölfte Biogas KG, Regensburg, Germany	100.0	
Real Power S.L.U., Barcelona, Spain	100.0	
renerco plan consult GmbH, Munich (formerly: Creotecc GmbH, Freiburg im Breisgau), Germany	100.0	
Rock Power S.L.U., Barcelona, Spain	100.0	
Rose & Crown Solar PV Limited, London, UK	100.0	Initial consolidation on 18/11/2015
Ryfors Kraft AB, Malmö, Sweden	100.0	
Schradenbiogas GmbH & Co. KG, Gröden, Germany	94.5	
Sellindge Solar Limited, London, Großbritannien	100.0	Initial consolidation on 04/11/2015
Sjönnebol Kraft AB, Malmö, Sweden	100.0	Initial consolidation on 10/06/2015
Solarmarkt GmbH, Aarau, Switzerland	100.0	
Stormon Energi AB, Malmö, Sweden	100.0	
Studios Solar, LLC, Wilmington (Delaware), USA	100.0	
Studios Solar 2, LLC, Wilmington (Delaware), USA	100.0	
Studios Solar 3, LLC, Wilmington (Delaware), USA	100.0	
Studios Solar 4, LLC, Wilmington (Delaware), USA	100.0	
Studios Solar 5, LLC, Wilmington (Delaware), USA	100.0	
Sunflower Solar LLC, Raleigh (North Carolina), USA	100.0	Initial consolidation on 23/12/2015
Tecno Spot - G.m.b.H. (formerly: Tecno Spot S.r.l.), Bruneck, Italy	100.0	Acquisition of additional 30% of shares on 12/03/2015
TESSOL Kraftstoffe, Mineralöle und Tankanlagen Gesellschaft mit beschränkter Haftung, Stuttgart, Germany	100.0	
Wagner Wind, LLC, Wilmington (Delaware), USA	100.0	
WAV Wärme Austria VertriebsgmbH, Vienna, Austria	89.0	
Wingenfeld Energie GmbH, Hünfeld, Germany	100.0	
BayWa r.e. Asset Holding Group		
BayWa r.e. Asset Holding GmbH, Gräfelfing, Germany	100.0	
Alisea S.r.l., Rome, Italy	65.0	
Aludra Energies SARL, Paris, France	100.0	
Arlena Energy S.r.l., Milan, Italy	100.0	
BayWa r.e. 148. Projektgesellschaft mbH, Gräfelfing, Germany	100.0	
BayWa r.e. 149. Projektgesellschaft mbH, Gräfelfing, Germany	100.0	
BayWa r.e. 203. Projektgesellschaft mbH, Gräfelfing (formerly: Grünwald), Germany	100.0	
BayWa r.e. 205. Projektgesellschaft mbH, Gräfelfing, Germany	100.0	
BayWa r.e. 206. Projektgesellschaft mbH, Gräfelfing, Germany	100.0	
BayWa r.e. Asset Management GmbH, Gräfelfing, Germany	100.0	
BayWa r.e. France SAS, Paris, France	100.0	
BayWa r.e. Hellas MEPE, Athens, Greece	100.0	
BayWa r.e. Italia S.r.l., Milan, Italy	100.0	
BayWa r.e. Solar Projects GmbH, Munich, Germany	100.0	
BayWa r.e. UK Limited, London, UK	100.0	
BayWa r.e. Wind GmbH, Munich, Germany	100.0	

	Share in capital in %	Comment
BayWa r.e. Wind Verwaltungs GmbH, Gräfelfing, Germany	100.0	
BayWa r.e. Windpark Arlena GmbH, Gräfelfing, Germany	100.0	
BayWa r.e. Windpark Gravina GmbH, Gräfelfing, Germany	100.0	
BayWa r.e. Windpark Guasila GmbH, Gräfelfing, Germany	100.0	
BayWa r.e. Windpark San Lupo GmbH, Gräfelfing, Germany	100.0	
BayWa r.e. Windpark Tessenano GmbH, Gräfelfing, Germany	100.0	
BayWa r.e. Windpark Tuscania GmbH, Gräfelfing, Germany	100.0	
BayWa Ravano Operation Services S.r.l., Genoa, Italy	87.5	Initial consolidation on 17/07/2015
Bish (Holdings) Limited, London, UK	100.0	Initial consolidation on 14/10/2015
Bishopthorpe Wind Farm Limited, London, UK	100.0	Initial consolidation on 27/11/2015
Breathe Energia in Movimento S.r.l., Potenza, Italy	50.0	
Dörenhagen Windenergieanlagen GmbH & Co. KG, Gräfelfing, Germany	100.0	
Energia Rinnovabile Pugliese S.r.l., Milan, Italy	100.0	
Eolica San Lupo S.r.l., Milan, Italy	100.0	
Fraisthorpe (Holding) Limited, London, UK	100.0	Initial consolidation on 21/09/2015
Fraisthorpe Wind Farm Ltd., London, UK	100.0	
FW Kamionka Sp. z o.o., Kamionka, Poland	100.0	
Haymaker (Homestead) Ltd., London (formerly: Eastbourne), UK	100.0	
Les Eoliennes de Saint Fraigne SAS, Paris, France	100.0	
Les Pointes Energies SARL, Paris, France	100.0	
Montjean Energies SARL, Paris, France	100.0	
Parco Solare Smeraldo S.r.l., Brixen, Italy	100.0	
Parque Eólico La Carracha S.L., Zaragoza, Spain	74.0	
Parque Eólico Plana de Jarreta S.L., Zaragoza, Spain	74.0	
Quilly Guenrouet Energies SARL, Paris, France	100.0	
RENERCO GEM 1 GmbH, Gräfelfing, Germany	100.0	
RENERCO GEM 2 GmbH, Gräfelfing, Germany	100.0	
RENERCO GEM 4 GmbH, Gräfelfing, Germany	100.0	
Saint Congard Energies SAS, Paris, France	100.0	
SEP S.A.G. Intersolaire 5 SNC, Mulhouse, France	100.0	
SESMP110 Lower House Solar Farm Limited, London, UK	100.0	
Societe d'exploitation photovoltaique du Midi II SNC, Mulhouse, France	100.0	
Solarpark Aquarius GmbH & Co. KG, Munich, Germany	100.0	
Solarpark Aries GmbH & Co. KG, Munich, Germany	100.0	
Solarpark Aston Clinton GmbH, Gräfelfing, Germany	100.0	
Solarpark Homestead GmbH (formerly: Solarpark Flit GmbH), Gräfelfing, Germany	100.0	
Solarpark Lupus GmbH & Co. KG, Gräfelfing, Germany	100.0	
Solarpark Lynt GmbH, Gräfelfing, Germany	100.0	
Solarpark Vine Farm GmbH, Gräfelfing, Germany	100.0	
Solesa Engineering S.r.l., Turin, Italy	100.0	Initial consolidation on 21/12/2015
Sunshine Movement GmbH, Munich, Germany	100.0	
Tessennano Energy S.r.l., Milan, Italy	100.0	
Theil Rabier Energies SARL, Paris, France	100.0	
Tuscania Energy S.r.l., Milan, Italy	100.0	
Umspannwerk Klein Bünsdorf GmbH & Co. KG, Gräfelfing (formerly: Munich), Germany	100.0	
Vine Farm Solar Wendy Ltd., London, UK	100.0	
Windfarm Fraisthorpe GmbH, Gräfelfing, Germany	100.0	
Windfarm Lacedonia GmbH, Gräfelfing, Germany	100.0	
Windfarms Italia S.r.l., Milan, Italy	100.0	
Windpark Creußen Neuhof GmbH & Co. KG, Gräfelfing, Germany	100.0	Initial consolidation on 01/12/2015
Windpark Holle-Sillium GmbH & Co. KG, Gräfelfing, Germany	100.0	
Windpark Kamionka GmbH, Gräfelfing, Germany	100.0	
Windpark Melfi GmbH, Gräfelfing, Germany	100.0	
Windpark Namborn GmbH & Co. KG, Gräfelfing, Germany	100.0	
Windpark Wilhelmshöhe GmbH & Co. KG, Gräfelfing, Germany	100.0	
WP OWD Infrastruktur GmbH & Co. KG, Gräfelfing, Germany	100.0	Initial consolidation on 01/01/2015

	Share in capital in %	Comment
BayWa r.e. Wind Group		
BayWa r.e. Wind, LLC, Wilmington (Delaware), USA	95.0	
Amadeus Wind, LLC, Wilmington (Delaware), USA	100.0	
Brahms Wind Holdings, LLC, Wilmington (Delaware), USA	100.0	Initial consolidation on 01/01/2015
BW DSG LLC (formerly: Vivaldi Wind, LLC), Wilmington (Delaware), USA	100.0	
Chopin Wind, LLC, Wilmington (Delaware), USA	100.0	
Ravel Wind, LLC, Wilmington (Delaware), USA	100.0	
Windpark Berschweiler GmbH & Co. KG (formerly: Windpark GHN GmbH & Co. KG), Gräfelfing, Germany	100.0	
Windpark Finkenbach-Gersweiler GmbH & Co. KG (formerly: Windpark GHN Grundstücksverwaltung GmbH & Co. KG), Gräfelfing, Germany	100.0	
Windpark Hettstadt GmbH & Co. KG, Gräfelfing, Germany	100.0	Initial consolidation on 01/01/2015
ECOWIND Group		
ECOWIND Handels- & Wartungs-GmbH, Kilb, Austria	90.0	
ECOwind d.o.o., Zagreb, Croatia	100.0	
Eko-En Drozkow Sp. z o.o., Żary, Poland	60.0	
Eko-En Iwonicz 2 Sp. z o.o., Rezesów, Poland	75.0	
Eko-En Kozmin Sp. z o.o., Poznán, Poland	100.0	
Eko-En Polanow 1 Sp. z o.o., Koszalin, Poland	75.0	
Eko-En Polanow 2 Sp. z o.o., Koszalin, Poland	75.0	
Eko-En Skibno Sp. z o.o., Koszalin, Poland	75.0	
Eko-En Żary Sp. z o.o., Żary, Poland	60.0	
Eko-Energetyka Sp. z o.o., Rezesów, Poland	51.0	
Ewind Sp. z o.o., Rezesów, Poland	75.0	
Park Eolian Limanu S.r.l., Sibiu, Romania	99.0	
Puterea Verde S.r.l., Sibiu, Romania	75.3	
Samsonwind Wirtsnock GmbH, Thomatal, Austria	80.0	
Windpark Fürstkogel GmbH, Kilb, Austria	100.0	
Windpark Hiesberg GmbH, Kilb, Austria	100.0	
Windpark Kraubatheck GmbH, Kilb, Austria	100.0	
Other Activities Segment (including Financial Participations)		
Agroterra Warenhandel und Beteiligungen GmbH, Vienna, Austria	100.0	
Bautechnik Gesellschaft m.b.H., Vienna, Austria	100.0	
Bauzentrum Westmünsterland GmbH & Co. KG, Munich, Germany	100.0	
BayWa Agrar Beteiligung Nr. 2 GmbH, Munich, Germany	100.0	
BayWa Agrar Beteiligungs GmbH, Munich, Germany	100.0	
BayWa Agri GmbH & Co. KG, Munich, Germany	100.0	
BayWa Pensionsverwaltung GmbH (formerly: BayWa Finanzbeteiligungs-GmbH), Munich, Germany	100.0	
DRWZ-Beteiligungsgesellschaft mbH, Munich, Germany	64.3	
Frucom Fruitimport GmbH, Hamburg, Germany	100.0	
Immobilienvermietung Gesellschaft m.b.H., Traun, Austria	100.0	
Jannis Beteiligungsgesellschaft mbH, Munich, Germany	100.0	
Karl Theis GmbH, Munich, Germany	100.0	
Raiffeisen-Lagerhaus Investitionsholding GmbH, Vienna, Austria	100.0	
RI-Solution Data GmbH, Vienna, Austria	100.0	
RI-Solution GmbH Gesellschaft für Retail-Informationssysteme, Services und Lösungen mbH, Munich, Germany	100.0	
RUG Raiffeisen Umweltgesellschaft m.b.H., Vienna, Austria	75.0	
RWA International Holding GmbH, Vienna, Austria	100.0	
Unterstützungseinrichtung der BayWa Aktiengesellschaft in München GmbH, Munich, Germany	100.0	
WealthCap Portfolio Finanzierungs-GmbH & Co. KG, Grünwald, Germany	100.0	

	Share in capital in %	Comment
Cross-segment subsidiaries		
"UNSER LAGERHAUS" WARENHANDELSGESELLSCHAFT m.b.H., Klagenfurt, Austria (for short: UNSER LAGERHAUS) (Segments: Agriculture, Energy, Building Materials)	51.1	
Raiffeisen-Lagerhaus GmbH, Bruck an der Leitha, Austria (Segments: Agriculture, Energy, Building Materials)	89.9	
RWA Raiffeisen Ware Austria Aktiengesellschaft, Vienna, Austria (for short: RWA AG) (Segments: Agriculture, Energy, Building Materials; Other Activities)	50.0	

Cefetra Ibérica S.L.U., Pozuelo de Alarcón, Spain; BayWa Marketing & Trading International B.V., Rotterdam, the Netherlands; BayWa Agro Polska Sp. z o.o., Grodzisk Mazowiecki, Poland; BayWa Obst GmbH & Co. KG, Munich, Germany; Windpark Hettstadt GmbH & Co. KG, Gräfelfing, Germany; BayWa r.e. Japan K.K., Tokyo, Japan; RWA Raiffeisen Agro Romania S.r.l., Orțișoara, Romania; BayWa Ökoenergie GmbH, Munich, Germany; BayWa Rus LLC, Moscow, Russia; BayWa Ukraine LLC, Kiev, Ukraine; Biomethananlage Welbeck GmbH, Gräfelfing, Germany; Biogas Meden Ltd., London, UK; Bish (Holdings) Limited, London, UK; Bishopthorpe Wind Farm Limited, London, UK; Fraisthorpe (Holding) Limited, London, UK; Fruitmark USA Inc., Seattle, USA; Kerifresh Growers Trust 2015, Kerikeri, New Zealand; BayWa r.e. Mexico LLC, Wilmington (Delaware), USA; BayWa r.e. Development, LLC, Wilmington (Delaware), USA; BayWa r.e. EPC, LLC, Wilmington (Delaware), USA; Delano Solar I, LLC, Wilmington (Delaware), USA; Notch Peak Solar, LLC, Wilmington (Delaware), USA; Brahms Wind Holdings, LLC, Wilmington (Delaware), USA; r.e Bioenergie Betriebs GmbH & Co. Dreiundzwanzigste Biogas KG, Regensburg, Germany; r.e Bioenergie Betriebs GmbH & Co. Vierundzwanzigste Biogas KG, Regensburg, Germany; WP OWD Infrastruktur GmbH & Co. KG, Gräfelfing, Germany, are all companies established in the financial year 2015 or before, became part of the fully consolidated group for the first time in the financial year 2015. Those companies established in previous years had not been included in BayWa AG's consolidated financial statements up to that point as they were of only minor importance overall for the consolidated financial statements.

The following project companies also became part of the fully consolidated group for the first time in the financial year 2015: Windpark Creußen Neuhof GmbH & Co. KG, Gräfelfing, Germany; Cork Oak Solar LLC, Raleigh (North Carolina), USA; NLP Granger A82, LLC, Wilmington (Delaware), USA; NLP Valley Center Solar, LLC, Wilmington (Delaware), USA; Sunflower Solar LLC, Raleigh (North Carolina), USA; Rose & Crown Solar PV Limited, London, UK; Sellindge Solar Limited, London, UK; INRG (Solar Parks) 14 Ltd., London, UK; Carnemough Solar Project Limited, London, UK; Sjönnebol Kraft AB, Malmö, Sweden.

In the financial year 2014, BayWa AG, Munich, Germany, acquired business activities in the fruit growing and trading business together with the corresponding assets and liabilities of Apollo Apples Limited, Whakatu, New Zealand, through Group company Apollo Apples (2014) Limited, Auckland, New Zealand, by way of an asset deal to expand business activities in the Fruit business unit. The business activities, together with the corresponding assets and liabilities of Apollo Apples Limited were transferred to Apollo Apples (2014) Limited, which was established for this purpose by T&G Global Limited (formerly: Turner & Growers Limited), following the payment of the first purchase price instalment on 19 December 2014. The purchase price allocation to be performed within the scope of the accounting of business combinations was reported in BayWa AG's consolidated financial statements as at 31 December 2014 on a preliminary basis and was finalised in the financial year 2015. This did not result in any changes compared to the preliminary purchase price allocation.

The cost of the acquired assets and liabilities came to €32.339 million and includes the contractually agreed purchase price component of €29.650 million which was disbursed in December 2014. Furthermore, the purchase agreement includes purchase price components contingent on the operating performance of the acquired operations (largely future harvest and marketing volumes) achieved in the financial years 2015 to 2018. The payments to be made in subsequent years on the basis of the contingent purchase price components are within a range of €0.000 million up to a maximum of €2.778 million. In view of the anticipated performance of the acquired company at the time of acquisition, a purchase price totalling €32.339 million was recognised, including contingent purchase price components.

The transaction costs incurred in connection with the acquisition of the shares amount to €0.376 million. These costs were included in the income statement for the financial year 2014 under other operating expenses.

The net assets acquired in connection with the acquisition of Apollo Apples Limited's operations comprise the following:

in € million	Book value	Fair value adjustments	Fair value
Intangible assets	0.041	–	0.041
Property, plant and equipment, including biological assets	42.286	3.084	45.370
Financial assets	–	–	–
Inventories	0.246	–	0.246
Receivables and other assets	1.541	–	1.541
Deferred tax assets	–	–	–
Cash and cash equivalents	0.038	–	0.038
Non-current liabilities	–	–	–
Current liabilities	2.883	–	2.883
Deferred tax liabilities	–	3.660	3.660
	41.269	**−0.576**	**40.693**
Negative goodwill			−8.354
Total purchase price, including contingent purchase price components			**32.339**

The negative goodwill of €8.354 million was recognised under other operating income through profit and loss in the financial year 2014 and is mainly due to business risks that cannot be recognised when allocating the purchase price.

The hidden reserves and hidden encumbrances identified when allocating the purchase price were identified using expert opinions or observable market prices.

The gross amount of the receivables amounted to €0.615 million as at the time of acquisition; the full amount is considered to be recoverable.

BayWa AG, Munich, Germany, took over 100% of the shares in PC-Agrar Informations- und Beratungsdienst GmbH, Pfarrkirchen, Germany, by way of a share deal. Together with its subsidiaries, PC-Agrar Informations- und Beratungsdienst GmbH develops and offers software solutions and integrated services for process-driven operations management in the agricultural sector (smart farming). Through this acquisition, BayWa would like to develop solutions for farmers through this partnership in order to make use of the advantages of smart farming across all types of machinery and operating resources and irrespective of the size of the farm. BayWa AG has had a controlling influence over PC-Agrar Informations- und Beratungsdienst GmbH since 12 March 2015, the date when the purchase price was paid for the acquired shares. The initial consolidation of the company therefore took place for reasons of materiality and practicability on 31 March 2015 within the scope of full consolidation.

The cost of the purchased shares came to €5.969 million and includes contractually agreed purchase price instalments totalling €5.259 million, which were disbursed in March and June 2015. Furthermore, the purchase agreement on the acquisition of the shares includes a contractual agreement regarding a security deposit of €0.700 million, which will be disbursed in December 2016; after discounting the security deposit, a purchase price totalling €5.969 million was recognised as at the time of acquisition.

The transaction costs incurred in connection with the acquisition of the shares amount to €0.456 million. These costs are included in the income statement for the financial year 2015 under other operating expenses.

The net assets acquired in connection with the purchase of PC-Agrar Informations- und Beratungsdienst GmbH and its subsidiaries break down as follows:

in € million	Book value	Fair value adjustments	Fair value
Intangible assets	1.767	3.976	5.743
Property, plant and equipment	0.573	–	0.573
Financial assets	0.586	–	0.586
Inventories	0.230	0.111	0.341
Receivables and other assets	0.805	–	0.805
Deferred tax assets	–	–	–
Cash and cash equivalents	0.040	–	0.040
Non-current liabilities	–	–	–
Current liabilities	2.514	–	2.514
Deferred tax liabilities	0.019	1.119	1.138
	1.468	**2.968**	**4.436**
Goodwill			1.533
Total purchase price			**5.969**

The goodwill resulting from the transaction includes non-separable intangible assets such as employee expertise and expected synergy effects. Goodwill is not tax deductible.

The hidden reserves identified when allocating the purchase price were identified using income capitalisation approach or observable market prices. The series of payments in the income capitalisation approach, fixed at economic useful lives of 14 years, were based on a discount factor of 6.5%.

The gross amount of the receivables amounted to €0.807 million as at the time of acquisition; of this amount, €0.767 million is considered to be recoverable.

If the purchase of the company had been concluded by the first day of the financial year, the share in consolidated revenues would have been €0.595 million higher and the consolidated profit attributable to investors €1.682 million lower.

Since 31 March 2015, the date of its initial inclusion in the group of consolidated companies, PC-Agrar Informations- und Beratungsdienst GmbH together with its FarmFacts GmbH & Co. KG subsidiary has generated revenues of €6.028 million and a loss of €0.278 million.

BayWa AG, Munich, Germany, took over 90% of the shares in Romanian agricultural trader Patberg International S.r.l., Bucharest, Romania, via its BayWa Agrar International B.V., Rotterdam (formerly: Amsterdam), the Netherlands, subsidiary by way of a share deal. The operations of the Romanian agricultural trader continue as part of the newly founded BayWa Agri Romania S.r.l. with headquarters in Bucharest, Romania. The move secures the BayWa Group access to this key procurement market for agricultural produce in Romania. BayWa Agrar International B.V. has had a controlling influence over BayWa Agri Romania S.r.l. since 24 April 2015, the date when the purchase price was paid for the acquired shares. The initial consolidation of the company therefore took place for reasons of materiality and practicability on 30 April 2015 within the scope of full consolidation.

The cost of the shares came to €1.192 million and includes the contractually agreed purchase price component which was disbursed in April 2015.

The transaction costs incurred in connection with the acquisition of the shares amount to €0.070 million. These costs are included in the income statement for the financial year 2015 under other operating expenses.

The net assets acquired in connection with the purchase of BayWa Agri Romania S.r.l. break down as follows:

in € million	Book value	Fair value adjustments	Fair value
Intangible assets	0.001	0.729	0.730
Property, plant and equipment	0.073	–	0.073
Financial assets	–	–	–
Inventories	0.100	–	0.100
Receivables and other assets	0.176	–	0.176
Deferred tax assets	–	–	–
Cash and cash equivalents	0.463	–	0.463
Non-current liabilities	–	–	–
Current liabilities	1.473	–	1.473
Deferred tax liabilities	–	0.117	0.117
	–0.660	**0.612**	**–0.048**
Proportionate net assets			–0.043
Goodwill			1.235
Total purchase price			**1.192**
Portion of net assets attributable to non-controlling shares			–0.005

The goodwill resulting from the transaction includes non-separable intangible assets such as employee expertise and expected synergy effects. Goodwill is not tax deductible.

The portion of net assets of €–0.005 million attributable to the non-controlling shares in BayWa Agri Romania S.r.l. comprises the fair value of the assets and liabilities attributable to minority interests.

The hidden reserves identified when allocating the purchase price were identified using income capitalisation approach. The series of payments in the income capitalisation approach, fixed at economic useful lives of four years, were based on a discount factor of 5.3%.

The gross amount of the receivables amounted to €0.106 million as at the time of acquisition; the full amount is considered to be recoverable.

If the purchase of the company had been concluded by the first day of the financial year, the share in consolidated revenues would have been €0.318 million higher and the consolidated profit attributable to investors €0.661 million lower.

Since 30 April 2015, the date of its initial inclusion in the group of consolidated companies, BayWa Agri Romania S.r.l. has generated revenues of €40.448 million and a loss of €2.702 million.

BayWa AG, Munich, Germany, took over 70% of the shares in Heizung-Lüftung-Sanitär Krampfl GmbH, Plattling, Germany, by way of a share deal. The building services specialist company will continue trading under the name Bad und Heizung Krampfl GmbH. At the Plattling, Germany, site, which has good road access, the specialist company has exhibition and office space of 300 square metres and warehousing space of approximately 1,200 square metres. BayWa AG has had a controlling influence over Bad und Heizung Krampfl GmbH since 3 July 2015, the date when the purchase price was paid for the acquired shares. The initial consolidation of the company therefore took place for reasons of materiality and practicability on 30 June 2015 within the scope of full consolidation.

The cost of the shares comes to €0.801 million and includes the contractually agreed purchase price component of €0.675 million, which was disbursed in July 2015. Furthermore, the purchase agreement on the acquisition of the shares in the company includes a purchase price component contingent on the EBIT achieved by the acquired company in the financial year 2015. In view of the expected performance, the contingent purchase price component was recognised at €0.126 million.

The transaction costs incurred in connection with the acquisition of the shares amount to €0.012 million. These costs are included in the income statement for the financial year 2015 under other operating expenses.

The net assets acquired in connection with the purchase of Bad und Heizung Krampfl GmbH break down as follows:

in € million	Book value	Fair value adjustments	Fair value
Intangible assets	0.001	0.100	0.101
Property, plant and equipment	0.001	–	0.001
Financial assets	–	–	–
Inventories	0.466	0.062	0.528
Receivables and other assets	0.172	–	0.172
Deferred tax assets	–	–	–
Cash and cash equivalents	0.165	–	0.165
Non-current liabilities	–	–	–
Current liabilities	0.720	–	0.720
Deferred tax liabilities	–	0.045	0.045
	0.085	**0.117**	**0.202**
Proportionate net assets			0.142
Goodwill			0.659
Total purchase price			**0.801**
Portion of net assets attributable to non-controlling shares			0.060

The goodwill resulting from the transaction includes non-separable intangible assets such as employee expertise and expected synergy effects. Goodwill is not tax deductible.

The portion of net assets of €0.060 million attributable to the non-controlling shares in Bad und Heizung Krampfl GmbH comprises the fair value of the assets and liabilities attributable to minority interests.

The hidden reserves identified when allocating the purchase price were identified using income capitalisation approach or observable market prices. The series of payments in the income capitalisation approach, fixed at economic useful lives of three years, were based on a discount factor of 5.2%.

The gross amount of the receivables amounted to €0.157 million as at the time of acquisition; of this amount, €0.145 million is considered to be recoverable.

If the purchase of the company had been concluded by the first day of the financial year, the share in consolidated revenues would have been €1.535 million higher and the consolidated profit attributable to investors €0.058 million higher.

Since 30 June 2015, the date of its initial inclusion in the group of consolidated companies, Bad und Heizung Krampfl GmbH has generated revenues of €1.535 million and gains of €0.211 million.

BayWa AG acquired 87.5% of the shares in BayWa Ravano Operation Services S.r.l., Genoa, Italy, through Group company BayWa r.e. Italia S.r.l., Milan, Italy, by way of a share deal; BayWa Ravano Operation Services S.r.l. is the company in which the business operations to be acquired by BayWa r.e. Italia S.r.l., comprising the technical management and maintenance of wind parks, were integrated by the seller prior to the takeover. The takeover is designed to expand technical management and maintenance business activities in the Italian market. BayWa r.e. Italia S.r.l. has had a controlling influence over this company since 17 July 2015, the date when the purchase price was paid for the acquired shares. The initial consolidation of the company therefore took place on this date within the scope of full consolidation.

The purchase cost of the shares came to €1.530 million and includes the contractually agreed purchase price component, which was disbursed in July 2015.

No transaction costs were incurred in connection with the acquisition.

The net assets acquired in connection with the purchase of BayWa Ravano Operation Services S.r.l. break down as follows:

In € million	Book value	Fair value adjustments	Fair value
Intangible assets	1.554	–	1.554
Property, plant and equipment	–	–	–
Financial assets	–	–	–
Inventories	0.064	–	0.064
Receivables and other assets	0.166	–	0.166
Deferred tax assets	–	–	–
Cash and cash equivalents	0.002	–	0.002
Non-current liabilities	–	–	–
Current liabilities	0.037	–	0.037
Deferred tax liabilities	–	–	–
	1.749	–	**1.749**
Proportionate net assets			1.530
Goodwill			–
Total purchase price			**1.530**
Portion of net assets attributable to non-controlling shares			0.219

The portion of net assets of €0.219 million attributable to the non-controlling shares in BayWa Ravano Operation Services S.r.l. comprises the fair value of the assets and liabilities attributable to minority interests.

Due to the seller's contribution of the assets and liabilities in the company at fair value, the book values at the time of the takeover of the company by BayWa r.e. Italia S.r.l. corresponded to the fair values, meaning that no additional adjustments were required within the scope of the accounting of business combinations.

The gross amount of the receivables amounted to €0.166 million as at the time of acquisition; the full amount is considered to be recoverable.

If the purchase of the company had been concluded by the first day of the financial year, there would have been no impact on the consolidated revenues and the consolidated result attributable to investors.

Since 17 July 2015, the date of its initial inclusion in the group of consolidated companies, BayWa Ravano Operation Services S.r.l. has generated revenues of €0.352 million and net income of €0.139 million.

BayWa AG, Munich, Germany, obtained control pursuant to IFRS 10 of T&G Vizzarri Farms Pty Ltd, Tullamarine (formerly: Delica Pty Ltd, Pakenham), Australia, effective 30 July 2015 through Group company Delica Australia Pty Ltd, Tullamarine (formerly: Pakenham), Australia, which had until this date been recognised as a joint venture at equity.

Effective 30 July 2015, T&G Vizzarri Farms Pty Ltd concluded an exclusive asparagus supply agreement with M & G Vizzarri worth €3.321 million and at the same time took over specific assets as well as employees of Vizzarri Farms, an affiliated company of M & G Vizzarri.

Following the closing of this transaction, Group company Delica Australia Pty Ltd still holds 50% of the shares in T&G Vizzarri Farms Pty Ltd. The remaining 50% of the shares are held by M & G Vizzarri. As the amended articles of association state that Delica Australia Pty Ltd is responsible for the company's operational management and that Delica Australia Pty has the right to appoint three of the five Managing Directors as well as the Chairman of the Management Board of T&G Vizzarri Farms Pty Ltd, this company is controlled by Delica Australia Pty Ltd pursuant to the provisions of IFRS 10; as a result, the company is to be included in BayWa AG's consolidated financial statements in accordance with the standards applicable to full consolidation. The company was included in the consolidated financial statements as at 30 July 2015.

The cost to be applied within the scope of the consolidation is made up of the cost of the asparagus supply agreement (€3.321 million), which was paid out on 30 July 2015, as well as the fair value of the shares previously recognised at equity in T&G Vizzarri Farms Pty Ltd (€0.845 million). The measurement at fair value of the shares held in T&G Vizzarri Farms Pty Ltd resulted in an accounting profit of €0.205 million. This amount is included in the income statement under other operating income.

The transaction costs incurred in connection with the acquisition of the shares amount to €0.121 million. These costs are included in the income statement under other operating expenses.

The net assets of T&G Vizzarri Farms Pty Ltd acquired in connection with the transaction break down as follows:

in € million	Book value	Fair value adjustments	Fair value
Intangible assets	3.321	–	3.321
Property, plant and equipment	0.002	–	0.002
Financial assets	–	–	–
Inventories	0.109	–	0.109
Receivables and other assets	–	–	–
Deferred tax assets	–	–	–
Cash and cash equivalents	0.033	–	0.033
Non-current liabilities	–	–	–
Current liabilities	0.072	–	0.072
Deferred tax liabilities	0.993	–	0.993
	2.400	–	**2.400**
Proportionate net assets			2.363
Goodwill			1.803
Total cost			**4.166**
Portion of net assets attributable to non-controlling shares			0.037
Share of the shareholders of the parent company in goodwill			1.317

The goodwill resulting from the transaction includes non-separable intangible assets such as employee expertise and expected synergy effects. Goodwill is not tax deductible.

The portion of net assets of €0.037 million attributable to the non-controlling shares in T&G Vizzarri Farms Pty Ltd comprises the fair value of the assets and liabilities attributable to minority interests.

If the control of the company had been exerted from the first day of the financial year, the share in consolidated revenues would have been €4.826 million higher and the consolidated profit attributable to investors €0.181 million higher.

Since 30 July 2015, the date of its initial inclusion in the group of consolidated companies, T&G Vizzarri Farms Pty Ltd has generated revenues of €12.427 million and gains of €0.603 million.

BayWa AG, Munich, Germany, acquired 100% of the shares in Great Lake Tomatoes Limited, Auckland, New Zealand, through its New Zealand subsidiary T&G Global Limited (formerly: Turners & Growers Limited), Auckland, New Zealand, by way of a share deal to expand the activities in the tomato growing and trading business. Tomato grower Great Lake Tomatoes Limited owns and operates greenhouses with an annual tomato harvest volume of approximately 3,000 tonnes. The acquisition aims to increase the annual harvest and trading volume, as well as ensure the year-round supply to national and international companies. T&G Global Limited has had a controlling influence over Great Lake Tomatoes since 20 October 2015, the date when the purchase price was paid for the acquired shares. The initial consolidation of the company therefore took place on this date within the scope of full consolidation.

The preliminary cost of the shares came to €10.506 million and includes the contractually agreed purchase price component which was disbursed in October 2015.

The transaction costs incurred in connection with the acquisition of the shares amount to €0.030 million. These costs are included in the income statement for the financial year 2015 under other operating expenses.

The net assets acquired in connection with the purchase of Great Lake Tomatoes Limited break down as follows (preliminary figures):

in € million	Book value	Fair value adjustments	Fair value
Intangible assets	–	–	–
Property, plant and equipment	7.899	–	7.899
Financial assets	–	–	–
Inventories	0.460	–	0.460
Receivables and other assets	0.750	–	0.750
Deferred tax assets	–	–	–
Cash and cash equivalents	0.622	–	0.622
Non-current liabilities	–	–	–
Current liabilities	0.622	–	0.622
Deferred tax liabilities	1.169	–	1.169
	7.940	–	**7.940**
Preliminary goodwill			2.566
Total purchase price (preliminary)			**10.506**
Share of the shareholders of the parent company in preliminary goodwill			1.875

The preliminary goodwill resulting from the transaction includes non-separable intangible assets such as employee expertise and expected synergy effects. Goodwill is not tax deductible.

The gross amount of the receivables amounted to €0.424 million as at the time of acquisition; the full amount is considered to be recoverable.

If the purchase of the company had been concluded by the first day of the financial year, the share in consolidated revenues would have been €2.940 million higher and the consolidated profit attributable to investors €0.480 million higher.

Since 20 October 2015, the date of its initial inclusion in the group of consolidated companies, Great Lake Tomatoes Limited has generated revenues of €1.140 million and a loss of €0.060 million.

The final purchase price allocation pertaining to this acquisition has not yet been made as the fair value of the assets and liabilities – especially with regard to property, plant and equipment and tax effects – had not yet been definitively calculated at the time when the consolidated financial statements were drawn up.

BayWa AG, Munich, Germany, acquired 100% of the shares in Rianto Limited, Auckland, New Zealand, through its New Zealand subsidiary T&G Global Limited (formerly: Turners & Growers Limited), Auckland, New Zealand, by way of a share deal to expand the activities in the tomato growing and trading business. Together with its subsidiary Rembrandt Van Rijen Limited, tomato grower Rianto Limited owns and operates greenhouses with an annual tomato harvest volume of approximately 1,600 tonnes. The acquisition of the companies also included land and buildings in addition to the greenhouses. The acquisition aims to increase the annual harvest and trading volume as well as ensure the year-round supply to national and international companies. T&G Global Limited has had a controlling influence over Rianto Limited since 2 November 2015, the date when the purchase price was paid for the acquired shares. The initial consolidation of the company therefore took place on this date within the scope of full consolidation.

The preliminary cost of the shares came to €4.982 million and includes the contractually agreed purchase price component which was disbursed in November 2015.

The transaction costs incurred in connection with the acquisition of the shares amount to €0.018 million. These costs are included in the income statement for the financial year 2015 under other operating expenses.

The net assets acquired in connection with the purchase of Rianto Limited and Rembrandt Van Rijen Limited break down as follows (preliminary figures):

in € million	Book value	Fair value adjustments	Fair value
Intangible assets	–	–	–
Property, plant and equipment	4.213	–	4.213
Financial assets	–	–	–
Inventories	–	–	–
Receivables	0.131	–	0.131
Deferred tax assets	–	–	–
Cash and cash equivalents	–	–	–
Non-current liabilities	–	–	–
Current liabilities	0.377	–	0.377
Deferred tax liabilities	0.471	–	0.471
	3.496	**–**	**3.496**
Preliminary goodwill			1.486
Total purchase price (preliminary)			**4.982**
Share of the shareholders of the parent company in preliminary goodwill			1.086

The preliminary goodwill resulting from the transaction includes non-separable intangible assets such as employee expertise and expected synergy effects. Goodwill is not tax deductible.

The gross amount of the receivables amounted to €0.131 million as at the time of acquisition; the full amount is considered to be recoverable.

If the purchase of the company had been concluded by the first day of the financial year, the share in consolidated revenues would have been €2.751 million higher and the consolidated profit attributable to investors €0.550 million higher.

Since 2 November 2015, the date of its initial inclusion in the group of consolidated companies, Rianto Limited, together with Rembrandt Van Rijen Limited, has generated revenues of €0.245 million and a loss of €0.006 million.

The final purchase price allocation pertaining to this acquisition has not yet been made as the fair value of the assets and liabilities – especially with regard to property, plant and equipment and tax effects – had not yet been definitively calculated at the time when the consolidated financial statements were drawn up.

BayWa AG, Munich, Germany, acquired 100% of the shares in Wessex Grain Ltd., Templecombe, UK, through its subsidiary Cefetra Limited, Glasgow, UK, by way of a share deal with effect from 24 November 2015 to expand business activities in the Agriculture Segment. Agricultural trader Wessex Grain Ltd. has an annual trading volume of approximately 450,000 tonnes. Cefetra Limited has had a controlling influence over this company since 24 November 2015, the date when the purchase price was paid for the acquired shares. The initial consolidation of the company therefore took place for reasons of materiality and practicability on 30 November 2015 within the scope of full consolidation.

The preliminary cost of the acquired net assets comes to €4.612 million and is made up of a purchase price of €4.211 million that had been offered to the previous shareholders within the scope of a takeover offer and was paid out in November, as well as a security deposit of €0.401 million.

The transaction costs incurred to date in connection with the acquisition of the shares amount to €0.477 million. In the financial year 2015, these costs are included in the income statement under other operating expenses.

The net assets acquired in connection with the purchase of Wessex Grain Ltd. break down as follows (preliminary figures):

in € million	Book value	Fair value adjustments	Fair value
Intangible assets	–	–	–
Property, plant and equipment	7.234	1.807	9.041
Financial assets	–	–	–
Inventories	0.429	–	0.429
Receivables	5.459	–	5.459
Deferred tax assets	–	–	–
Cash and cash equivalents	0.077	–	0.077
Non-current liabilities	–	–	–
Current liabilities	10.096	–	10.096
Deferred tax liabilities	0.298	–	0.298
	2.805	**1.807**	**4.612**
Goodwill			–
Total purchase price (preliminary)			**4.612**

The hidden reserves identified when allocating the purchase price (preliminary) were identified using expert opinions.

The gross amount of the receivables amounted to €5.546 million as at the time of acquisition; of this amount, €5.459 million is considered to be recoverable.

If the purchase of the company had been concluded by the first day of the financial year, the share in consolidated revenues would have been €23.448 million higher and the consolidated profit attributable to investors €0.024 million lower.

Since 30 November 2015, the date of its initial inclusion in the group of consolidated companies, Wessex Grain Ltd. has generated revenues of €5.517 million and net income of €0.024 million.

The final purchase price allocation pertaining to this acquisition has not yet been made as the fair value of the assets and liabilities – especially with regard to property, plant and equipment and tax effects – had not yet been definitively calculated at the time when the consolidated financial statements were drawn up.

BayWa AG acquired 100% of the shares in Solesa Engineering S.r.l., Turin, Italy, through Group company BayWa r.e. Italia S.r.l., Milan, Italy, by way of a share deal. The takeover is designed to expand technical management and maintenance business activities in the Italian market. BayWa r.e. Italia S.r.l. has had a controlling influence over this company since 21 December 2015, the date when the purchase price was paid for the acquired shares. The initial consolidation of the company therefore took place on this date within the scope of full consolidation.

The preliminary cost of the shares came to €0.757 million and includes the contractually agreed purchase price component, which was disbursed in December 2015.

No transaction costs have been incurred to date in connection with the acquisition.

The net assets acquired in connection with the purchase of Solesa Engineering S.r.l. break down as follows (preliminary figures):

in € million	Book value	Fair value adjustments	Fair value
Intangible assets	0.001	0.741	0.742
Property, plant and equipment	0.005	–	0.005
Financial assets	–	–	–
Inventories	–	–	–
Receivables	0.229	–	0.229
Deferred tax assets	–	–	–
Cash and cash equivalents	0.001	–	0.001
Non-current liabilities	–	–	–
Current liabilities	0.220	–	0.220
Deferred tax liabilities	–	–	–
	0.016	**0.741**	**0.757**
Goodwill			–
Total purchase price (preliminary)			**0.757**

The hidden reserves identified when allocating the purchase price (preliminary) were identified using the income capitalisation approach. The series of payments in the income capitalisation approach, fixed at economic useful lives of 12 years, were based on a discount factor of 9.75%.

The gross amount of the receivables amounted to €0.229 million as at the time of acquisition; the full amount is considered to be recoverable.

If the purchase of the company had been concluded by the first day of the financial year, there would have been no impact on the consolidated revenues and the consolidated result attributable to investors.

Since 21 December 2015, the date of its initial inclusion in the group of consolidated companies, Solesa Engineering S.r.l. has generated revenues of €0.056 million and net income of €0.008 million.

The final purchase price allocation pertaining to this acquisition has not yet been made as the fair value of the assets and liabilities – especially with regard to intangible assets and tax effects – had not yet been definitively calculated at the time when the consolidated financial statements were drawn up.

In summary, the additions to assets (excluding goodwill) and liabilities from company acquisitions according to major category break down as follows for the financial year 2015:

In € million	Additions from company acquisition in the financial year 2015
Intangible assets	12.191
Property, plant and equipment	21.807
Financial assets	0.586
Inventories	2.031
Receivables and other assets	7.888
Deferred tax assets	–
Cash and cash equivalents	1.403
Non-current liabilities	–
Current liabilities	16.131
Deferred tax liabilities	4.231

BayWa AG, Munich, Germany, acquired the remaining 4% of the shares in BayWa r.e. Solar Systems LLC (formerly: Focused Energy LLC), Wilmington (Delaware), USA, effective 3 March 2015, through Group company BayWa r.e. USA LLC, Wilmington (Delaware), USA, meaning that BayWa r.e. USA LLC has been entitled to 100% of the shares in this company since the acquisition. The cost of the shares comes to €0.988 million and includes the contractually agreed purchase price component of €0.988 million, which was disbursed on 3 March 2015. The book value of the previous minority interests in the equity of BayWa r.e. Solar Systems LLC amounted to €0.577 million as at the time of acquisition. As a result of this transaction, the minority interest in equity included in the consolidated financial statements fell by €0.577 million and the equity attributable to the shareholders of the parent company declined by €0.411 million due to the offsetting of the difference arising from the purchase of additional shares. No additional transaction costs were incurred in connection with the purchase of additional shares.

BayWa AG, Munich, Germany, acquired the remaining 30% of the shares in Tecno Spot - G.m.b.H. (formerly: Tecno Spot S.r.l.), Bruneck, Italy, effective 12 March 2015, through Group company BayWa r.e. Solar Energy Systems GmbH (formerly: BayWa r.e. Solarsysteme GmbH), Tübingen, Germany, which means that BayWa r.e. Solar Energy Systems GmbH has been entitled to 100% of the shares in the company since the acquisition. The cost of the shares comes to €1.253 million and includes the contractually agreed purchase price component of €1.253 million, which was disbursed on 12 March 2015. The book value of the previous minority interests in the equity of Tecno Spot - G.m.b.H. amounted to €2.618 million as at the time of acquisition. As a result of this transaction, the minority interest in equity included in the consolidated financial statements fell by €2.618 million and the equity attributable to the shareholders of the parent company increased by €1.365 million due to the offsetting of the difference arising from the purchase of additional shares. No transaction costs were incurred in connection with the additional acquisition of shares.

BayWa AG, Munich, Germany, acquired the remaining 25% of the shares in Fresh Food Exports 2011 Limited, Auckland, New Zealand, effective 25 May 2015, through Group company Delica Limited, Auckland, New Zealand, meaning that Delica Limited has been entitled to 100% of the shares in this company since the acquisition. The cost of the shares attributable to the parent company's shareholders comes to €0.057 million and includes the contractually agreed pro rata purchase price component of €0.057 million, which was disbursed on 25 May 2015. The book value of the previous minority interests in the equity of Fresh Food Exports 2011 Limited amounted to €0.167 million as at the time of acquisition. As a result of this transaction, the minority interest in equity included in the consolidated financial statements fell by €0.167 million and the equity attributable to the shareholders of the parent company increased by €0.110 million due to the offsetting of the difference arising from the purchase of additional shares. No additional transaction costs were incurred in connection with the purchase of additional shares.

BayWa AG, Munich, Germany, was awarded 10% of the shares in AWS Entsorgung GmbH Abfall und Wertstoff Service, Luckau (formerly: AWS Entsorgung GmbH Abfall & Wertstoffe Service GmbH, Boppard), Germany, effective 1 January 2015, through Group company Schradenbiogas GmbH & Co. KG, Gröden, Germany, at no cost within the scope of legal proceedings, meaning that Schradenbiogas GmbH & Co. KG has been entitled to 100% of the shares in this company since the acquisition. The book value of the previous minority interests in the equity of AWS Entsorgung GmbH Abfall und Wertstoff Service amounted to €0.055 million as at the time of acquisition. As a result of this transaction, the minority interest in equity included in the consolidated financial statements fell by €0.055 million and the equity attributable to the shareholders of the parent company increased by €0.055 million due to the offsetting of the difference arising from the purchase of additional shares. No additional transaction costs were incurred in connection with the purchase of additional shares.

BayWa AG, Munich, Germany, participated in a capital increase by Group company T&G Global Limited (formerly: Turners & Growers Limited), Auckland, New Zealand, on 4 December 2015. As the participation of shareholders in the capital increase was not always proportional to the shares held, the shares held by BayWa AG in T&G Global Limited rose from 73.07% to 73.68%. The book value of the previous minority interests in the equity of T&G Global Limited amounted to €0.996 million as at the time of acquisition. As a result of this transaction, the minority interest in equity included in the consolidated financial statements fell by €0.996 million and the equity attributable to the shareholders of the parent company increased by €0.996 million due to the offsetting of the preliminary difference arising from the purchase of additional shares. No additional transaction costs were incurred in connection with the purchase of additional shares.

Delica Limited, Auckland, New Zealand, sold 20% of the shares in Delica Domestic Pty Ltd, Tullamarine (formerly: Pakenham), Australia, effective 30 November 2015, meaning that Delica Limited has been entitled to 80% of the shares in this company since the time of the disposal. The sales proceeds from the shares sold attributable to the parent company amounts to €0.082 million. The book value of the shares sold in Delica Domestic Pty Ltd amounted to €0.116 million as at the disposal date. As a result of this transaction, the minority interest in equity included in the consolidated financial statements rose by €0.166 million and the equity attributable to the shareholders of the parent company declined by €0.084 million.

The following mergers also took place within the Group:

Effective 1 January 2015, BayWa Pensionsverwaltung GmbH, Munich, Germany, was merged with BayWa Finanzbeteiligungs-GmbH, Munich, Germany. Since the merger, the operations of the company continue under the name BayWa Pensionsverwaltung GmbH, Munich, Germany.

Effective 1 April 2015, BayWa r.e. Operation Services GmbH, Munich, Germany, was merged with Solarmarkt Deutschland GmbH, Schwäbisch Hall, Germany. Since the merger, the operations of the company continue under the name BayWa r.e. Operation Services, Munich, Germany.

Effective 1 July 2015, renerco plan consult GmbH, Munich, Germany, was merged with Creotecc GmbH, Freiburg im Breisgau, Germany. Since the merger, the operations of the company continue under the name renerco plan consult GmbH, Munich, Germany.

BayWa r.e. 148. Projektgesellschaft mbH, Gräfelfing, Germany, sold 100% of its shares in Cornwall Power (Polmaugan) Ltd., London, UK, on 28 February 2015 within the scope of operating activities.

Furthermore, BayWa r.e. España S.L.U., Barcelona, Spain, sold 100% of its shares in the following companies headquartered in Barcelona, Spain, on 5 June 2015 within the scope of operating activities: Abastecimiento Energético Solar S.L.U., Enemir Solar S.L.U., Madrid Fotovoltaica S.L.U., Microclima Solar S.L.U., Remosol Energías Renovables S.L.U., Renovaplus Energías Renovables S.L.U., Renovar Energía S.L.U.

BayWa r.e. Asset Holding GmbH, Gräfelfing, Germany, and BayWa r.e. Solar Projects GmbH, Munich, Germany, sold 100% of their shares in SEP SAG Intersolaire 3 SNC, Mulhouse, France, on 13 August 2015 within the scope of operating activities.

BayWa r.e. Solar Projects LLC, Wilmington (Delaware), USA, sold 100% of its shares in the following US companies, based in Los Angeles, USA, on 14 August 2015 within the scope of operating activities: ESA Newton Grove 1 NC LLC, ESA Selma NC 1 LLC, ESA Smithfield 1 NC LLC.

BayWa r.e. Wind, LLC, Wilmington (Delaware), USA, sold 100% of its shares in Beethoven Wind, LLC, San Diego, USA, on 25 September 2015 within the scope of operating activities.

Furthermore, BayWa r.e. Asset Holding GmbH, Gräfelfing, Germany, sold 100% of its shares in Solarpark Pindgewood GmbH, Gräfelfing, Germany, on 30 September 2015 within the scope of operating activities. This also resulted in the sale of the 100% of the shares held by the company in Haymaker (Solar) Ltd., London, UK, which, until it was sold, was a fully consolidated company.

Furthermore, BayWa r.e. España S.L.U., Barcelona, Spain, sold 100% of its shares in the following companies headquartered in Barcelona, Spain, on 23 October 2015 within the scope of operating activities: Energies Netes de Corral Serra S.L.U., Energies Netes de Sa Boleda S.L.U., Energies Netes de Son Parera S.L.U., MONZINIMAN XXI S.L.U., Net Environment S.L.U., Puerto Real FV Production S.L.U., Rock Power Cáceres S.L.U., Solrenovable Fotov. S.L.U., ZAX Products S.L.U., ZIGZAG Inversiones S.L.U., Serrezuela Solar XXI S.L.U. At the same time, Sunshine Movement GmbH, Munich, Germany, also sold 100% of its shares in the following companies headquartered in Madrid, Spain, on 23 October 2015 within the scope of operating activities: Cubiertas Solares Carrocerías S.L.U., Cubiertas Solares Palencia 1 S.L.U., Cubiertas Solares Parking S.L.U., Silverworld System S.L.U.

RENERCO GEM 4 GmbH, Gräfelfing, Germany, sold 100% of its shares in GEM WIND FARM 4 Ltd., London, UK, on 1 December 2015 within the scope of operating activities.

Solarpark Aston Clinton GmbH, Gräfelfing, Germany, sold 100% of its shares in Haymaker (Gib Lane Solar) Ltd., London, UK, on 17 December 2015 within the scope of operating activities.

Solarpark Lynt GmbH, Gräfelfing, Germany, also sold 100% of its shares in Lynt Farm Solar Ltd., London, UK, on 31 December 2015 within the scope of operating activities.

The effects of these transactions on the consolidated financial statements totalled as follows:

Consideration received

in € million	
Consideration received in the form of cash and cash equivalents for the sold shares	271.457

Assets and liabilities derecognised owing to control relinquished

In € million	
Non-current assets	
Intangible assets	2.664
Property, plant and equipment	7.009
Financial assets	0.001
Deferred tax assets	3.058
	12.732
Current assets	
Inventories	325.819
Receivables and other assets	18.698
Cash and cash equivalents	13.192
	357.709

in € million	
Non-current liabilities	
Non-current provisions	2.764
Financial liabilities	141.237
Trade payables and other liabilities	0.174
Deferred tax liabilities	0.675
	144.850
Current liabilities	
Current provisions	3.440
Financial liabilities	24.041
Trade payables and other liabilities	7.054
	34.535
Net assets on the disposal date	**191.056**

Gains/losses from the disposal of Group companies

in € million	
Consideration received for the sold shares	271.457
Net assets relinquished	191.056
Disposal gain	**80.401**
of which: attributable to minority shareholders	1.357
of which: attributable to shareholders of the parent company	79.044

As the companies being disposed of are all project companies from the Renewable Energies business sector that are being sold because they will not be viewed as a material part of operating activities once the corresponding plants have been completed, the disposals are disclosed in the income statement under revenues and changes in inventories, while tax components are disclosed under tax expenses.

Incoming net cash and cash equivalents from the disposal of Group companies

in € million	
Purchase price settled through cash and cash equivalents	271.457
Less cash and cash equivalents paid out in connection with the disposal	–13.192
	258.265

Companies in which BayWa AG either directly or indirectly holds less than 100% of the capital and voting rights are also included in BayWa AG's consolidated financial statements.

The summary of financial information for Group companies in which non-controlling shares are held is as follows:

	T&G Global Limited (formerly: Turners & Growers Limited), Auckland, New Zealand		RWA Raiffeisen Ware Austria AG, Vienna, Austria	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Share in the capital and voting rights held by the non-controlling shares	26.32%	26.93%	50.00%	50.00%
in € million				
Share in the annual result attributable to non-controlling shares	–1.345	1.163	4.674	8.359
Aggregated non-controlling shares	27.513	30.828	136.517	134.130
Dividends distributed to non-controlling shares	1.187	0.982	2.108	2.108
Financial information (prior to consolidation)				
Current assets	110.945	84.252	347.101	356.017
Non-current assets	167.359	174.877	184.010	182.519
Current liabilities	70.142	61.601	228.544	242.814
Non-current liabilities	103.637	83.055	29.534	27.461
Revenues	–	–	1,233.856	1,190.183
Net income	–5.110	– 4.320	9.347	16.717
Other earnings	–0.828	– 0.879	–0.358	– 2.025
Total earnings	–5.938	– 5.199	8,989	14.692
Net cash flows from operating activities	– 21.911	– 5.173	25.396	9.343
Net cash flows from investing activities	– 0.290	– 30.854	– 5.111	– 0.496
Net cash flows from financing activities	21.299	34.036	– 17.901	– 9.285
Total net cash flows	**–0.901**	**–1.991**	**2.384**	**–0.438**

	"UNSER LAGERHAUS" WARENHANDELSGESELLSCHAFT m.b.H., Klagenfurt, Austria		BayWa Vorarlberg HandelsGmbH, Lauterach, Austria	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Share in the capital and voting rights held by the non-controlling shares	48.94%	48.94%	49.00%	49.00%
in € million				
Share in the annual result attributable to non-controlling shares	2.449	2.377	1.030	0.764
Aggregated non-controlling shares	31.833	30.628	6.708	6.219
Dividends distributed to non-controlling shares	1.150	1.221	0.522	0.606
Financial information (prior to consolidation)				
Current assets	100.621	101.889	11.869	12.501
Non-current assets	80.779	77.035	17.713	17.934
Current liabilities	101.363	87.958	8.420	9.551
Non-current liabilities	14.992	28.383	7.473	8.192
Revenues	487.084	524.271	72.218	71.835
Net income	5.004	4.856	2.103	1.560
Other earnings	−0.192	−0.708	−0.039	−0.199
Total earnings	4.812	4.148	2.064	1.361
Net cash flows from operating activities	10.022	8.084	4.207	1.886
Net cash flows from investing activities	−10.950	−8.649	−0.633	−0.818
Net cash flows from financing activities	0.937	0.555	−3.564	−1.488
Total net cash flows	**0.009**	**−0.010**	**0.010**	**−0.420**

Owing to their generally secondary importance, 70 (2014: 61) domestic and 45 (2014: 34) foreign affiliated companies were not included in the group of consolidated companies. The recognition of these companies in the group of consolidated companies was carried out at cost. The aggregated annual results and aggregated equity (unconsolidated HB I values based on the individual financial statements) of these companies in the financial year 2015 are set out below:

Unconsolidated affiliated companies	in € million	Share in % in relation to the sum total of all fully consolidated companies
Net income	0.791	0.39
Equity	14.855	0.46

(B.2.) Joint ventures pursuant to IFRS 11 in conjunction with IAS 28

The following 10 (2014: 8) joint ventures over which the BayWa Group exerts joint control together with one or more external third parties on the basis of a contractual agreement are recognised under the equity method.

	Share in capital in %	Comment
Agriculture Segment		
Apollo Foods Limited, Auckland, New Zealand	50.0	Initial consolidation on 01/01/2015
Baltic Grain Terminal Sp. z o.o., Gdynia, Poland	50.0	
BHBW Limited, Maidenhead, UK	50.0	Initial consolidation on 28/10/2015
T&G Vizzarri Farms Pty Ltd, Tullamarine (formerly: Delica Pty Ltd, Pakenham), Australia	50.0	Transitional consolidation on 30/07/2015
Wawata General Partner Limited, Nelson, New Zealand	50.0	
Worldwide Fruit Limited, Spalding, UK	50.0	
Energy Segment		
BEEGY GmbH, Mannheim, Germany	25.1	Initial consolidation on 15/05/2015
Süddeutsche Geothermie-Projekte GmbH & Co. KG, Gräfelfing, Germany	50.0	
Süddeutsche Geothermie-Projekte Verwaltungsgesellschaft mbH, Gräfelfing, Germany	50.0	
Other Activities Segment (including financial participations)		
BayWa Hochhaus GmbH & Co. KG, Grünwald (formerly: Feldafing), Germany	99.0	50% of voting rights
IFS S.r.l., Bozen, Italy	51.0	

The shares of these companies have been recognised at cost, taking account of changes in the net assets of the affiliated companies since the purchase of the shares. Delica Pty Ltd was renamed T&G Vizzarri Farms Pty Ltd on 30 July 2015. At the same time, the BayWa Group, whose share remained unchanged at 50%, exerted significant influence over the company due to an amendment to the partnership arrangements. Consequently, this company was included in the group of consolidated companies as a subsidiary pursuant to IFRS 10 (Consolidated Financial Statements) from the date on which control was exerted. Please refer to Note B.1. Group of consolidated companies – fully consolidated companies pursuant to IFRS 10 for more details.

Summary of financial information about the material joint ventures included under the equity method:

	BEEGY GmbH, Mannheim, Germany*		Worldwide Fruit Limited, Spalding, UK	
	30/09/2015	30/09/2014	31/12/2015	31/12/2014
Shareholding	25.10%	–	50.00%	50.00%
Voting rights	25.10%	–	50.00%	50.00%
In € million				
Dividends received from joint ventures	–	–	0.261	0.620
Current assets	19.254	–	19.894	15.186
Non-current assets	3.602	–	11.143	10.920
Current liabilities	2.900	–	18.881	16.248
Non-current liabilities	–	–	4.544	4.763
Cash and cash equivalents	5.175	–	2.197	0.858
Current financial liabilities	–	–	–	–
Non-current financial liabilities	–	–	4.544	4.763
Revenues	0.047	–	156.621	141.904
Amortisation	–0.216	–	–0.914	–0.752
Interest expense	–	–	–0.138	–0.114
Income tax expense	–	–	–0.869	–0.582
Net income from continued operations	–6.953	–	2.859	2.018
Other earnings	–	–	–	–
Total earnings	–6.953	–	2.859	2.018
Losses not realised for the reporting period	–	–	–	–
Aggregated losses not realised	–	–	–	–
Transition				
Joint venture's net assets	17.444	–	7.612	5.095
Shareholding and voting rights	25.10%	–	50.00%	50.00%
Goodwill	2.223	–	–	–
Other adjustments	–	–	1.157	0.803
Book value	6.601	–	4.963	3.351

*** Both the net assets of BEEGY GmbH and the book value of the equity approach of the company relate to 31 December 2015**

The above financial information relate to values used as a basis for the IFRS financial statements of the respective joint ventures.

Summary of financial information about the joint ventures included under the equity method which are, in and of themselves, not material:

In € million	31/12/2015	31/12/2014
Book value as at the balance sheet date	7.855	6.830
BayWa Group's share in net income from continued operations	–3.424	–3.166
BayWa Group's share in earnings from discontinued operations after tax	–	–
BayWa Group's share in other earnings	–0.465	–1.305
BayWa Group's share in total earnings	–3.889	–4.471
Losses not realised for the reporting period	–	–
Aggregated losses not realised	–	–

(B.3.) Associated companies pursuant to IAS 28

The following 22 (2014: 21) associated companies over which the BayWa Group either has a proportion of voting rights of at least 20% and a maximum of 50%, or over whose business management or supervisory functions the BayWa Group exerts a significant influence, and which are not jointly held companies or companies of secondary importance, are recognised under the equity method.

	Share in capital in %	Comment
Agriculture Segment		
Agrimec Group B.V., Apeldoorn, the Netherlands	49.0	
Allen Blair Properties Limited, Wellington, New Zealand	33.3	
David Oppenheimer & Company I, LLC, Seattle, USA	15.0	
David Oppenheimer Transport Inc., Wilmington (Delaware), USA	15.0	
Fresh Vegetable Packers Limited, Christchurch, New Zealand	41.4	
McKay Shipping Limited, Auckland, New Zealand	25.0	
Mystery Creek Asparagus Limited, Hamilton, New Zealand	14.5	
N.Z. Kumara Distributors Limited, Dargaville, New Zealand	20.4	Initial consolidation on 01/01/2015
Energy Segment		
Aufwind BB GmbH & Co. Zwanzigste Biogas KG, Regensburg, Germany	100.0	50% share in voting rights
Biomethananlage Barby GmbH, Barby (formerly: Bioenergie Barby GmbH, Regensburg), Germany	25.1	
Biomethananlage Staßfurt GmbH, Mannheim, Germany	25.1	
CRE Project S.r.l., Matera, Italy	49.0	
EAV Energietechnische Anlagen Verwaltungs GmbH, Staßfurt, Germany	49.0	
Heizkraftwerke-Pool Verwaltungs-GmbH, Munich, Germany	33.3	
Other Activities Segment (including Financial Participations)		
AHG- Autohandelsgesellschaft mbH, Horb am Neckar, Germany	49.0	
AUSTRIA JUICE GmbH, Allhartsberg (formerly: Kröllendorf), Austria	50.0	
BayWa Bau- & Gartenmärkte GmbH & Co. KG, Dortmund, Germany	50.0	
BRB Holding GmbH, Munich, Germany	45.3	
Deutsche Raiffeisen-Warenzentrale GmbH, Frankfurt am Main, Germany	37.8	
Frisch & Frost Nahrungsmittel GmbH, Vienna, Austria	25.0	
LWM Austria GmbH, Hollabrunn, Austria	25.0	
Raiffeisen Beteiligungs GmbH, Frankfurt am Main, Germany	47.4	

The shares of these companies have been recognised at cost, taking account of changes in the net assets of the affiliated companies since the purchase of the shares. The shares in BayWa Bau- & Gartenmärkte GmbH & Co. KG constitute an exception, as these are measured at cost due to the contractual terms; the cost also corresponds to the future contractually agreed disposal price and, in turn, to the fair value of the shares.

Summary of financial information about the material companies included under the equity method:

	Agrimec Group B.V., Apeldoorn, the Netherlands		BayWa Bau- & Gartenmärkte GmbH & Co. KG, Dortmund, Germany	
	31/12/2015	31/12/2014	28/02/2015	28/02/2014
Shareholding	49.00%	49.00%	50.00%	50.00%
Voting rights	49.00%	49.00%	50.00%	50.00%
in € million				
Dividends received from associated companies	–	–	–	–
Current assets	27.999	26.646	131.866	121.334
Non-current assets	5.397	5.140	20.604	18.201
Current liabilities	23.892	22.988	71.950	83.323
Non-current liabilities	–	–	61.903	39.882
Revenues	69.016	64.500	250.212	254.090
Net income from continued operations	0.706	0.754	2.287	2.945
Other earnings	–	–	–	–
Total earnings	0.706	0.754	2.287	2.945
Losses not realised for the reporting period	–	–	–	–
Aggregated losses not realised	–	–	–	–
Transition				
Associated company's net assets	9.504	8.798	18.617	16.330
Shareholding and voting rights	49.00%	49.00%	50.00%	50.00%
Goodwill	0.194	0.194	–	–
Other adjustments	–	–	4.693	5.837
Book value	4.851	4.505	14.002	14.002

The financial year of BayWa Bau- & Gartenmärkte GmbH & Co. KG ends on 28 February and therefore differs from that of the parent company. The shares in the company are measured at cost, which also corresponds to the fair value, due to the terms of the contractual agreement, meaning that the differing reporting periods have no impact on the net assets, financial position and result of operations of the Group.

	David Oppenheimer & Company I, LLC, Seattle, USA		BRB Holding GmbH, Munich, Germany	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Shareholding	15.00%	15.00%	45.26%	45.26%
Voting rights	15.00%	15.00%	45.26%	45.26%
in € million				
Dividends received from associated companies	0.612	0.359	1.729	–
Current assets	67.872	61.385	0.168	0.025
Non-current assets	0.303	0.279	234.845	234.845
Current liabilities	63.325	57.989	0.159	0.003
Non-current liabilities	–	–	–	–
Revenues	466.144	384.340	–	–
Net income from continued operations	4.773	2.872	3.806	– 0.003
Other earnings	–	–	–	–
Total earnings	4.773	2.872	3.806	– 0.003
Losses not realised for the reporting period	–	–	–	–
Aggregated losses not realised	–	–	–	–
Transition				
Associated company's net assets	4.850	3.675	234.854	234.867
Shareholding and voting rights	15.00%	15.00%	45.26%	45.26%
Goodwill	–	–	–	–
Other adjustments	1.637	1.388	– 17.295	– 17.295
Book value	2.365	1.939	89.000	89.006

	AUSTRIA JUICE GmbH, Allhartsberg (formerly: Kröllendorf), Austria		AHG- Autohandelsgesellschaft mbH, Horb am Neckar, Germany	
	30/11/2015	30/11/2014	31/12/2015	31/12/2014
Shareholding	49.99%	49.9%	49.00%	49.00%
Voting rights	49.99%	49.99%	49.00%	49.00%
in € million				
Dividends received from associated companies	3.499	3.499	0.245	0.245
Current assets	237.391	200.755	92.522	107.163
Non-current assets	93.948	92.006	42.093	40.436
Current liabilities	273.905	224.585	31.798	23.390
Non-current liabilities	7.543	9.056	88.409	113.221
Revenues	213.253	267.117	434.273	398.979
Net income from continued operations	−1.445	2.923	3.920	2.344
Other earnings	−0.920	−1.320	–	–
Total earnings	−2.365	1.603	3.920	2.344
Losses not realised for the reporting period	–	–	–	–
Aggregated losses not realised	–	–	–	–
Transition				
Associated company's net assets	49.891	59.120	14.408	10.988
Shareholding and voting rights	49.99%	49.99%	49.00%	49.00%
Goodwill	22.449	22.449	0.099	0.099
Other adjustments	–	–	–	–
Book value	47.390	52.003	7.159	5.483

Due to the company's business activities, the financial year of AUSTRIA JUICE GmbH ends on 28 February. For this reason, the reporting periods, which are used as the basis for the inclusion of the financial statements of AUSTRIA JUICE GmbH in the consolidated financial statements of BayWa AG, end on 30 November, and therefore deviates from the parent company's reporting date. Differing reporting periods have no impact on the net assets, financial position and result of operations of the BayWa Group.

The above financial information relate to values used as a basis for the IFRS financial statements of the associated company.

Summary of financial information about the associated companies included under the equity method which are, in and of themselves, not material:

in € million	31/12/2015	31/12/2014
Book value as at the balance sheet date	19.690	19.235
BayWa Group's share in net income from continued operations	3.041	2.142
BayWa Group's share in earnings from discontinued operations after tax	–	–
BayWa Group's share in other earnings	–	–
BayWa Group's share in total earnings	3.041	2.142
Losses not realised for the reporting period	–	–
Aggregated losses not realised	–	–

A total of 31 (2014: 33) associated companies of generally secondary importance for the consolidated financial statements have been accounted for at cost and by using the equity method. The aggregated assets, liabilities, revenues and annual results (each based on the individual financial statements) of these companies in the financial year 2015 are set out below:

Associated companies not included under the equity method	in € million
Assets	293.606
Liabilities	259.737
Revenues	474.917
Net income	0.201

(B.4.) Summary of the changes to the group of consolidated companies of BayWa AG

Compared with the previous year, the group of consolidated companies, including the parent company, has changed as follows:

	Germany	International	Total
Included as at 31/12/2014	**106**	**212**	**318**
of which fully consolidated	93	196	289
of which recognised at equity	13	16	29
Included as at 31/12/2015	**114**	**213**	**327**
of which fully consolidated	100	195	295
of which recognised at equity	14	18	32

All Group holdings are listed separately (appendix to the Notes to the Consolidated Financial Statements).

(B.5.) Principles of consolidation

Capital consolidation at the time of initial consolidation is carried out through offsetting the cost against the fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiaries at the time of acquisition (purchase method). If the cost exceeds the fair value of the identifiable assets, liabilities and contingent liabilities purchased, the difference is disclosed as goodwill under intangible assets as part of non-current assets. Goodwill is subject to an annual impairment test (Impairment Only Approach). If the book value of goodwill is higher than the recoverable amounts, impairment must be carried out; otherwise goodwill remains unchanged. If the cost is lower than the fair value of the identifiable assets, liabilities and contingent liabilities, the differences are booked immediately through profit and loss.

All receivables and liabilities, as well as provisions within the group of consolidated companies, are offset. Interim results, if material, are eliminated. Interim results realised from associated companies are eliminated against the corresponding investments recognised at equity. If the respective investment does not exist to a sufficient extent for elimination, other assets related to the affected company are eliminated. If these do not exist or do not exist to a sufficient extent, the interim result is eliminated by recognising it in revenue reserves on the liabilities side to ensure that the result of operations reflects actual developments. It is not recognised as “deferred income” under other liabilities, as the eliminated interim result does not represent a liability and recognition as other liabilities would incorrectly depict the actual asset position. Intra-Group revenues, expenses and earnings are netted.

(B.6.) Currency translation

The translation of the financial statements prepared in a foreign currency into euros is carried out by applying the concept of functional currency as defined under IAS 21 (The Effects of Changes in Foreign Exchange Rates). The companies of the BayWa Group operate independently. They are therefore considered “foreign operations”. Functional currency is the respective national currency or, in exceptional cases, the currency in which most of the respective company’s transaction are settled in. Assets and liabilities are converted at the exchange rate on the reporting date. This does not apply to investments, which are measured at historical exchange rates. With the exception of income and expenses included directly in equity, equity is carried at historical rates. The translation of the income statement is carried out using the average rate for the year. Differences resulting from currency translation are treated without effect on income, until such time as the subsidiary is disposed of and set off against other reserves in equity. The differences resulting from currency translation increased by €2.032 million in the reporting year (2014: €10.135 million).

The exchange rates used for translations are shown in the table below:

		Balance sheet		Income statement	
		Middle rate on		Average rate	
	€1	31/12/2015	31/12/2014	2015	2014
Australia	AUD	1.490	1.483	1.478	1.472
China	CNY	7.061	7.536	6.973	8.186
Croatia	HRK	7.638	7.658	7.621	7.634
Czech Republic	CZK	27.025	27.725	27.301	27.540
Denmark	DKK	7.463	7.445	7.460	7.455
Hungary	HUF	313.120	314.890	309.672	308.641
Japan	JPY	131.070	–	134.414	–
New Zealand	NZD	1.592	1.553	1.589	1.606
Peru	PEN	3.701	3.656	3.560	3.770
Poland	PLN	4.264	4.273	4.190	4.191
Republic of Fiji	FJD	2.326	2.418	2.326	2.500
Romania	RON	4.524	4.483	4.444	4.441
Russia	RUB	80.674	–	67.833	–
Serbia	RSD	121.626	120.958	120.772	117.123
Sweden	SEK	9.190	9.393	9.341	9.097
Switzerland	CHF	1.084	1.202	1.074	1.214
Ukraine	UAH	26.159	–	23.707	–
UK	GBP	0.734	0.779	0.728	0.805
USA	USD	1.089	1.214	1.112	1.323

(B.7.) IAS 8 – Accounting and Valuation Principles, Changes in Estimates and Errors

The consolidated financial statements and the management report on the Group of BayWa AG as at 31 December 2013 were subject to a random sample audit by the Deutsche Prüfstelle für Rechnungslegung (DPR) / Financial Reporting Enforcement Panel (FREP) pursuant to Section 342b para. 2 sentence 3 German Commercial Code (HGB). This audit resulted in a total of five findings, three of which had an effect on the assets, financial position and result of operations of the BayWa Group for the financial year 2013 and, consequently, also for subsequent years. Two findings solely concerned reporting and therefore had no impact on the assets, financial position and result of operations.

The audit findings concerning the assets, financial position and result of operations were as follows:

In the financial year 2013, BayWa AG disposed of 80 properties within the scope of a sale-and-lease-back transaction. The lease of these properties was classified by BayWa AG at that time as an operating lease within the meaning of IAS 17. FREP found in its audit that, considering the existing unilateral lease extension options on the part of the lessor, the lease back of all 80 properties constituted financial leases. For this reason, the properties should have been recognised in the consolidated balance sheet at fair value together with a corresponding lease liability at the start of the lease. The rental expenses recognised in BayWa AG’s consolidated financial statements in the financial years 2013 and 2014 should have been replaced with depreciation on the properties and interest expense from the lease liability. The book values resulting from the disposal in the financial year 2013 should have been recognised as deferred income in other liabilities and distributed pver the term of the lease in consideration of the lessor's extension options (a total of 25 years).

In addition, FREP also found that, in WealthCap Portfolio Finanzierungs-GmbH & Co. KG, Grünwald, Germany, a company that has similar aims as the Group and whose risks and opportunities are fully apportionable to the Group was not reported as a special purpose vehicle in the sense of IAS 27.13 in conjunction with SIC 12.8 et seq. in BayWa AG's consolidated financial statements in accordance with the standards applicable to full consolidation. Instead of reporting the investment in the company, as was the case in the past, the loans granted by the company should have been reported on the balance sheet.

It was also found that, in the course of the purchase price allocation for Cefetra B.V., which was acquired in the financial year 2013, debt and therefore also goodwill resulting from this transaction were too high.

In addition to the adjustments presented here on the basis of FREP's audit findings, the consolidated financial statements in the previous year also required correction pursuant to IAS 8 in order to rectify the incorrect calculation of deferred tax assets and liabilities caused by an erroneous tax assessment. This resulted in a reduction in deferred tax assets of €4.447 million in the consolidated financial statements as at 31 December 2014 and a corresponding rise in tax expenses.

In the reporting year, the BayWa Group opted for the early adoption of amendments to IAS 16 (Property, Plant and Equipment) and IAS 41 (Agriculture) with regard to the recognition of bearer plants, which were endorsed in European law in November 2015. These kinds of bearer plants have been removed from the scope of IAS 41 into the scope of IAS 16, therefore enabling entities to measure them at cost subsequent to initial recognition or at revaluation. Bearer plants had been subject to recognition at fair value on an annual basis in the past. However, the produce growing on bearer plants continues to be accounted for under IAS 41. The early adoption of the amendments was implemented retrospectively, meaning that the fair values of bearer plants were corrected in the previous year's annual financial statements. Since 1 January 2014, bearer plants have therefore been accounted for at cost less accumulated depreciation as a component of property, plant and equipment. The fair value of bearer plants as at 1 January 2014 was recognised at cost for accounting purposes.

The described adjustments had the following impact on the consolidated balance sheet as at 31 December 2013 as well as at 1 January 2014:.

In € million	01/01/2014 unadjusted	FREP findings	First-time application of IAS 41/IAS 16	01/01/2014 adjusted
ASSETS				
Intangible assets	157.020	– 2.033	–	154.987
Property, plant and equipment	1,074.189	229.517	7.994	1,311.700
Other financial assets	320.415	– 68.890	–	251.525
Non-current biological assets	12.814	–	– 12.814	–
Deferred tax assets	128.108	25.527	–	153.635
Current biological assets	0.847	–	4.820	5.667
Other current receivables and other assets	1,018.732	0.002	–	1,018.734
Cash and cash equivalents	92.069	0.018	–	92.087
SHAREHOLDERS' EQUITY AND LIABILITIES				
Other reserves	150.658	– 66.974	–	83.684
Non-current financial lease obligations	6.689	159.768	–	166.457
Other non-current liabilities	23.723	83.763	–	107.486
Other current provisions	145.366	– 0.121	–	145.245
Current financial lease obligations	4.613	4.087	–	8.700
Current trade payables and liabilities from inter-Group business relationships	766.611	0.005	–	766.616
Other current liabilities	221.808	3.614	–	225.422

The effects of the adjustments on the consolidated balance sheet as at 31 December 2014 are as follows:

In € million	31/12/2014 unadjusted	FREP findings	First-time application of IAS 41/IAS 16	Miscorrection of deferred taxes	31/12/2014 adjusted
ASSETS					
Intangible assets	150.141	–2.033	–	–	148.108
Property, plant and equipment	1,163.312	220.115	13.108	–	1,396.535
Participating interests recognised at equity	196.867	–	–0.423	–	196.444
Other financial assets	250.432	–68.890	–	–	181.542
Non-current biological assets	26.186	–	–26.186	–	–
Deferred tax assets	187.588	26.130	–	–4.447	209.271
Current biological assets	0.881	–	8.290	–	9.171
Other current receivables and other assets	1,086.663	–2.248	–	–	1,084.415
Cash and cash equivalents	106.076	2.280	–	–	108.356
SHAREHOLDERS' EQUITY AND LIABILITIES					
Other reserves	145.817	–68.555	–2.829	–4.447	69.986
Minority interest in equity	264.959	–	–1.042	–	263.917
Non-current financial lease obligations	5.994	155.412	–	–	161.406
Other non-current liabilities	41.417	80.149	–	–	121.566
Latente Steuerschulden	153.796	–	–1.340	–	152.456
Current financial lease obligations	3.500	4.356	–	–	7.856
Current trade payables and liabilities from inter-Group business relationships	744.991	0.007	–	–	744.998
Other current liabilities	199.927	3.985	–	–	203.912

The effects on the income statement for the financial year 2014 are as follows:

in € million	2014 unadjusted	FREP findings	First-time application of IAS 41/IAS 16	Miscorrection of deferred taxes	2014 adjusted
Other operating income	178.811	3.614	–	–	182.426
Cost of materials	–13,816.835	–	– 0.281	–	–13,816.916
Gross profit	**1,526.188**	**3.614**	**– 0.281**	**–**	**1,529.521**
Personnel expenses	–792.576	– 0.493	–	–	–793.069
Depreciation and amortisation	–117.825	– 9.400	– 0.486	–	–127.711
Other operating expenses	–506.485	18.860	– 3.863	–	–491.488
Result of operating activities	**109.302**	**12.581**	**– 4.630**	**–**	**117.253**
Income from participating interests recognised at equity	3.803	–	– 0.409	–	3.394
Other income from shareholdings	33.693	–2.262	–	–	31.431
Interest expense	–65.924	– 12.502	–	–	–78.426
Financial result	**–21.656**	**– 14.764**	**– 0.409**	**–**	**–36.829**
Result of ordinary activities (EBT)	**87.646**	**– 2.183**	**– 5.039**	**–**	**80.424**
Income tax	**2.827**	**0.602**	**1.297**	**– 4.447**	**0.279**
Consolidated net income	**90.473**	**– 1.581**	**– 3.742**	**– 4.447**	**80.703**
of which: profit share of minority interest	20.283	–	–1.008	–	19.276
of which: due to shareholders of the parent company	70.190	– 1.581	– 2.734	– 4.447	61.427
EBIT	**146.798**	**10.319**	**– 5.039**	**–**	**152.078**
EBITDA	**264.623**	**19.719**	**– 4.553**	**–**	**279.789**
Basic earnings per share (in €)	2.03	– 0.04	– 0.08	– 0.13	1.78
Diluted earnings per share (in €)	2.03	– 0.04	– 0.08	– 0.13	1.78

The transition to the consolidated statement of comprehensive income for the financial year 2014 following the adjustments is as follows:

in € million	2014 unadjusted	FREP findings	First-time application of IAS 41/IAS 16	Miscorrection of deferred taxes	2014 adjusted
Consolidated net income	**90.473**	**– 1.581**	**– 3.742**	**– 4.447**	**80.703**
Sum of items not subsequently reclassified in the income statement	–94.570	–	–	–	–94.570
Differences from currency translation	**10.264**	**–**	**– 0.129**	**–**	**10.135**
Sum of items subsequently reclassified in the income statement	**13.334**	**–**	**– 0.129**	**–**	**13.205**
Gains and losses recognised directly in equity	**–81.236**	**–**	**– 0.129**	**–**	**–81.365**
of which: profit share of minority interest	0.810	–	– 0.034	–	0.775
of which: due to shareholders of the parent company	–82.046	–	– 0.095	–	–82.140
Consolidated total result for the period	**9.237**	**– 1.581**	**– 3.871**	**– 4.447**	**–0.662**
of which: profit share of minority interest	21.093	–	– 1.042	–	20.051
of which: due to shareholders of the parent company	–11.856	– 1.581	– 2.829	– 4.447	–20.713

The adjustments had the following effects on the cash flow statement for the financial year 2014:

in € million	2014 unadjusted	FREP findings	First-time application of IAS 41/IAS 16	Miscorrection of deferred taxes	2014 adjusted
Cash flow from operating activities	**– 112.377**	**21.112**	**0.644**	**–**	**– 90.621**
Cash flow from investing activities	**– 224.686**	**– 2.262**	**– 0.644**	**–**	**– 227.592**
Cash flow from financing activities	**350.981**	**– 16.588**	**–**	**–**	**334.393**
Cash-effective changes in cash and cash equivalents	13.918	2.262	–	–	16.180
Cash and cash equivalents at the start of the period	92.069	0.018	–	–	92.087
Inflow/outflow of funds due to changes in the group of consolidated companies and in exchange rates	0.089	–	–	–	0.089
Cash and cash equivalents at the end of the period	**106.076**	**2.280**	**–**	**–**	**108.356**

(C.) NOTES TO THE BALANCE SHEET

(C.1.) Intangible assets

Intangible assets purchased against payment are capitalised at cost and, with the exception of goodwill, amortised on a straight-line basis over their useful economic lives (generally three to five years). Intangible assets which have been created in-house (self-created) have been capitalised in accordance with IAS 38 (Intangible Assets) if it is likely that the future economic benefit will accrue from the use of the assets and if the cost of the assets can be reliably determined. These assets have been recognised at cost, with an appropriate portion of the overheads relating to their development, and amortised on a straight-line basis. The calculation of impairment losses has been carried out in consideration of IAS 36 (Impairment of Assets). In the reporting year, goodwill impairment of €1.159 million was recognised in the Energy Segment for renerco plan consult GmbH (formerly: Creotecc GmbH) due to the change in business activities. The disposal of Net Environment S.L.U. and the Rock Power Group, comprising Rock Power Cáceres S.L.U. and Serrezuela Solar XXI S.L.U., resulted in a €1.596 million reduction in the assigned goodwill.

Raiffeisen Kraftfutterwerke Süd GmbH's goodwill declined in the previous year on account of the planned disposal of assets. The company's goodwill was not transferred to the buyer in the financial year 2015 in connection with the asset disposal. The resulting disposal losses were reported in the income statement under other operating expenses and allocated to the Agriculture Segment in the segment report. As a result, goodwill fell in the previous year following the deconsolidation of Aufwind BB GmbH & Co. Zwanzigste Biogas KG and Creotecc US LLC.

The goodwill disclosed under intangible assets relates to the following company acquisitions:

in € million	**2015**	2014
"UNSER LAGERHAUS" WARENHANDELSGESELLSCHAFT m.b.H.	0.624	0.624
AWS Entsorgung GmbH Abfall und Wertstoff Service (formerly: AWS Entsorgung GmbH Abfall & Wertstoff Service)	0.507	0.507
Bad und Heizung Krampfl GmbH	0.659	–
BayWa Agri Romania SRL	1.235	–
BayWa Agrarhandel Group (formerly: Bohnhorst Group)	7.857	7.857
BayWa r.e. Bioenergy GmbH	1.428	1.428
BayWa r.e. Rotor Service GmbH and BayWa r.e. Rotor Service Vermögensverwaltungs GmbH	0.221	0.221
BayWa r.e. Solar Energy Systems GmbH (formerly: BayWa r.e. Solarsysteme GmbH)	14.035	14.035
BayWa r.e. Solar Projects LLC	0.787	0.623
BayWa r.e. Solar Systems LLC (formerly: Focused Energy LLC)	16.463	13.460
BayWa r.e. Solar Systems Ltd.	0.940	0.886
BayWa r.e. Wind, LLC	0.276	0.248
Cefetra Group	12.179	12.179
CLAAS Württemberg GmbH	1.189	1.189
ECOWIND Handels- & Wartungs-GmbH	1.348	1.348
EUROGREEN Group	3.445	3.445
Great Lake Tomatoes Limited	1.979	–
LTZ Chemnitz GmbH	0.030	0.030
Net Environment S.L.U.	–	0.868
PC-Agrar Informations- und Beratungsdienst GmbH Group	1.533	–
renerco plan consult GmbH (formerly: Creotecc GmbH)	–	1.159
Rianto Limited	1.124	–
Rock Power Group	–	0.728
RWA SLOVAKIA spol. s r.o.	0.152	0.152
Schradenbiogas GmbH & Co. KG	1.924	1.924
Sempol spol. s r.o.	0.245	0.245
Solarmarkt GmbH	3.536	3.105
Stark GmbH & Co. KG (goodwill from asset deal)	0.450	0.450

in € million	2015	2014
T&G Vizzarri Farms Pty Ltd (formerly: Delica Pty Ltd)	1.383	–
Tecno Spot Group	4.969	4.969
WAV Wärme Austria VertriebsgmbH	4.224	4.224
Other	0.893	0.893
	85.635	**76.797**

Additional changes in the reporting year relate mainly to goodwill from the initial inclusion of the companies acquired into the group of consolidated companies. The goodwill arising from the acquisition of BayWa r.e. Wind, LLC; Solarmarkt GmbH; Rianto Limited; T&G Vizzarri Farms Pty Ltd; Great Lake Tomatoes Limited; BayWa r.e. Solar Systems LLC (formerly: Focused Energy LLC); BayWa r.e. Solar Systems Ltd. and BayWa r.e. Solar Projects LLC is subject to exchange rate fluctuations, resulting in year-on-year differences.

Of the overall goodwill disclosed, an amount of €0.398 million (2014: €0.400 million) is tax deductible in subsequent years.

Goodwill is subject to an impairment test once a year. In the context of the impairment test, the residual values of the goodwill allocated to the individual cash-generating unit are compared with fair value in use.

Cash-generating units are essentially defined as legally independent organisation units directly assignable to the reporting segments within BayWa Group (see Note B.1.). In the event of a business combination of legally independent organisation units, the respective operating unit or the respective geographically defined segment of the incorporating organisation unit is viewed as the cash-generating unit.

The calculation of the value in use is based on the net present value of future cash flows anticipated from the ongoing use of the cash-generating unit. In this process, the forecast of the cash flows is derived from the current planning prepared by Management on a three-year horizon, as well as other assumptions which are based on the knowledge available at the time, market forecasts and empirical experience.

The cash flows were based on business sector-specific discount factors before tax between 5.7% and 10.2%. The growth rates are the expected average for the sector. For the purpose of extrapolating the forecast based on the third budget year, a currently expected business sector-specific growth rate of between 1.5% and 3.0% has been assumed for the periods thereafter.

On the basis of the planning assumptions made in the assessment, taking into account future market developments, the impairment tests carried out showed that no goodwill had to be written down in the reporting year.

Based on market data, the impairment test for cash-generating unit AWS Entsorgung GmbH Abfall und Wertstoff Service (formerly: AWS Entsorgung GmbH Abfall & Wertstoff Service) used a discount factor of 7.0% as well as a constant growth rate, derived from the industry average and historical values, of 2.0%. A 1.0% increase in the discount factor would likely result in the carrying value exceeding the fair value in use of the cash-generating unit by approximately €0.300 million. A 0.5% decrease in the discount factor would, in turn, result in the carrying value exceeding the fair value in use of the cash-generating unit by approximately €0.200 million.

Based on market data, the impairment test for cash-generating unit "UNSER LAGERHAUS" WARENHANDELSGESELLSCHAFT m.b.H. used a discount factor of 8.2% as well as a constant growth rate, derived from the industry average and historical values, of 2.5%. A 1.0% increase in the discount factor would likely result in the carrying value exceeding the fair value in use of the cash-generating unit by approximately €15.800 million. A 0.5% decrease in the discount factor would, in turn, likely result in the carrying value exceeding the fair value in use of the cash-generating unit by approximately €6.000 million.

The following is a breakdown of the additions to intangible assets:

in € million	2015	2014
Additions from developments within the company	4.843	4.000
Additions from separate acquisition	16.448	7.165
Additions from business combinations	16.864	1.598
	38.155	**12.763**

(C.2.) Property, plant and equipment

All property, plant and equipment are used for operations. This item is measured at cost, minus depreciation. If necessary, an impairment loss is recognised. The cost is made up of the purchase price, incidental purchase (transaction) costs and subsequent purchase costs, less any price reductions received. If there is an obligation to decommission an asset which is part of non-current assets at the end of its useful life, or to dismantle or rebuild a site, the estimated costs of these activities will raise the cost of purchasing the asset. Property, plant and equipment are written down on a straight-line basis over the course of their useful life. The units of production method was also used in exceptional cases where this provided a true representation of the pattern in which the future economic benefits are expected to be consumed. Depreciation is based on the following periods of useful life applied uniformly throughout the Group:

	In years
Company premises and office buildings	25 – 33
Residential buildings	50
Land improvements	10 – 20
Technical facilities and machinery	4 – 30
Other facilities, fixtures and office equipment	3 – 15

The calculation of impairment losses has been carried out in consideration of IAS 36 (Impairment of Assets). Impairment requirements are calculated by comparing the book value of land and buildings and technical facilities with their recoverable amount. The calculation of the recoverable amount is based on the value in use. This resulted in a need for impairment of €6.380 million in the financial year 2015, which was due to the lower earnings potential of four wind parks and one biogas plant allocated to technical facilities and machinery in the Energy Segment. Added to this was a need for impairment of €0.170 million on the technical facilities of a further Group company, which was the result of the limited utilisation of affected asset. The limited utilisation of certain sites resulted in impairments in the previous year of €0.215 million on a plant under construction in the Energy Segment as well as of €0.018 million on a plant of an Austrian Group company.

Borrowing costs in connection with the purchase of property, plant and equipment, which under IAS 23 should be capitalised, are not recognised in BayWa's consolidated financial statements owing to the lack of qualifying assets.

An amount of €3.961 million (2014: €9.790 million) of total property, plant and equipment recognised at the end of the reporting period served as collateral for liabilities.

Assets from leasing are also disclosed under non-current assets. These are mainly finance lease qualifications in the area of real estate, technical facilities and machinery and EDP hardware. Under IAS 17, lease agreements are to be valued on the basis of opportunities and risks according to whether the beneficial ownership of the leased object is allocable to the lessee (finance lease) or the lessor (operating lease). Consequently, under IFRS the substance rather than the form of such transactions is the factor for determining value.

Under IAS 17, property, plant and equipment rented by way of finance lease are reported at fair value, provided that the net present value of the minimum lease payments is not lower. Depreciation is carried out on a straight-line basis over the expected useful life or over the shorter term of the contract. Payment obligations arising from future lease instalments are reported on the liabilities side under other financial liabilities.

Non-current assets comprise assets worth €215.822 million (2014: €228.033 million) that qualify as finance leases and which are assignable to the Group as beneficial owner owing to the content of the related lease agreements. Of this amount, €210.717 million (2014: €220.116 million) relates to land and buildings, €0.242 million (2014: €1.953 million) to technical facilities and machinery, €4.801 million (2014: €5.869 million) to office fixtures and fittings as well as €0.062 million (2014: €0.095 million) to intangible assets. In individual cases, purchase options, classified as finance leases, were agreed at the end of the term for lease agreements. A decision is made on a case-by-case basis as to whether to exercise the option to purchase at the end of the respective term.

Leases of land and buildings result almost exclusively from a BayWa AG sale and lease back transaction in the financial year 2013 for a portfolio of 80 items of real estate. Due to the terms of the uniform lease agreements for the real estate that BayWa AG has leased ever since this time, these agreements are to be classified as finance leases pursuant to the classification criteria of IAS 17. The lease agreements include a fixed terms of 10 years initially, with the lessor having two lease extension options of 10 and then 5 years. In the event that the lessor exercises both of the lease extension options, BayWa AG will then have the option to extend the lease term by a further 5 years. There is no option to purchase the real estate at the end of the lease term. The accounting profit resulting from the transaction is included as deferred income under other liabilities and is released through profit and loss over the term of the lease.

The overall future lease instalments under the existing lease agreements totalled as follows:

in € million	2015	2014
Sum total of future minimum lease payments		
Due within one year	18.622	20.184
Due between one and five years	69.452	71.813
Due after more than five years	220.610	236.740
	308.684	**328.737**
Interest portion included in future minimum lease payments		
Due within one year	11.951	12.328
Due between one and five years	43.668	45.327
Due after more than five years	91.571	101.820
	147.190	**159.475**
Present value of future minimum lease payments		
Due within one year	6.671	7.856
Due between one and five years	25.784	26.486
Due after more than five years	129.039	134.920
	161.494	**169.262**

In respect of agreements which are classified as operating leases, largely real estate rental contracts, vehicle leasing and irrevocable building rights agreements, the future minimum lease payments are as follows:

in € million	2015	2014
Sum total of future minimum lease payments		
Due within one year	77.807	69.414
Due between one and five years	203.859	185.511
Due after more than five years	295.394	215.833
	577.060	**470.758**

In the financial year, rental expenses of €67.723 million (2014: €75.581 million) from operating leases were paid.

(C.3.) Participating interests recognised at equity, other financial assets and securities

Joint ventures and associated companies included in the consolidated financial statements are recognised using the equity method in proportion to their equity plus any goodwill generated from the acquisition process.

Other financial assets of BayWa Group comprise interests in non-consolidated affiliated companies, interest in other holdings, credit balances with cooperatives, loans and securities. These financial assets are allocated to the categories “held for trading”, “available for sale”, “loans and receivables” and “held to maturity”, capitalised and measured in accordance with IAS 39.

Financial assets held for trading are always recognised at their fair value. The fair value corresponds to the market or stock market value (level 1 of the fair value hierarchy). Changes in fair value are recorded through profit and loss under other income from shareholdings.

Securities assigned to the “financial assets held for trading” category were stated at a fair value totalling €1.983 million on the reporting date (2014: €2.127 million). As they are held for trading, they have been disclosed under current assets.

Assets assigned to the “available for sale” category are reported at fair value provided there is an active market or fair values can be reliably calculated with a justifiable amount of effort, recognised at their fair values and otherwise carried at cost and, if necessary, less impairments. In the case of assets stated at fair value, the difference between the cost originally recognised and the fair value at the end of the reporting period is offset in equity on the reporting date without effect on income. Assets reported at fair value are measured using stock market quotations prevailing at the end of the reporting period (level 1 of the fair value hierarchy).

In the reporting year, impairment totalling €0.225 million (2014: write-ups of €0.453 million) were carried out on assets classified as “available for sale” and recognised at fair value.

The participating interest classified as “available for sale” in Raiffeisen Zentralbank AG, Vienna, Austria, was reported at cost as there was no active market for the securities and it was therefore not possible to ascertain the fair market value. Calculating fair value based on a discounted cash flow method was not possible due to the lack of available data. Owing to the fact that the company belongs to a cooperative federation, the marketability of the participating interest is also limited.

Similarly, all the shares in non-consolidated subsidiaries are recognised at cost. Sale is at present not intended in the case of financial assets measured at cost.

Loans to affiliated companies and other holdings as well as other loans are classified as “loans and receivables”. These are measured at amortised cost using the effective yield method.

There are currently no assets classified as “held to maturity” in BayWa Group.

Development of consolidated non-current assets for 2015
Note (C.1. – C.3. and C.5.)

In € million	Acquisition/production costs							
	01/01/2015 adjusted	Currency differences	Additions from consolidation	Additions	Disposals	Disposals from consolidation	Transfers	31/12/2015 adjusted
Intangible assets								
Industrial property rights, similar rights and assets	180.065	2.605	11.573	19.018	6.790	–	2.763	209.234
Goodwill	98.401	3.589	7.914	–	1.591	–	–	108.313
Prepayments on account	2.491	0.006	0.083	2.273	–	–	–2.496	2.357
	280.957	**6.200**	**19.570**	**21.291**	**8.381**	**–**	**0.267**	**319.904**
Property, plant and equipment								
Land, similar rights and buildings, including buildings on leasehold land	1,382.279	4.547	17.713	33.161	19.295	–	8.845	1,418.156
Technical facilities and machinery	1,003.953	–1.369	4.100	33.145	53.482	–	11.994	998.341
Other facilities, fixtures and office equipment	305.018	–0.164	1.251	29.205	34.908	–	2.136	302.538
Prepayments and assets under construction	52.181	–0.178	0.041	55.470	2.766	–	–56.252	48.496
Non-current biological assets	13.609	–0.339	–	2.221	–	–	2.652	18.143
	2,757.040	**–6.597**	**23.105**	**153.202**	**110.451**	**–**	**–30.625**	**2,785.674**
Participating interests recognised at equity	**196.463**	**–**	**9.176**	**10.244**	**–**	**12.424**	**0.436**	**203.895**
Other financial assets								
Shareholdings in affiliated companies	25.480	–	0.598	1.811	0.039	1.670	–	26.180
Loans to affiliated companies	0.806	–	–	0.280	0.586	–	–	0.500
Participations in other companies	101.787	0.670	0.005	1.469	0.821	1.830	–0.436	100.844
Loans to associated companies	57.468	–0.007	–	2.363	12.468	1.426	–	45.930
Non-current marketable securities	5.944	–0.010	–	0.011	0.667	–	–	5.278
Other loans	6.772	0.008	–	1.186	1.046	0.011	–	6.909
	198.257	**0.661**	**0.603**	**7.120**	**15.627**	**4.937**	**–0.436**	**185.641**
Investment property								
Land	56.446	–	–	0.018	0.782	–	–10.861	44.821
Buildings	92.867	–	–	0.027	2.132	–	–16.157	74.605
	149.313	**–**	**–**	**0.045**	**2.914**	**–**	**–27.018**	**119.426**
Consolidated non-current assets	**3,582.030**	**0.264**	**52.454**	**191.902**	**137.373**	**17.361**	**–57.376**	**3,614.540**

Depreciation/amortisation									Book values	
01/01/2015 adjusted	Currency differences	Depreciation related to additions from consolidation	Write-downs in current year	Disposal-related depreciation	Depreciation related to disposals from consolidation	Write-ups	Transfers	31/12/2015 adjusted	31/12/2015 adjusted	31/12/2014 adjusted
111.245	1.670	2.706	20.079	5.267	–	–	−0.016	130.417	78.817	68.820
21.604	–	–	1.159	0.085	–	–	–	22.678	85.635	76.797
–	–	–	–	–	–	–	–	–	2.357	2.491
132.849	**1.670**	**2.706**	**21.238**	**5.352**	**–**	**–**	**−0.016**	**153.095**	**166.809**	**148.108**
567.834	−0.763	0.064	33.814	17.654	–	–	−10.567	572.728	845.428	814.445
573.804	−2.164	–	45.539	39.956	–	–	−1.974	575.249	423.092	430.149
217.731	−0.129	0.578	26.820	31.908	–	–	−0.061	213.031	89.507	87.287
0.634	–	–	–	0.216	–	–	0.225	0.643	47.853	51.547
0.502	−0.014	–	0.742	–	–	–	2.979	4.209	13.934	13.107
1,360.505	**−3.070**	**0.642**	**106.915**	**89.734**	**–**	**–**	**−9.398**	**1,365.860**	**1,419.814**	**1,396.535**
0.019	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**0.019**	**203.876**	**196.444**
13.309	–	–	0.030	0.013	–	–	–	13.326	12.854	12.171
0.089	–	–	0.017	0.089	–	–	–	0.017	0.483	0.717
3.159	–	–	1.227	0.068	–	0.460	–	3.858	96.986	98.628
–	–	–	–	–	–	–	–	–	45.930	57.468
0.094	0.003	–	0.111	0.020	–	0.010	–	0.178	5.100	5.850
0.064	0.002	–	–	–	–	–	–	0.066	6.843	6.708
16.715	**0.005**	**–**	**1.385**	**0.190**	**–**	**0.470**	**–**	**17.445**	**168.196**	**181.542**
4.137	–	–	–	–	–	–	−0.768	3.369	41.452	52.309
72.327	–	–	2.008	1.655	–	–	−12.538	60.142	14.463	20.540
76.464	**–**	**–**	**2.008**	**1.655**	**–**	**–**	**−13.306**	**63.511**	**55.915**	**72.849**
1,586.552	**−1.395**	**3.348**	**131.546**	**96.931**	**–**	**0.470**	**−22.720**	**1,599.930**	**2,014.610**	**1,995.478**

Development of consolidated non-current assets for 2014
Note (C.1. – C.3. and C.5.)

In € million	Acquisition/production costs							
	01/01/2014 adjusted	Currency differences	Additions from consolidation	Additions	Disposals	Disposals from consolidation	Transfers	31/12/2014 adjusted
Intangible assets								
Industrial property rights, similar rights and assets	172.873	0.961	0.528	8.385	4.175	0.063	1.556	180.065
Goodwill	97.830	0.088	1.351	0.057	0.409	0.516	–	98.401
Prepayments on account	1.309	0.063	–	2.723	0.217	–	–1.387	2.491
	272.012	**1.112**	**1.879**	**11.165**	**4.801**	**0.579**	**0.169**	**280.957**
Property, plant and equipment								
Land, similar rights and buildings, including buildings on leasehold land	1.331.807	10.903	39.029	45.381	35.701	1.058	–8.082	1,382.279
Technical facilities and machinery	956.289	8.590	33.657	23.182	31.905	8.432	22.572	1,003.953
Other facilities, fixtures and office equipment	313.350	1.120	2.441	28.393	46.549	0.605	6.868	305.018
Prepayments and assets under construction	31.019	0.333	1.549	54.092	6.567	–	–28.245	52.181
Non-current biological assets	7.994	0.634	4.337	0.644	–	–	–	13.609
	2,640.459	**21.580**	**81.013**	**151.692**	**120.722**	**10.095**	**–6.887**	**2,757.040**
Participating interests recognised at equity	**101.601**	**–**	**6.426**	**92.333**	**–**	**3.897**	**–**	**196.463**
Other financial assets								
Shareholdings in affiliated companies	34.857	–	3.215	3.246	11.162	4.613	–0.063	25.480
Loans to affiliated companies	0.789	–	–	0.017	–	–	–	0.806
Participations in other companies	146.933	–0.089	1.483	21.836	68.439	–	0.063	101.787
Loans to associated companies	68.896	0.015	–	4.806	6.172	10.077	–	57.468
Non-current marketable securities	6.051	0.015	0.112	0.011	0.245	–	–	5.944
Other loans	7.245	0.039	–	0.380	0.892	–	–	6.772
	264.771	**–0.020**	**4.810**	**30.296**	**86.910**	**14.690**	**–**	**198.257**
Investment property								
Land	61.555	–	2.114	2.339	5.008	–	–4.554	56.446
Buildings	110.108	–	0.576	0.018	8.199	–	–9.636	92.867
	171.663	**–**	**2.690**	**2.357**	**13.207**	**–**	**–14.190**	**149.313**
Consolidated non-current assets	**3,450.506**	**22.672**	**96.818**	**287.843**	**225.640**	**29.261**	**–20.908**	**3,582.030**

Depreciation/amortisation									Book values	
01/01/2014 adjusted	Currency differences	Depreciation related to additions from consolidation	Write-downs in current year	Disposal-related depreciation	Depreciation related to disposals from consolidation	Write-ups	Transfers	31/12/2014 adjusted	31/12/2014 adjusted	31/12/2013 adjusted
95.421	0.669	0.281	18.266	3.541	0.060	–	0.209	111.245	68.820	77.452
21.604	–	–	0.209	0.209	–	–	–	21.604	76.797	76.226
–	–	–	–	–	–	–	–	–	2.491	1.309
117.025	**0.669**	**0.281**	**18.475**	**3.750**	**0.060**	**–**	**0.209**	**132.849**	**148.108**	**154.987**
556.394	2.129	1.332	35.217	20.119	0.093	–	−7.026	567.834	814.445	775.413
547.678	6.739	1.333	42.289	24.372	3.912	–	4.049	573.804	430.149	408.611
224.564	0.930	1.075	27.669	41.255	0.328	–	5.076	217.731	87.287	88.786
0.123	–	0.027	0.215	–	–	–	0.269	0.634	51.547	30.896
–	0.016	–	0.486	–	–	–	–	0.502	13.107	7.994
1,328.759	**9.814**	**3.767**	**105.876**	**85.746**	**4.333**	**–**	**2.368**	**1,360.505**	**1,396.535**	**1,311.700**
–	**–**	**–**	**0.019**	**–**	**–**	**–**	**–**	**0.019**	**196.444**	**101.601**
10.470	–	3.215	0.604	0.980	–	–	–	13.309	12.171	24.387
0.089	–	–	–	–	–	–	–	0.089	0.717	0.700
1.997	–	0.644	0.532	–	–	0.014	–	3.159	98.628	144.936
–	–	–	–	–	–	–	–	–	57.468	68.896
0.624	−0.004	0.001	0.079	0.242	–	0.364	–	0.094	5.850	5.427
0.066	–	–	–	0.002	–	–	–	0.064	6.708	7.179
13.246	**−0.004**	**3.860**	**1.215**	**1.224**	**–**	**0.378**	**–**	**16.715**	**181.542**	**251.525**
3.053	–	0.333	0.768	0.017	–	–	–	4.137	52.309	58.502
86.217	–	0.215	2.592	7.086	–	–	−9.611	72.327	20.540	23.891
89.270	**–**	**0.548**	**3.360**	**7.103**	**–**	**–**	**−9.611**	**76.464**	**72.849**	**82.393**
1,548.300	**10.479**	**8.456**	**128.945**	**97.823**	**4.393**	**0.378**	**−7.034**	**1,586.552**	**1,995.478**	**1,902.206**

(C.4.) Biological assets

T&G Global Limited's fruit or the fruit and vegetables harvest and its subsidiaries in New Zealand are recognised in biological assets.

The fair values of biological assets developed as follows:

In € million	2015	2014
Biological assets		
Biological assets on 1 January	9.171	5.667
Capitalised costs	44.577	28.691
Additions from acquisitions	–	0.209
Additions from company acquisitions	0.370	3.651
Change in fair value less selling costs	5.116	0.991
Disposals due to harvest	– 47.024	– 30.204
Reclassification of current assets	–	– 0.045
Disposal due to sales	–	– 0.300
Currency differences	– 0.233	0.511
Biological assets on 31 December	**11.977**	**9.171**

Management measures BayWa Group's biological assets (fruits that grow on bearer plants) at fair value less selling costs on an annual basis. The present value of the biological assets is determined using the income capitalisation approach or on the basis of the estimated market prices of the amounts that are likely to be produced. The measurement methods applied in the Group are to be allocated to level 3 of the fair value hierarchy. There were no transfers between the individual levels of the fair value hierarchy as at 31 December 2015.

The following key assumptions and considerations were taken into account when determining the fair value of the Group's biological assets:

Forecasts for the subsequent are used that are based on past experience of estimates of future revenues, growth and margins (adjusted for inflation), as well as the location and variety of the crops;

The predictions for the following year are based on the cash flows forecasted by the Management;

All key findings from the current financial year that could impact future expected harvests or product sales;

All material changes in the current year and the following year from harvest management.

The following unobservable input factors were used to measure the Group's biological assets:

	Measurement method	Unobservable input factors	Variance of unobservable input factors	Relationship between measurement parameter and fair value
Tomatoes	Estimated market price for the produced quantities	Tonnage per hectare per year	187 tonnes to 1,702 tonnes per hectare per year	The higher the harvest volume, the higher the fair value
		Price per kilogram ex works price per season	€0.97 to €8.08 per kg	The higher the price, the higher the fair value
Apples	Discounted cash flow – income capitalisation approach	Tonnage per hectare per year	50 tonnes to 100 tonnes per hectare per year	The higher the harvest volume, the higher the fair value
		Export price per tce[1]	€12.56 to €31.41 per tce[1]	The higher the price, the higher the fair value
		Risk-adjusted discount rate	35.0%	The higher the discount rate, the lower the fair value
Citrus fruits	Discounted cash flow – income capitalisation approach	Tonnage per hectare per year	20 tonnes to 39 tonnes per hectare per year	The higher the harvest volume, the higher the fair value
		Price per tonne ex works price per season	€816.58 to €1,526.38 per tonne	The higher the price, the higher the fair value
		Risk-adjusted discount rate	10.0%	The higher the discount rate, the lower the fair value
Kiwi fruits	Discounted cash flow – income capitalisation approach	Crates per hectare per year	8,500 crates to 15,000 crates per hectare per year	The higher the harvest volume, the higher the fair value
		Price per kilogram ex works price per season	€2.93 to €4.46 per crate	The higher the price, the higher the fair value
		Risk-adjusted discount rate	10.0%	The higher the discount rate, the lower the fair value
Blueberries	Discounted cash flow – income capitalisation approach	Tonnage per hectare per year	5.6 tonnes per hectare per year	The higher the harvest volume, the higher the fair value
		Price per kilogram ex works price per season	€6.06 to €12.34 per kg	The higher the price, the higher the fair value
		Risk-adjusted discount rate	10.0%	The higher the discount rate, the lower the fair value

1 Packaging unit tce (tray carton equivalent) corresponds to approximately 18 kg

The following table shows the present value of the harvest as at 31 December 2015:

In € million	**2015**	2014
Biological assets		
Apples	8.533	5.895
Blueberries	0.189	0.130
Citrus fruits (lemons, mandarins, oranges)	0.938	0.609
Kiwi fruits	0.624	1.656
Tomatoes	1.672	0.880
Other biological assets	0.021	0.001
Biological assets on 31 December	**11.977**	**9.171**

(C.5.) Investment property

The "Investment property" item comprises 110 (2014: 125) pieces of land and buildings under lease and/or not essential to the operations of the Group. Allocation is made if the property is leased by third parties, if it is land or greenfield sites not built on and not expressly intended for development or use, and in the case of properties used for a number of purposes, if use by the Group is of minor significance. Properties in this category are mainly warehouses, market buildings, garden centres, farm buildings (barns etc.), silos, farmland and other undeveloped land as well as, to a minor extent, office and residential buildings.

In accordance with the option under IAS 40, these properties are recognised exclusively at amortised cost – and not at fair value – and written down over their periods of useful life as indicated under Note C.2. The book value on the reporting date came to €55.915 million (2014: €72.849 million). In the financial year, depreciation of buildings came to €2.008 million (2014: €2.592 million). The expense in the same amount has been included under depreciation and amortisation in the income statement. No impairment losses were recognised in the reporting year. A value adjustment of €0.768 million had been required in 2014 on account of the limited utilisation of an area of land. In the reporting year, buildings with a book value of €3.619 million (2014: €0.025 million) were reclassified from investment property to property, plant and equipment and non-current assets held for sale. In addition, land with a book value of €10.093 million (2014: €4.554 million) recognised in investment property was reclassified to property, plant and equipment and non-current assets held for sale.

The fair value of these properties was set at €120.057 million (2014: €140.472 million). Fair value is not usually calculated by an expert. Fair value at the end of the reporting period is generally determined on the basis of discounted cash flow calculations (level 3 of the fair value hierarchy). The value of the land is calculated using current, official standard land values. Location-related advantages and disadvantages are suitably taken into account. In the case of buildings let, the income value of the buildings was calculated by taking actual annual rental income generated, less standard management expenses and the residual useful life of the building. A comparison of fair value against the book value of the individual properties showed that there were no impairment requirements in the reporting year. As a result, no impairment losses were recognised on land and buildings. The assessment resulted in a need for impairment of €0.768 million on land in 2014.

Rental income came to €5.883 million (2014: €7.503 million); operating expenses (excluding depreciation) for the properties for which rental income was realised came to €0.507 million (2014: €0.673 million). In regard to properties for which no rental income was generated, operating expenses amounted to €0.262 million (2014: €0.359 million).

(C.6.) Tax assets

Income tax receivables comprise the long-term corporate tax credit of BayWa AG pursuant to Section 37 para. 4 of the German Corporate Tax Act (KStG) and also short-term reimbursement claims; they break down as follows:

In € million	**2015**	2014
Non-current income tax claims (with a residual term of more than one year)	1.432	2.802
Current income tax claims (with a residual term of less than one year)	22.595	28.009
	24.027	**30.811**

(C.7.) Financial assets

BayWa Group's financial assets comprise currency and interest rate hedges as well as commodity futures classified as financial instruments pursuant to IAS 39. Financial assets are recognised at fair value as at the balance sheet date. Financial assets are classified as "financial assets held for trading" pursuant to IAS 39 as they are held for trading. Foreign exchange and interest rate hedges are measured at their respective stock market or market values (level 1 of the fair value hierarchy) at the end of the reporting period or derived therefrom (level 2 of the fair value hierarchy). Commodity futures are measured at fair value either directly at prices quoted in an active market at the end of the reporting period (level 1 of the fair value hierarchy) or at prices quoted for the respective goods taking into account the term at the end of the reporting period (level 2 of the fair value hierarchy).

The classification of the fair values of financial assets in the fair value hierarchy breaks down as follows:

In € million 31/12/2015	Currency hedges Level 1	Level 2	Level 3	Total
Financial assets				
Commodity futures	13.563	166.124	–	179.687
Currency hedges	42.529	–	–	42.529
Interest rate hedges	–	0.157	–	0.157
	56.092	**166.281**	**–**	**222.373**

In € million 31/12/2014	Currency hedges Level 1	Level 2	Level 3	Total
Financial assets				
Commodity futures	25.850	105.991	–	131.841
Currency hedges	21.485	–	–	21.485
Interest rate hedges	–	0.083	–	0.083
	47.335	**106.074**	**–**	**153.409**

(C.8.) Other receivables and other assets

Receivables and other assets are always recognised at amortised cost and are allocated to the “loans and receivables” category.

All discernible risks, which focus in particular on the solvency of the respective contractual parties, are taken account of by appropriate value adjustments. If a receivable shows signs of impairment, a value adjustment is carried out through to the net present value of expected future cash flows. Receivables which are non- or low-interest-bearing with terms of more than one year have been discounted.

The “Other receivables and other assets” item breaks down as follows:

In € million	**2015**	2014
Non-current receivables (with a residual term of more than one year)		
Trade receivables	13.504	13.434
Receivables from other taxes	0.672	8.302
Other receivables, including deferred income	45.434	32.406
	59.610	**54.142**
Current receivables (with a residual term of up to one year)		
Trade receivables	766.432	683.576
Receivables from affiliated companies	9.669	9.537
Receivables from companies in which a participating interest is held	57.809	46.206
Receivables from other taxes	40.078	49.465
Other receivables, including deferred income	380.768	295.631
	1,254.756	**1,084.415**

The current values of items recognised at amortised cost do not diverge materially from the book values disclosed.

The table below shows the extent of the credit risks inherent in the receivables and other assets.

In € million	Gross value 2015	Specific value adjustments on receivables	Receivables neither overdue nor adjusted	Overdue receivables charged specific value adjustments	Of which: without specific value adjustments at the end of the reporting period and overdue in the following periods			
					Less than 30 days	Between 31 and 60 days	Between 61 and 90 days	91 days and over
Receivables	1,337.100	21.781	1,157.564	157.755	109.768	19.449	6.784	21.754

In € million	Gross value 2014	Specific value adjustments on receivables	Receivables neither overdue nor adjusted	Overdue receivables charged specific value adjustments	Of which: without specific value adjustments at the end of the reporting period and overdue in the following periods			
					Less than 30 days	Between 31 and 60 days	Between 61 and 90 days	91 days and over
Receivables	1,165.165	17.367	963.311	184.487	126.036	34.655	8.445	15.351

BayWa Group's customer structure is strongly diversified, both regionally and in terms of the specific segments. As part of risk management, minimum requirements for creditworthiness and, beyond this, individual credit limits in respect of individual customers have been established for all customers of BayWa Group. The receivables portfolio of BayWa Group is largely made up of numerous small receivables. Credit limits of more than €1 million are only accorded to a small number of customers with particularly good credit standing. The continual analysis of the receivables portfolio and special monitoring of customers with high credit limits enable the early identification and evaluation of concentration risks (risk clusters). As at 31 December 2015, the credit risk positions of 74 debtors (2014: 83) were more than €1 million respectively. The Group does not anticipate any material default risk in respect of these customers.

Value adjustment account:
There are material value adjustments requiring disclosure under the IFRS 7 category “Loans and Receivables (LaR)” at BayWa Group in the “Trade receivables” balance sheet item under other receivables and other assets; otherwise, value adjustments play a minor role.

The value adjustment account developed as follows:

In € million	**2015**	2014
Status of value adjustments on 1 January	26.608	28.575
Currency differences	–0.003	0.029
Changes in specific value adjustments	–0.306	–3.607
Changes in specific value adjustments calculated on a flat rate basis	–3.565	1.611
Status of value adjustments on 31 December	**22.734**	**26.608**

The estimates underlying the calculation of value adjustments to trade receivables are based on historical default rates. In the reporting year, there was a release of value adjustments with effect on profit or loss of €3.871 million (2014: €1.996 million) due to a drop in demand for specific value adjustments and a rise in the specific value adjustments calculated on a flat rate basis at the end of the reporting period.

Receivables due from affiliated companies and shareholdings relate to both trade receivables and current financings.

Other assets comprise first and foremost supplier credits not yet settled and other receivables items as well as collateral that is required to be posted within the scope of the trading activities. In addition, payments on account for inventories amounting to €64.688 million (2014: 73.318 million) are included.

In order to enhance its financing structure, the Group has secured trade receivables by way of asset-backed securitisation (ABS measure). The total volume from the ABS measure amounted to €140.000 million. The trade receivables secured as at the balance sheet date by way of an ABS measurement totalled €121.783 million (2014: 141.907 million).

(C.9.) Actual and deferred tax assets

Income tax expenses constitute the sum total of current tax expenses and deferred taxes. Current tax expenses are calculated on the basis of taxable income in the year. Taxable income differs from the consolidated result before tax due to expenses and income which are either taxable or tax deductible in subsequent years or never. The Group's liability in respect of current taxes is calculated on the basis of the prevailing tax rates or those that will be valid in the near future from the standpoint of the reporting date. Deferred taxes are recognised for the differences between the book values of the assets and liabilities in the consolidated financial statements and the corresponding tax valuations in the context of calculating taxable income. Deferred tax liabilities are generally reported for all taxable temporary differences; deferred tax assets are only recognised if it is probable that there are taxable gains which can be used for deductible temporary differences. Deferred tax assets on loss carryforwards are recognised provided that future tax advantages are likely to be realised within the next three years. Such deferred tax assets and deferred tax liabilities are not reported if they arise from temporary differences in goodwill (separate consideration of tax-related goodwill) or from the initial recognition (excepting business combinations) of other assets and liabilities resulting from transactions which have no effect on taxable income or net income. Deferred tax liabilities are formed for taxable temporary differences arising from shares held in subsidiaries or in associated companies as well as interests in joint ventures, except where the timing of the reversal can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arise through temporary differences in the context of investments and loans which are only recorded to the extent that it is probable that there will be sufficient taxable income available from which assets from temporary differences can be used and where the assumption can be made that they will reverse in the foreseeable future.

The book value of deferred tax assets is assessed every year at the end of the reporting period and lowered if it is unlikely that there will be sufficient taxable income for fully or partially realising the claim.

Deferred tax assets and liabilities are calculated on the basis of expected tax rates (and tax laws) which are likely to be valid at the time when liabilities are settled or assets realised. The measurement of deferred tax assets and liabilities reflects the fiscal consequences which would arise from the way in which, at the end of the reporting period, the Group expects the liabilities to be settled and the assets realised.

Deferred tax assets and liabilities are netted if there is an enforceable right for offsetting current tax assets against current tax liabilities and if they are subject to income tax levied by the same tax authority, and the Group has the intention of settling its current tax assets and current tax liabilities on a net basis. Current and deferred taxes are reported as expenses or income through profit and loss unless they are incurred in connection with items not reported in the income statement (either in other results or directly in equity). In this case, the tax is also to be reported outside the income statement. Moreover, there is no recognition through profit and loss if tax effects arise from the initial recognition of a business combination. In the case of a business combination, the tax effect is to be included when the business combination is accounted for.

(C.10.) Inventories

Raw materials, consumables and supplies, semi-finished and finished goods as well as services and merchandise are disclosed under inventories.

Raw materials, consumables and supplies as well as merchandise are always valued at cost, taking account of lower net realisable values. In most cases, the average-cost method is applied. In some cases, the FIFO (first in first out) method was applied. Semi-finished and finished goods are recognised at their cost of production. They include all costs directly allocable to the production process as well as an appropriate portion of production-related overheads. Financing costs which can be directly assigned to the purchase, construction or production of a qualifying asset are capitalised as part of the cost of the asset. Agricultural produce, harvested from biological assets, is recognised at fair value less selling costs (see Note C.4. for details on the fair value measurement of biological assets). Inventory risks arising from the storage period or diminished marketability trigger impairment. Lower values on the reporting date due to lower realisable value are accounted for. One exception to this rule applies to the inventories of these Group companies, which are held exclusively for trading and are therefore measured at fair value less selling costs.

Inventories break down as follows:

In € million	2015	2014
Raw materials, consumables and supplies	29.107	34.564
Unfinished goods/services	485.349	410.398
Finished goods/services and merchandise	1,627.085	1,541.357
	2,141.541	**1,986.319**

In the case of lower net realisable value, write-downs are generally carried out in the form of specific value adjustments. Only in exceptional cases was a flat rate calculation applied. Impairment recognised in profit or loss for the reporting year decreased year on year, from €87.079 million in 2014 to €85.130 million in the reporting year. There were no reversals through profit and loss in the year under review.

The book value of the inventories reported at fair value less selling costs amounted to €419.873 million at the end of the reporting period (2014: €321.293 million). The fair value of inventories is derived from prices quoted for comparable inventories in active markets at the end of the reporting period.

€17.602 million of the inventories disclosed on the reporting date served as collateral for liabilities (2014: €33.685 million).

In the reporting year, borrowing costs of €0.810 million (2014: €0.984 million) were capitalised as part of the cost of unfinished goods. The calculation of borrowing costs eligible for capitalising was based on a borrowing rate of 1.84% (2014: 2.80%).

The calculation of inventories is carried out through a (brought forward) end-of-period inventory or through continuous inventory.

(C.11.) Cash and cash equivalents

Cash and cash equivalents worth €84.459 million (2014: €108.356 million) comprise cash in hand, cheques and deposits in banks with initial terms of no more than three months.

(C.12.) Non-current assets held for sale/disposal groups

Assets of BayWa Group are classified as non-current assets held for sale if there is a Board of Management resolution on the sale and the sale is highly probable within the following year (2016).

At the end of the reporting period, there were 5 properties (2014: 8) intended for sale and disclosed under the non-current assets held for sale item. These primarily relate to developed land with warehouses, halls and a petrol station as well as a DIY and garden centre.

In 2014, this balance sheet item mainly included the assets measured at book value of Raiffeisen Kraftfutterwerke Süd GmbH that were scheduled to be disposed of in the financial year 2015 and have therefore been classified as a disposal group within the meaning of IFRS 5.

The standard under IFRS 5 regulating measurement specifies that depreciation of the respective assets must be suspended and impairment losses must only be recognised owing to lower fair values less costs to sell.

There were assets with book values assigned to non-current assets held for sale/disposal groups totalling €9.796 million at the end of the reporting period (2014: €18.500 million). Fair value less estimated costs to sell came to a total of €16.095 million (2014: €22.128 million).

Fair value is measured on the basis of ongoing purchase price negotiations taking into account possible costs to sell. In those cases in which no disposal prices could be derived from ongoing purchase price negotiations, the fair value of real estate is measured on the basis of discounted cash flow calculations (level 3 of the fair value hierarchy). The value of the land is calculated using current, official standard land values. Location-related advantages and disadvantages are suitably taken into account. In the case of buildings let, the income value of the buildings was calculated by taking actual annual rental income generated, less standard management expenses and the residual useful life of the building.

Non-current assets held for sale/disposal groups break down as follows:

In € million 2015	Agriculture Segment	Building Materials Segment	Energy Segment	Other Activities Segment	Total
Non-current assets					
Property, plant and equipment	–	–	–	9.796	9.796
Current assets					
Inventories	–	–	–	–	–
Non-current assets held for sale/disposal groups	**–**	**–**	**–**	**9.796**	**9.796**

In € million 2014	Agriculture Segment	Building Materials Segment	Energy Segment	Other Activities Segment	Total
Non-current assets					
Property, plant and equipment	9.083	–	–	4.006	13.089
Current assets					
Inventories	5.411	–	–	–	5.411
Non-current assets held for sale/disposal groups	**14.494**	**–**	**–**	**4.006**	**18.500**

The gains or losses from disposal realised in the current financial year in connection with non-current assets held for sale/disposal groups were reported in the income statement under other operating income (Note D.2.) and other operating expenses (Note D.5.).

(C.13.) Equity

The consolidated statement of changes in equity shows the development of equity in detail.

Share capital

On 31 December 2015, BayWa AG's share capital of €89.047 million (2014: €88.737 million) was divided into 34,783,980 ordinary registered shares with an arithmetical portion in the share capital of €2.56 per share. Of the shares issued, 33,419,593 are registered shares with restricted transferability and 121,136 recently registered shares with restricted transferability (dividend-bearing employee shares from 1 January 2016 onwards). 1,243,251 shares are not registered shares with restricted transferability.

In respect of subscribed capital disclosed and pursuant to IAS 32, the share capital was reduced by the mathematical value of the shares bought back (19,500 units, the equivalent of €0.050 million) in previous years; the capital reserve also decreased by €0.063 million for the same reason. No shares were bought back in the financial year 2015.

The number of shares in circulation developed as follows during the reporting year:

	Registered shares without restricted transferability	Registered shares with restricted transferability
As at 01/01/2015	1,243,251	33,400,093
Issuing of employee shares		121,136
As at 31/12/2015	**1,243,251**	**33,521,229**

Furthermore, subject to the approval of the Supervisory Board, the Management Board is authorised to raise the share capital one or several times on or before 18 May 2020 by up to an overall nominal amount of €5,000,000.00 through the issuance of new registered shares with restricted transferability against cash contribution to the employees of BayWa AG and of affiliated companies within the meaning of Sections 15 et seq. of the German Stock Corporation Act (AktG). Shareholders' subscription rights are excluded. Subject to approval by the Supervisory Board, the Board of Management is authorised to determine the further content of share rights and conditions under which the shares are to be issued. Of this amount, €310,108.16 has been utilised as at 31 December 2015 through the issuing of employee shares. The remaining amount stands at €4,689,891.84 (remaining Capital 2015).

Subject to the approval by the Supervisory Board, the Board of Management is authorised to raise the share capital one or several times on or before 31 May 2016 by up to a nominal amount of €12,500,000 through the issuance of new registered shares with restricted transferability against contributions in kind. The authorisation can be used in part amounts. Shareholders' subscription rights are excluded. Subject to approval by the Supervisory Board, the Board of Management is authorised to determine the further content of share rights and conditions under which the shares are to be issued (Authorised Capital 2011).

Subject to approval by the Supervisory Board, the Board of Management of BayWa AG is authorised to raise the share capital one or several times on or before 31 May 2018 by up to a nominal amount of €10,000,000 through the issuance of new registered shares against contributions in kind. The authorisation can be used in part amounts. Shareholders' subscription rights are excluded. Subject to approval by the Supervisory Board, the Board of Management is authorised to determine the further content of share rights and conditions under which the shares are to be issued (Authorised Capital 2013).

Capital reserve

The capital reserve of €104.949 million (2014: €101.683 million) is derived mainly from the premiums in an amount of €75.240 million (2014: €71.974 million) from the capital increases executed to date by BayWa AG. Furthermore, premiums were generated on the nominal values of the BayWa shares issued in connection with the acquisition of RWA AG and WLZ AG and the participations exchanged below their rating at the historical stock market prices. These have also been disclosed under capital reserve.

As in 2014, employees of BayWa AG and associated companies in Germany and Austria had the opportunity to acquire BayWa shares at favourable conditions within the scope of a voluntary Employee Share Scheme. In this context, 121,136 recent (as at 1 January 2016 dividend-bearing) (2014: 108,498 recent [as at 1 January 2016 dividend-bearing]) registered shares with restricted transferability were issued in the financial year 2015. The exercise price of employee shares came to €17.71 (2014: €21.05) and was thus 60% of the stock market price of registered BayWa shares with restricted transferability, which, on the preceding day, had stood at €29.52 (2014: €35.08); BayWa's Board of Management had passed the resolution on the capital increase required for this measure. As in 2014, the contribution of each participating employee amounted to at least €135.00 and no more than €540.00. The advantage granted of €1.431 million (2014: €1.522 million), which was the difference between the actual buying price and the stock market price, was posted to capital reserve in accordance with IFRS 2 and reported as an expense under personnel expenses. The vesting period for these shares will end on 31 December 2017. The shares issued to Austrian employees are also subject to a tax retention period, which will end on 31 December 2020.

Revenue reserves

The revenue reserves of the Group stood at €538.564 million at the end of the reporting period (2014: €526.103 million). Of this amount, €5.162 million (2014: €5.205 million) was attributable to the statutory reserve, €–4.373 million (2014: €–2.815 million) to the assessment reserve, €–209.543 million (2014: €–212.900 million) to the reserves for actuarial gains and losses for provisions for pensions and severance pay and €747.318 million (2014: €736.613 million) to other reserves. Transfers to and withdrawals from the revenue reserves were recorded both at the parent company BayWa AG and at the consolidated subsidiaries.

Other reserves

Other reserves comprise consolidated profit available for distribution of €69.679 million (2014: €66.276 million) as well as currency differences of €7.487 million (2014: €3.710 million) carried without effect on income.

Equity net of minority interest

The minority interest in equity primarily pertains to the cooperatives invested in the Austrian subsidiaries as well as the minority shareholders in T&G Global Limited and their respective subsidiaries. Details on the shares held by the non-controlling shareholders can be found in Note B.1. of the Consolidated Financial Statements.

Capital management

The capital structure of the Group is made up of liabilities and equity. It is described in more detail in Notes C.13. to C.23. Equity capital came to 17.8% (2014: 18.6%) of total equity at the end of the reporting period. Adjusted for the recognised reserve for actuarial gains and losses from provisions for pensions and severance pay including minority interests in the amount of €–215.712 million (2014: €–218.838 million), the equity ratio is 21.4% (2014: 22.5%). As this reserve results from a change of parameters not within the company's control when calculating personnel provisions, BayWa's capital management uses an adjusted equity ratio. For trading companies such as BayWa Group, a fixed equity ratio is only of limited relevance as a key business figure. However, in particular the change in current assets following the warehousing of inventories in the form of agricultural commodities, as well as the acquisition of project rights in the Renewable Energies business sector filters through directly to total assets and, in turn, the equity ratio forms the foundation for corresponding trading activities in the following year. As a result, BayWa Group uses equity-to-fixed-assets ratio II as a target. This is designed to ensure that equity and long-term borrowings cover at least 90% of non-current assets. As at 31 December 2015, the equity-to-fixed-assets ratio was in excess of 100%.

Gearing

BayWa Group's management assesses and manages the capital structure in regular intervals via factors such as the key indicators “adjusted net debt”, “adjusted equity” and “adjusted net debt/EBITDA”.

Cash and cash equivalents are deducted from current and non-current financial liabilities at banks. Non-recourse financings are also deducted despite them carrying interest. They pertain to loans extended to project companies in the Renewable Energies business sector that are solely based on project cash flow instead of BayWa Group's credit rating. Lenders have no access whatsoever to BayWa Group's assets and cash flows outside each project company. EBITDA generated by the project companies during the reporting year came to €25.061 million (2014: €15.435 million). Grain inventories for immediate use are also deducted. These inventories could be converted into cash and cash equivalents as soon as they are recognised due to their highly liquid and current nature as well as their daily prices listed on international markets and stock exchanges. Any price risk is fully eliminated by a physical asset for sale, either through concluding a sales agreement with a highly solvent business partner or through a forward contract on the stock exchange. On account of the highly liquid nature of these inventories, BayWa Group deems it to be appropriate to deduct them as cash and cash equivalents when calculating net debt and the related financial key figures.

In € million	31/12/2015	31/12/2014
Non-current and current liabilities at banks	2,382.647	2,113.746
less cash and cash equivalents	– 84.459	– 108.356
Net debt	**2,298.188**	**2,005.390**
less non-recourse financing	– 181.247	– 134.591
less inventories for immediate use	– 737.215	– 626.396
Adjusted net debt	**1,379.726**	**1,244.403**
Annualised EBITDA	288.308	279.789
Adjusted equity	1,291.613	1,269.214
Net debt (adjusted) to equity (adjusted) (in %)	**107**	**98**
Net debt (adjusted)/EBITDA	**4.79**	**4.45**

(C.14.) Pension provisions

In Germany, there is a defined benefit statutory basic care scheme for employees which undertakes pension payments depending on the contributions made. In addition, pension provisions are set up as part of the company pension scheme to cover obligations arising from accrued pension rights and from ongoing payments to employees in active service and former employees of BayWa Group and their dependents. According to the legal, economic and fiscal circumstances of the respective countries, there are different systems of provisioning for retirement which are generally based on the length of service and the remuneration of the employees.

BayWa Group's current pension commitments are based exclusively on defined benefit plans. They are based both on company agreements and commitments made on a case-by-case basis. For the most part, these are final pay plans. The obligation of the company consists in fulfilling the committed benefits to active and former employees (“defined benefit plans”). The benefit commitments undertaken by the Group are financed by allocations to provisions.

Due to pension plans no longer being available to new participants, the risks for BayWa related to defined benefit plans – such as longevity or salary increases – have been significantly reduced. Prior commitments relate to 12,823 claimants. Of this number, 3,048 are active employees, 2,301 former employees with vested benefits and 7,474 are pensioners and surviving dependants. More details on the arrangement of the key defined benefit plans are provided below.

BayWa grants retirement benefits on the basis of the benefit commitments of benefit plans taken out; the amount paid out depends on the employees' wages or salary. These constitute traditional defined benefit obligations in the form of fixed-sum systems, benchmark systems or final salary based commitments granted in the form of old-age, invalidity, widow/widower or orphan's pensions.

The Group bears the actuarial risks for these prior commitments; these risks include longevity and interest rate risks.

The Group's Austrian companies also grant benefit plans; the amount paid out also depends on the employees' wages or salary. These benefit plans are also granted in the form of old-age, invalidity, widow/widower or orphan's pensions.

The Group also bears the actuarial risks for these commitments; these risks include longevity and interest rate risks.

In addition, the Austrian Group companies have statutory obligations to issue severance payments after the termination of an employment contract. These obligations are defined benefit plans and, as such, also fall within the scope of IAS 19. The Group also bears interest rate risks in these cases.

The provisions for pensions and severance pay have been formed according to the projected unit credit method in accordance with IAS 19. Pursuant to this method, not only the pension and pension rights at the end of the reporting period, but also future increases in pensions and salaries are accounted for applying a cautious assessment of the relevant variables. This calculation is derived from actuarial appraisals and based on a biometric calculation.

The amount of the pension obligations (defined benefit obligation) has been calculated using actuarial methods where estimates are indispensable. Along with assumptions of life expectancy, the following premises, which have been established for the companies in Germany and Austria, play a role. In the case of Group companies which are not located in Germany and Austria, benefit commitments only exist in exceptional cases.

In %	31/12/2015	31/12/2014
Discount factor	2.15	2.15
Salary trend	2.00 – 3.00	2.00 – 3.00
Pension trend	1.50 – 2.50	1.50 – 2.50

The amount of severance pay obligations (defined benefit obligation) has also been calculated using actuarial methods based on estimates. The following assumptions were applied as a standard for all Austrian Group companies. The non-Austrian Group companies do not have any severance pay obligations.

In %	31/12/2015	31/12/2014
Discount factor	1.50	1.50
Salary trend	2.50 – 3.50	3.50

The salary trend reflects anticipated increases in salaries which, depending on inflation and the length of service to the company, among other factors, are estimated on an annual basis.

For the German companies, assumptions on life expectancy were based on the mortality tables of Prof. Dr. Klaus Heubeck (actuarial tables 2005 G). "AVÖ 2008-P – Rechnungsgrundlagen fur die Pensionsversicherung – Pagler & Pagler" (computational framework for post-employment benefit insurance) in the version intended for employees is used for the Austrian companies.

Increases and decreases in the present value of defined benefit obligations can give rise to actuarial gains or losses, the cause of which can also be divergences between actual and estimated parameters of calculation. The resulting actuarial gains and losses are recognised directly in equity.

Actuarial gains of €5.720 million (2014: losses of €137.962 million) were recorded directly in equity in the reporting year. This includes actuarial losses in the amount of €0.221 million (2014: €0.010 million) from associated companies accounted for using the equity method. As at the end of the reporting period, actuarial losses recognised directly in equity before deferred taxes amounted to €270.058 million (2014: €275.778 million).

Total expenses from BayWa Group's benefit commitments amounted to €21.110 million (2014: €24.045 million) and comprise the following:

In € million	2015	2014
Ongoing service cost	7.041	5.644
+ Share of interest	14.069	18.401
= Sum total recognised through profit and loss	**21.110**	**24.045**

Total expenses from the Austrian Group companies' severance pay obligations amounted to €1.915 million (2014: €2.136 million) and comprise the following:

In € million	2015	2014
Ongoing service cost	1.379	1.325
+ Share of interest	0.536	0.811
= Sum total recognised through profit and loss	**1.915**	**2.136**

The expenses arising from the accrued interest on rights acquired in the past are disclosed under the financial result. Rights accrued in the respective financial year are included under personnel expenses.

During the reporting period, the net present value of defined benefit obligations (DBO) and therefore the value of pension obligations reported at Group level have changed as follows:

	In € million	2015	2014
	DBO as at 1 January	671.647	540.848
+	Changes in the group of consolidated companies	–	0.039
+	Sum total through profit and loss	21.110	24.045
+/–	Changes in actuarial gains (–)/losses (+)	– 5.751	135.420
–	Pension payments during the reporting period	– 28.953	–28.957
+/–	Assumption of obligations	– 2.800	0.252
=	**DBO as at 31 December**	**655.253**	**671.647**

The actuarial gains calculated for the reporting year (2014: actuarial losses) comprise actuarial losses from adjustments based on empirical experience of €0.698 million (2014: €0.161 million) and actuarial gains of €6.449 million (2014: actuarial losses of €135.259 million) from the change in actuarial assumptions. There were no actuarial gains or losses from the change in demographic assumptions in either the reporting year or in 2014.

Due to the disposal of the business activities of Raiffeisen Kraftfutterwerke Süd GmbH in 2014 and the associated transfer of the relevant employees to the acquiring company, the pension obligations attributable to these employees were reported in the financial statements for 2014 as liabilities from non-current assets held for sale/disposal groups.

During the reporting period, the net present value of defined benefit obligations (DBO) and therefore the value of provisions for severance pay reported at Group level have changed as follows:

In € million		2015	2014
DBO as at 1 January		32.275	28.923
+	Changes in the group of consolidated companies	–	0.720
+	Sum total through profit and loss	1.915	2.136
+/–	Changes in actuarial gains (–)/losses (+)	–0.190	2.532
–	Pension payments during the reporting period	–1.305	–2.036
+/–	Assumption of obligations	–	–
=	**DBO as at 31 December**	**32.695**	**32.275**

The actuarial gains calculated for the reporting year (2014: actuarial losses) comprise actuarial losses from adjustments based on empirical experience of €0.051 million (2014: actuarial gains of €0.590 million), actuarial gains of €0.227 million (2014: actuarial losses of €1.886 million) from the change in demographic assumptions as well as actuarial gains of €0.014 million (2014: actuarial losses of €1.236 million) from the change in financial assumptions.

Defined pension obligations developed as follows:

In € million	
2011	452.539
2012	559.701
2013	540.848
2014	671.647
2015	**655.253**

The actuarial gains (–)/losses (+) from adjustments with regard to pension obligations based on empirical experience are as follows:

In € million	
2011	6.817
2012	7.410
2013	5.980
2014	0.161
2015	**0.698**

Severance pay obligations developed as follows:

In € million	
2011	25.146
2012	27.753
2013	28.923
2014	32.275
2015	**32.695**

The actuarial gains (–)/losses (+) from adjustments with regard to severance pay obligations based on empirical experience are as follows:

In € million	
2011	–2.237
2012	1.034
2013	0.187
2014	–0.590
2015	**0.051**

In the financial year 2016, we expect that a probable amount of €20.134 million will be recognised through profit and loss for defined benefit plans and €1.900 million for severance pay obligations.

Sensitivity analyses

The material measurement parameters for pension obligation and severance pay provisions are the discount factor as well as salary and pension trends, and for pension obligations also include remaining life expectancy, all of which may be subject to a certain degree of fluctuation over time. The following sensitivity analyses for pension and severance pay obligations show the effects on the obligations resulting from changes to material actuarial assumptions. In each case, one material factor was changed with the others remaining constant. In reality, however, it is rather unlikely that these factors would not correlate.

Sensitivity analysis for the DBO from pension obligations

	Change in parameter in % or years	If the parameter increases, the DBO changes by	If the parameter decreases, the DBO changes by	Relationship between measurement parameter and DBO
Discount rate	± 0.75%	–10.23%	12.13%	The higher the discount rate, the lower the DBO
Salary increase	± 0.50%	0.93%	–1.03%	The higher the salary increase, the higher the DBO
Pension increase	± 0.50%	6.06%	–5.68%	The higher the pension increase, the higher the DBO
Remaining life expectancy according to mortality tables	± 1 year	5.59%	–5.83%	The higher the life expectancy, the higher the DBO

Sensitivity analysis from the DBO from severance pay obligations

	Change in parameter in % or years	If the parameter increases, the DBO changes by	If the parameter decreases, the DBO changes by	Relationship between measurement parameter and DBO
Discount rate	± 0.75%	–7.02%	7.89%	The higher the discount rate, the lower the DBO
Salary increase	± 0.50%	5.06%	–4.73%	The higher the salary increase, the higher the DBO

The weighted duration of pension obligations is 15 years (2014: 15 years).

The weighted duration of severance pay obligations is ten years (2014: 11 years).

The expected undiscounted payments from pension and severance pay obligations in subsequent years are as follows:

In € million	Sum total	2016	2017 – 2020	2021 – 2025	> 2025
Pension obligations	1,025.396	28.440	118.714	152.759	725.483
Severance pay obligations	42.721	0.687	5.977	10.840	25.217

(C.15.) Other provisions

Other provisions are formed when there is an obligation towards a third party which is likely to be called upon and when the amount of the provision can be reliably estimated. Provisions are recognised in the amount of the anticipated utilisation. Provisions which were not drawn upon in the following year are recognised at the discounted settlement amount at the end of the reporting period. Discounting is based on market rates.

Other provisions are mainly attributable to:

In € million	**2015**	2014
Non-current provisions (with a majority of more than one year)		
Obligations from personnel and employee benefits	60.033	61.038
Other provisions	22.585	22.098
	82.618	**83.136**
Current provisions (with a maturity of less than one year)		
Obligations from personnel and employee benefits	63.703	62.559
Other provisions	112.237	108.642
	175.94	**171.201**

Provisions for obligations arising from personnel and employee benefits consist mainly of provisions for jubilee expenses, service units, vacation backlogs and flexitime credits as well as for age-related part-time service.

Other provisions mainly comprise provisions for obligations from dismantling operations, for outstanding invoices, guarantee obligations, sales-related bonuses and discounts as well as for impending losses from uncompleted transactions.

In addition, there are a number of discernible risks and uncertain obligations. They mainly relate to costs for inherited contamination, follow-up costs and litigation risks.

The provisions developed as follows:

In € million 2015	As at 01/01/2015	Addition	Reclassification	Compound interest/ discounting	Utilisation	Release	Currency differences	As at 31/12/2015
Non-current provisions								
Obligations from personnel and employee benefits	61.038	21.479	−0.740	1.041	22.339	0.446	–	60.033
Other provisions	22.098	5.763	−2.311	0.822	3.281	0.478	−0.028	22.585
	83.136	**27.242**	**−3.051**	**1.863**	**25.620**	**0.924**	−0.028	**82.618**
Current provisions								
Obligations from personnel and employee benefits	62.559	52.285	0.740	–	49.034	2.839	−0.008	63.703
Other provisions	108.642	115.317	2.311	0.074	108.628	6.220	0.741	112.237
	171.201	**167.602**	**3.051**	**0.074**	**157.662**	**9.059**	**0.733**	**175.940**

In € million 2014	As at 01/01/2014	Addition	Reclassification	Compound interest	Utilisation	Release	Currency differences	As at 31/12/2014
Non-current provisions								
Obligations from personnel and employee benefits	57.802	10.120	−0.603	1.355	6.966	0.670	–	61.038
Other provisions	28.579	2.027	−3.657	2.274	2.517	5.254	0.646	22.098
	86.381	**12.147**	**−4.260**	**3.629**	**9.483**	**5.924**	**0.646**	**83.136**
Current provisions								
Obligations from personnel and employee benefits	61.124	50.959	0.229	–	47.984	2.121	0.352	62.559
Other provisions	84.121	123.914	3.707	0.095	98.473	5.898	1.176	108.642
	145.245	**174.873**	**3.936**	**0.095**	**146.457**	**8.019**	**1.528**	**171.201**

(C.16.) Financial liabilities

Financial liabilities include all interest-bearing obligations of BayWa Group effective on the reporting date. These liabilities break down as follows:

In € million 2015	Residual term of up to one year	Residual term of one to five years	Residual term of more than five years	Total
Financial liabilities				
Due to banks	1,046.488	633.632	434.708	2,114.828
Commercial paper	266.448	–	–	266.448
Dormant equity holding	1.371	–	–	1.371
	1,314.307	**633.632**	**434.708**	**2,382.647**

In € million 2014	Residual term of up to one year	Residual term of one to five years	Residual term of more than five years	Total
Financial liabilities				
Due to banks	856.649	606.391	340.120	1,803.160
Commercial paper	309.215	–	–	309.215
Dormant equity holding	1.371	–	–	1.371
	1,167.235	**606.391**	**340.120**	**2,113.746**

BayWa Group finances itself through credit lines, on the one hand, and short-term loans for which no collateral is furnished, on the other. In individual cases, long-term bank loans are used. On 13 May 2015, BayWa placed a short-term bonded loan in a nominal amount of €75.000 million. In addition, the existing investors to the bonded loan 2010 and 2011 transactions were presented with an exchange offer on 9 November 2015. BayWa placed a bonded loan in a total nominal amount of €200.000 million consisting of seven bullet tranches. The existing investors accepted the exchange offer in a nominal amount of €27.500 million, with the remaining €172.500 million being newly placed. A total of €42.500 million remains of the bonded loan of a nominal amount of €200.000 million placed on 5 October 2010 following a repayment of €83.000 million in 2014 and the repayment of the remaining tranche of a nominal amount of €72.500 million which is due in 2015 as well as a partial repayment of the tranche of a nominal amount of €2.000 million which is due in 2017. A total of €97.500 million remains of the bonded loan of a nominal amount of €218.500 million issued on 12 December 2011 following the partial repayment of the tranches of a nominal amount of €110.500 million which are due in 2016, while a total of €95.500 million remains following the partial repayment of the tranches of a nominal amount of €108.000 million which are due in 2018. The bonded loans serve to diversify the Group's financing and are reported under liabilities due to banks.

2015	Nominal amount of loan in € million	Maturity	Interest
Bonded loan 5-year fixed	26.000	09/11/2020	1.03%
Bonded loan 5-year variable	20.000	09/11/2020	6-month Euribor plus 0.75%
Bonded loan 6-year fixed	28.000	09/11/2021	1.52%
Bonded loan 6-year variable	21.500	09/11/2021	6-month Euribor plus 1.10%
Bonded loan 7-year fixed	33.500	09/11/2022	1.71%
Bonded loan 7-year variable	24.500	09/11/2022	6-month Euribor plus 1.15%
Bonded loan 10-year fixed	46.500	09/11/2025	2.32%

2015	Nominal amount of loan in € million	Maturity	Interest
Bonded loan 364-day variable	75.000	11/05/2016	1-month Euribor plus 0.45%

2014	Nominal amount of loan in € million	Maturity	Interest
Bonded loan 5-year fixed	100.500	06/10/2019	1.34%
Bonded loan 5-year variable	53.000	06/10/2019	6-month Euribor plus 0.85%
Bonded loan 7-year fixed	79.500	06/10/2021	1.87%
Bonded loan 7-year variable	52.000	06/10/2021	6-month Euribor plus 1.10%
Bonded loan 10-year fixed	80.000	06/10/2024	2.63%
Bonded loan 10-year variable	18.000	06/10/2024	6-month Euribor plus 1.45%

2011	Nominal amount of loan in € million	Maturity	Interest
Bonded loan 5-year fixed	74.000	12/12/2016	3.20%
Bonded loan 5-year variable	23.500	12/12/2016	6-month Euribor plus 1.20%
Bonded loan 7-year fixed	67.500	12/12/2018	3.77%
Bonded loan 7-year variable	28.000	12/12/2018	6-month Euribor plus 1.40%

2010	Nominal amount of loan in € million	Maturity	Interest
Bonded loan 7-year variable	42.500	05/10/2017	6-month Euribor plus 1.35%

The bonded loans were reported at the fair value corresponding to the nominal value at the time when they were recognised, less transaction costs. The bonded loans are measured at amortised cost.

Of the current liabilities due to banks, loans of €842.260 million (2014: €711.398 million) are due at any time. The difference of €204.228 million (2014: €145.251 million) relates to the short-term portion of non-current liabilities due to banks. The average effective interest rate on short-term loans is currently approximately 1.38% (2014: 1.01%) per year.

In 2015, BayWa AG increased the Commercial Paper Programme by €100,000 million to €500,000 million. As a result of the Commercial Paper Programme, €266.488 million (2014: €309.215 million) in commercial paper with an average term of 33 days (2014: 76 days) and an average weighted effective interest rate of 0.56% (2014: 0.67%) had been issued by the end of the reporting period.

Of the liabilities due to banks, €3.532 million at Group level (2014: €8.354 million) have been secured by a charge over property.

The fair value of the financial liabilities does not diverge materially from the book values disclosed and is reported in Note C.26.

The dormant equity holdings of four Austrian warehouses ("Lagerhäuser") in RWA AG each have an infinite term which can be terminated by the warehouses at any time. Interest is charged on the dormant equity holdings; the interest rate is fixed contractually. Owing to the short-term nature of these holdings due to termination being possible at any time, the fair value is the book value.

(C.17.) Financial lease obligations

The liabilities-side net present values of future leasing instalments are carried under the finance lease obligations (see also Note C.2.).

In € million 2015	Residual term of up to one year	Residual term of one to five years	Residual term of more than five years	Total
Financial lease obligations	6.671	25.784	129.039	161.494

In € million 2014	Residual term of up to one year	Residual term of one to five years	Residual term of more than five years	Total
Financial lease obligations	7.856	26.486	134.920	169.262

(C.18.) Trade payables and liabilities from inter-Group business relationships

Non-current liabilities are disclosed in the balance sheet at amortised cost. Differences between the historical costs and the repayment amount are taken account of using the effective yield method. Current liabilities are recognised in their repayment or settlement amount.

Liabilities due to affiliated companies and companies in which a participating interest is held comprise not only trade payables but also liabilities arising from financing.

In € million 2015	Residual term of up to one year	Residual term of one to five years	Residual term of more than five years	Total
Trade payables	673.186	4.684	0.400	678.270
Liabilities due to affiliated companies	3.845	–	–	3.845
Liabilities to companies in which a participating interest is held	38.290	–	–	38.290
Bills and notes payable	–	–	–	–
Payments received on orders	76.899	–	–	76.899
	792.220	**4.684**	**0.400**	**797.304**

In € million 2014	Residual term of up to one year	Residual term of one to five years	Residual term of more than five years	Total
Trade payables	628.050	0.182	1.084	629.316
Liabilities due to affiliated companies	2.822	–	–	2.822
Liabilities to companies in which a participating interest is held	47.702	–	–	47.702
Bills and notes payable	0.555	–	–	0.555
Payments received on orders	65.869	0.323	0.647	66.839
	744.998	**0.505**	**1.731**	**747.234**

(C.19.) Income tax liabilities

Income tax liabilities according to residual terms break down as follows:

In € million 2015	Residual term of up to one year	Residual term of one to five years	Residual term of more than five years	Total
Income tax liabilities	25.301	–	–	25.301
	25.301	**–**	**–**	**25.301**

In € million 2014	Residual term of up to one year	Residual term of one to five years	Residual term of more than five years	Total
Income tax liabilities	27.593	–	–	27.593
	27.593	**–**	**–**	**27.593**

(C.20.) Financial liabilities

BayWa Group's financial liabilities comprise currency and interest rate hedges as well as commodity futures classified as financial instruments pursuant to IAS 39. Financial liabilities are recognised at fair value as at the balance sheet date. Financial liabilities are classified as "financial liabilities held for trading" pursuant to IAS 39 as they are held for trading. Foreign exchange and interest rate hedges are measured at their respective stock market or market values (level 1 of the fair value hierarchy) at the end of the reporting period or derived therefrom (level 2 of the fair value hierarchy). Commodity futures are measured at fair value either directly at prices quoted in an active market at the end of the reporting period (level 1 of the fair value hierarchy) or at prices quoted for the respective goods taking into account the term at the end of the reporting period (level 2 of the fair value hierarchy).

The classification of the fair values of financial liabilities in the fair value hierarchy breaks down as follows:

In € million 31/12/2015	Currency hedges Level 1	Level 2	Level 3	Total
Financial liabilities				
Commodity futures	41.287	107.621	–	148.908
Currency hedges	20.603	–	–	20.603
Interest rate hedges	–	4.007	–	4.007
	61.890	**111.628**	**–**	**173.518**

In € million 31/12/2014	Currency hedges Level 1	Level 2	Level 3	Total
Financial liabilities				
Commodity futures	19.086	105.716	–	124.802
Currency hedges	11.552	–	–	11.552
Interest rate hedges	–	3.192	–	3.192
	30.638	**108.908**	**–**	**139.546**

€169.868 million of the disclosed financial liabilities had a residual term of a maximum of one year (2014: €136.422 million). The residual term for financial liabilities of €3.650 million was between one and a maximum of five years (2014: €3.124 million).

(C.21.) Other liabilities

The table below shows a breakdown of other liabilities:

In € million 2015	Residual term of up to one year	Residual term of one to five years	Residual term of more than five years	Total
Social security	4.395	0.797	0.191	5.383
Allowances received	0.045	0.273	0.639	0.957
Liabilities from other taxes	65.846	–	–	65.846
Other liabilities including accruals	184.884	27.683	63.836	276.403
	255.170	**28.753**	**64.666**	**348.589**

In € million 2014	Residual term of up to one year	Residual term of one to five years	Residual term of more than five years	Total
Social security	3.865	0.788	0.369	5.022
Allowances received	0.053	0.271	0.603	0.927
Liabilities from other taxes	63.128	–	–	63.128
Other liabilities including accruals	136.866	51.081	68.454	256.401
	203.912	**52.140**	**69.426**	**325.478**

The fair value of the items disclosed does not diverge materially from the book values disclosed.

In the case of public subventions, these are amounts granted by public-sector authorities in connection with new investments. These subventions are released over the probable useful life of the respective asset with the concurrent effect on income. In the financial year, the release came to €0.155 million (2014: €0.095 million) which is disclosed under other operating income.

(C.22.) Deferred tax liabilities

The deferral of tax on the liabilities side has been carried out according to the temporary concept under IAS using the valid or official and known tax rate as at the reporting date. Further explanations on deferred tax can be found under Note D.8. “Income tax”.

(C.23.) Liabilities from non-current assets held for sale/disposal groups

The liabilities from non-current assets held for sale/disposal groups of €5.079 million disclosed in 2014 relate to non-current pension and personnel provisions allocated to the operations held for sale of Raiffeisen Kraftfutterwerke Süd GmbH in the Agriculture Segment. There were no liabilities from non-current assets held for sale/disposal groups as at 31 December 2015.

(C.24.) Contingent liabilities

In € million	**2015**	2014
Bills and notes payable	1.805	2.381
(of which to affiliated companies)	(–)	(–)
Guarantees	211.457	131.281
(of which to affiliated companies)	(3.951)	(3.032)
(of which to associated companies)	(152.370)	(117.950)
Warranties	85.905	86.032
(of which to affiliated companies)	(–)	(–)
(of which to associated companies)	82.500	(82.632)
Collateral for liabilities of third parties	8.807	9.008
(of which to affiliated companies)	(–)	(–)

(C.25.) Other financial obligations

Along with obligations from rental and leasing agreements (Note C.2.) disclosed as operating leases, there are the following financial obligations:

In € million	**2015**	2014
Other financial obligations		
from buyback obligations	14.347	16.621
from amounts guaranteed for interests in cooperative companies	9.974	9.830

There are contractual obligations (purchase commitments) of €0.278 million (2014: €0.057 million) for the purchase of intangible assets, €21.990 million (2014: €14.970 million) for property, plant and equipment (real estate, vehicles) and €307.498 million (2014: €408.096 million) for inventories.

(C.26.) Financial instruments

Accounting policies and valuation methods

Under IAS 32, a financial instrument is an agreement which gives rise simultaneously to a financial asset of one entity and a financial liability or equity instrument of another. Initial recognition is carried out at fair value; for subsequent measurements, the financial instruments are allocated to the measurement categories defined under IAS 39 and treated accordingly. Financial assets in BayWa Group are in particular trade receivables and financial investments as well as positive fair values from currency and interest rate hedges. In addition, the positive fair value of commodity futures classified as financial assets within the meaning of IAS 39 would only be recognised for those scheduled for trading and not those scheduled to be utilised by the Group. Financial liabilities regularly constitute a right of repayment in funds or another financial asset. In BayWa Group, these are especially liabilities due to banks and trade payables as well as currency and interest rate hedges. In addition, the negative fair value of commodity futures classified as financial liabilities within the meaning of IAS 39 would only be recognised for those scheduled for trading and not those scheduled to be utilised by the Group.

The financial assets cover the following classes:

Financial assets available for sale (AfS): Financial assets available for sale are primarily financial investments, i.e. participating interests in non-consolidated companies, participations and securities. Measurement is carried out at fair value which is based on the stock market price or the market price in as much as there is an active market which allows realistic measurement. The majority of assets in this category are not traded in an active market. As deriving the fair value using comparable transactions of the respective period was also not possible, measurement at cost and, if necessary, less any impairments, was used as the best evidence of fair value. Gains and losses not realised are reported in equity under an available-for-sale reserve without effect on income. Upon disposal of financial assets, the accumulated gains and losses from subsequent measurements at fair value are recorded in equity through profit and loss. If there is evidence of a significant or permanent impairment of the fair value, this is carried out in the income statement through profit and loss.

Loans and receivables (LaR): After initial recognition, loans and receivables are carried in the balance sheet exclusively at amortised cost. In BayWa Group, they mainly have short residual terms. The book value is thus a reasonable approximation of fair value. Gains and losses are recorded directly in the consolidated result when the loans and receivables are charged off or impairment is carried out.

Financial assets held for trading (FAHfT): Financial assets held for trading are recognised at their fair value. This category also comprises derivative financial instruments which do not fulfil the conditions of a hedging instrument. Measurement is based on the market or stock market value. Gains and losses from subsequent measurements are recorded through profit and loss. In addition, this category only includes the positive fair values of those commodity futures scheduled for trading. The measurement of commodity futures is based on the market or stock market value for comparable transactions at the end of the reporting period.

The option of recording financial assets at fair value upon their initial recognition was not selected by BayWa Group.

Financial assets are reported in the balance sheet on the settlement date.

The financial liabilities cover the following classes:

Financial liabilities measured at amortised cost (FLAC): These financial liabilities measured at residual book value are measured at amortised cost after their initial recognition. They mainly have short residual terms. The book value is thus a reasonable approximation of fair value. Gains and losses are recorded directly in the consolidated result.

Financial liabilities held for trading (FLHfT): Derivative financial instruments which are not included in an effective hedging strategy under IAS 39 and whose market value from subsequent measurements has resulted in a negative attributable fair value are to be disclosed under this category. Market changes are recorded in the consolidated result through profit and loss. Measurement is made at market/stock market value. In addition, this category only includes the negative fair values of those commodity futures scheduled for trading. The measurement of commodity futures is based on the market or stock market value for comparable transactions at the end of the reporting period.

In addition, BayWa Group may also use a few fair value hedges to hedge inventories through commodities futures. Changes in the market value of derivative financial instruments and their attributable underlying transactions are recorded through profit and loss.

The option of recording financial liabilities at fair value upon their initial recognition was not selected by BayWa Group.

Derivative financial instruments are used in BayWa Group in particular to hedge the interest rate and currency risks arising from operating activities. Interest rate caps, interest rate swaps and futures as well as commodity futures are the main instruments used. Derivative financial instruments are carried at fair value upon their initial recognition and at the end of each subsequent reporting period. The fair value corresponds to the positive or negative market value.

BayWa Group conducts its business mainly in the euro zone. However, business transactions in foreign currencies are also concluded via consolidated Group companies. The majority of the business activities of the New Zealand companies consolidated are denominated in New Zealand dollars as well as in US dollars, euros and pound sterling. The business transactions of the agricultural trade companies are denominated in euros and US dollars as well as in pound sterling, Polish zloty, Hungarian forint, Romanian leu, Russian ruble and Ukrainian hryvnia. The business activities of the consolidated American companies and companies in the UK currency area pertain almost exclusively to their respective currency areas. Similarly, the business activities of the consolidated Hungarian companies are restricted almost without exception to the Hungarian currency area. In BayWa Group, a few transactions in foreign currencies are also carried out in agricultural trading; purchasing activities are conducted predominantly in the common currency. If foreign currency futures are concluded, they are hedged by the respective forward exchange transactions. For those forward exchange transactions for which there is a clear hedging relationship with an identifiable underlying, the transaction is a hedge within the meaning of IAS 39. In cases in which a hedge exists and is designated as such, changes in the market value of derivative financial instruments are recognised directly in other results. For those derivative financial instruments for which there is no clear hedging relationship with an identifiable underlying, the transaction is not a hedge within the meaning of IAS 39. As a result, forward exchange transactions are marked to market separately from the underlying transactions on the reporting date. Market values are ascertained on the basis of market information available on the reporting date. Hedges generally pertain to the following year's foreign currency futures. On 31 December 2015, there were forward exchange transactions denominated in US dollars, pound sterling, Canadian dollars, Australian dollars, Polish zloty, Czech koruna, Japanese yen, Romanian leu and Hungarian forint to hedge currency risks.

In the context of financial management, the Group is active on the money market primarily in borrowing short-term term deposits. The procuring of funds is carried out on the regional market of the respective operating unit. BayWa Group is therefore exposed to interest rate risk in particular. The Group counteracts this risk by using derivatives of financial instruments, in the main interest rate swaps, interest rate caps and futures. Volume-related hedging always comprises only a base amount of the borrowed funds. For those derivative financial instruments for which there is a clear hedging relationship with an identifiable underlying, the transaction is a hedge within the meaning of IAS 39. In cases in which a hedge exists and is designated as such, changes in the market value of derivative financial instruments are recognised directly in other results. For those derivative financial instruments for which there is no clear hedging relationship with an identifiable underlying, the transaction is not a hedge within the meaning of IAS 39. As a result, interest rate derivatives are marked to market separately from the underlying transactions at the end of the reporting period. Market values are ascertained on the basis of market information available at the end of the reporting period. Interest rate hedges relate to both non-current and current financings.

Book and fair values of financial instruments

The table below shows the transition between the balance sheet positions and the IFRS 7 classes and IAS 39 measurement categories, broken down into subsequent "measurement at amortised cost" and "measurement at fair value". The book values are then ultimately shown against fair value for the purpose of comparison. The fair value of a financial instrument is the price that would be received for the sale of an asset or paid for the transfer of a liability between market participants in an arm's length transaction at the end of the measurement period. Trade receivables and receivables from inter-Group business relationships and other assets generally have short residual terms. Their book values at the end of the reporting period therefore approximate to fair value. Trade payables and liabilities from inter-Group business relationships generally have short residual terms. Their book values approximate to fair value.

In € million 31/12/2015	IAS 39 category of IFRS 7 class	Book value 31/12/2015	Measurement subsequent to initial recognition			Not IFRS 7 class	Fair value 31/12/2015
			Amortised cost	Fair value without effect on income	Fair value through profit and loss		
Non-current financial assets							
Other financial assets	AfS	114.940	109.840	5.100	–	–	114.940
Other financial assets	LaR	53.256	53.256	–	–	–	53.256
Trade receivables	LaR	13.504	13.504	–	–	–	13.504
Other assets	LaR	46.106	42.527	–	–	3.579	46.106
Current financial assets							
Securities	FAHfT	1.983	–	–	1.983	–	1.983
Financial assets	FAHfT	222.373	–	–	222.373	–	222.373
Trade receivables and receivables from inter-Group business relationships	LaR	833.910	833.910	–	–	–	833.910
Other assets	LaR	420.846	363.184	–	–	57.662	420.846
Non-current financial liabilities							
Financial liabilities	FLAC	1,068.340	1,068.340	–	–	–	1,076.468
Trade payables and liabilities from inter-Group business relationships	FLAC	5.084	5.084	–	–	–	5.084
Financial liabilities	FLHfT	3.650	–	–	3.650	–	3.650
Other liabilities	FLAC	93.419	14.546	–	–	78.873	93.419
Current financial liabilities							
Financial liabilities	FLAC	1,314.307	1,314.307	–	–	–	1,314.307
Trade payables and liabilities from inter-Group business relationships	FLAC	792.220	715.321	–	–	76.899	792.220
Financial liabilities	FLHfT	169.868	–	–	169.868	–	169.868
Other liabilities	FLAC	255.170	180.549	–	–	74.621	255.170
Aggregated by IAS 39 category/IFRS 7 class							
Assets available for sale	AfS	114.940	109.840	5.100	–	–	114.940
Loans and receivables	LaR	1,367.622	1,306.381	–	–	61.241	1,367.622
Financial assets held for trading	FAHfT	224.356	–	–	224.356	–	224.356
Financial liabilities measured at amortised cost	FLAC	3,528.540	3,298.147	–	–	230.393	3,536.668
Financial liabilities held for trading	FLHfT	173.518	–	–	173.518	–	173.518

In € million 31/12/2014	IAS 39 category of IFRS 7 class	Book value 31/12/2014	Measurement subsequent to initial recognition			Not IFRS 7 class	Fair value 31/12/2014
			Amortised cost	Fair value without effect on income	Fair value through profit and loss		
Non-current financial assets							
Other financial assets	AfS	116.655	110.805	5.850	–	–	116.655
Other financial assets	LaR	64.887	64.887	–	–	–	64.887
Trade receivables	LaR	13.434	13.434	–	–	–	13.434
Other assets	LaR	40.708	30.420	–	–	10.288	40.708
Current financial assets							
Securities	FAHfT	2.127	–	–	2.127	–	2.127
Financial assets	FAHfT	153.409	–	–	153.409	–	153.409
Trade receivables and receivables from inter-Group business relationships	LaR	739.319	739.319	–	–	–	739.319
Other assets	LaR	345.096	279.056	–	–	66.040	345.096
Non-current financial liabilities							
Financial liabilities	FLAC	946.511	946.511	–	–	–	954.106
Trade payables and liabilities from inter-Group business relationships	FLAC	2.236	1.266	–	–	0.970	2.236
Financial liabilities	FLHfT	3.124	–	–	3.124	–	3.124
Other liabilities	FLAC	121.566	39.927	–	–	81.639	121.566
Current financial liabilities							
Financial liabilities	FLAC	1,167.235	1,167.235	–	–	–	1,167.235
Trade payables and liabilities from inter-Group business relationships	FLAC	744.998	679.129	–	–	65.869	744.998
Financial liabilities	FLHfT	136.422	–	–	136.422	–	136.422
Other liabilities	FLAC	203.912	134.007	–	–	69.905	203.912
Aggregated by IAS 39 category/IFRS 7 class							
Assets available for sale	AfS	116.655	110.805	5.850	–	–	116.655
Loans and receivables	LaR	1,203.444	1,127.116	–	–	76.328	1,203.444
Financial assets held for trading	FAHfT	155.536	–	–	155.536	–	155.536
Financial liabilities measured at amortised cost	FLAC	3,186.458	2,968.075	–	–	218.383	3,194.053
Financial liabilities held for trading	FLHfT	139.546	–	–	139.546	–	139.546

Hierarchy of financial assets and liabilities measured at fair value

In order to take account of the material factors which form part of the measurement of financial assets and liabilities at fair value, the financial assets and liabilities of BayWa Group, each of which were measured at current value, have been divided up into a hierarchy of three levels.

The levels of the fair value hierarchy and their application to the assets and liabilities are described below:

Level 1: Prices are identical to those quoted in active markets for identical assets or liabilities.

Level 2: Input factors which are not synonymous with the prices assumed at Level 1 but which can be observed either directly (i.e. as prices) or indirectly (i.e. derived from prices) for the respective asset or liability.

Level 3: Factors not based on observable market data for the measurement of the asset or a liability (non-observable input factors).

Derivative financial instruments are used in BayWa Group to hedge currency and interest rate risks. This category also includes the fair values of those commodity futures that are scheduled exclusively for trading and are therefore to be classified as financial instruments within the meaning of IAS 39. These commodity futures are measured at fair value as at the end of the reporting period. The measurement of commodity futures is based on the market or stock market value for identical or comparable transactions at the end of the reporting period. Currency hedges are measured at the closing price of the respective currency at the end of the reporting period. The fair values of commodity futures for those transactions that are traded directly on the stock market are measured at the respective market price. For those transactions not traded directly on the stock market, the fair value is derived from observable market prices. For the main product groups, the fair value is derived from futures so as to include the temporal components of the commodity futures. For those products for which no futures are traded, the fair value is measured at daily prices on the physical markets. The measurement takes into account market liquidity and is discounted from the fair value. For interest rate hedges, the measurement does not take into account relevant basis instruments on the basis of current observable market data and using recognised valuation models, such as the present value method or the Libor market model. CAPs are also measured using valuation models such as the present value method or the option pricing models.

The table below shows the financial assets and liabilities measured at fair value assigned to the three levels of the fair value hierarchy:

Hierarchical assignment of the financial assets and liabilities measured at fair value in the financial year 2015

In € million	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivative financial instruments & commodity futures	56.092	166.281	–	222.373
Securities FAHfT	1.983	–	–	1.983
Financial assets AfS	5.100	–	–	5.100
Sum total of financial assets	**63.175**	**166.281**	**–**	**229.456**
Financial liabilities measured at fair value				
Derivative financial instruments & commodity futures	61.890	111.628	–	173.518
Sum total of financial liabilities	**61.890**	**111.628**	**–**	**173.518**

Hierarchical assignment of the financial assets and liabilities measured at fair value in the financial year 2014

In € million	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivative financial instruments & commodity futures	47.335	106.074	–	153.409
Securities FAHfT	2.127	–	–	2.127
Financial assets AfS	5.850	–	–	5.850
Sum total of financial assets	**55.312**	**106.074**	**–**	**161.386**
Financial liabilities measured at fair value				
Derivative financial instruments & commodity futures	30.638	108.908	–	139.546
Sum total of financial liabilities	**30.638**	**108.908**	**–**	**139.546**

The rise in both level-1 and level-2 derivative financial instruments and commodity futures is as a result of the year-on-year rise in commodity futures scheduled exclusively for trading as well as a corresponding increase in currency hedges.

Net gains and losses

The following table shows net gains/losses from financial instruments and in other result reported in the income statement.

2015	Assets			Shareholders' equity and liabilities			Total	Transition	
Category	FAHfT	AfS	LaR	FLHfT	FLAC	No allocation	FI	Not an FI	Total
1. Net gain/loss in the financial result									
Equity valuation of participating interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**3.284**	**3.284**
Income from participating interests	–	2.750	–	–	–	–	2.750	–	2.750
Expenses from participating interests	–	–1.432	–	–	–	–	–1.432	–	–1.432
Result from disposals	–	0.368	–	–	–	–	0.368	–	0.368
Result of participating interests	**–**	**1.686**	**–**	**–**	**–**	**–**	**1.686**	**–**	**1.686**
Income from other financial assets	–	2.527	–	–	–	–	2.527	–	2.527
Result from disposals	–	0.078	–	–	–	–	0.078	–	0.078
Result of other financial assets	**–**	**2.605**	**–**	**–**	**–**	**–**	**2.605**	**–**	**2.605**
Interest income	–	–	5.613	–	–	–	5.613	–	5.613
Interest income from fair value measurement	0.003	–	–	–	–	–	0.003	–	0.003
Sum total of interest income	**0.003**	**–**	**5.613**	**–**	**–**	**–**	**5.616**	**–**	**5.616**
Interest expenses	–	–	–	–	–48.149	–	–48.149	–12.351	–60.500
Interest portion in personnel provisions	–	–	–	–	–	–	–	–15.096	–15.096
Interest expenses from fair value measurement	–	–	–	–0.114	–	–	–0.114	–	–0.114
Sum total of interest expenses	**–**	**–**	**–**	**–0.114**	**–48.149**	**–**	**–48.263**	**–27.447**	**–75.710**
Net interest	**0.003**	**–**	**5.613**	**–0.114**	**–48.149**	**–**	**–42.647**	**–27.447**	**–70.094**
Sum total net gain/loss	**0.003**	**4.291**	**5.613**	**–0.114**	**–48.149**	**–**	**–38.356**	**–24.163**	**–62.519**
Financial result									**–62.519**
2. Net gain/loss in the operating result									
Income from derivative financial instruments and commodity futures	68.964	–	–	–	–	–	68.964		
Income from the receipt of written-off receivables/release of receivables value adjustments	–	–	7.549	–	–	–	7.549		
Expenses from derivative financial instruments and commodity futures	–	–	–	–33.972	–	–	–33.972		
Value adjustments/write-downs of receivables	–	–	–11.440	–	–	–	–11.440		
Sum total net gain/loss	**68.964**	**–**	**–3.891**	**–33.972**	**–**	**–**	**31.101**		
3. Net gain/loss in equity									
Change in the fair value from the market valuation of securities	–	–0.225	–	–	–	–	–0.225		
Reclassifications due to disposal of financial assets in the "available for sale" category	–	–	–	–	–	–	–		
Net gain/loss from hedging instruments with a clear hedging relationship	–0.671	–	–	–1.232	–	–	–1.903		
Currency translation	–	–	–	–	–	2.032	2.032		
Sum total net gain/loss	**–0.671**	**–0.225**	**–**	**–1.232**	**–**	**2.032**	**–0.096**		

2014	Assets			Shareholders' equity and liabilities			Total	Transition	
Category	FAHfT	AfS	LaR	FLHfT	FLAC	No allocation	FI	Not an FI	Total
1. Net gain/loss in the financial result									
Equity valuation of participating interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**3.394**	**3.394**
Income from participating interests	–	3.599	–	–	–	–	3.599	–	3.599
Expenses from participating interests	–	−2.300	–	–	–	–	−2.300	–	−2.300
Result from disposals	–	21.355	–	–	–	–	21.355	–	21.355
Result of participating interests	**–**	**22.654**	**–**	**–**	**–**	**–**	**22.654**	**–**	**22.654**
Income from other financial assets	–	8.858	–	–	–	–	8.858	–	8.858
Result from disposals	–	−0.081	–	–	–	–	−0.081	–	−0.081
Result of other financial assets	**–**	**8.777**	**–**	**–**	**–**	**–**	**8.777**	**–**	**8.777**
Interest income	–	–	6.772	–	–	–	6.772	–	6.772
Interest income from fair value measurement	–	–	–	–	–	–	–	–	–
Sum total of interest income	**–**	**–**	**6.772**	**–**	**–**	**–**	**6.772**	**–**	**6.772**
Interest expenses	–	–	–	–	−45.687	–	−45.687	−12.946	−58.633
Interest portion in personnel provisions	–	–	–	–	–	–	–	−19.743	−19.743
Interest expenses from fair value measurement	–	–	–	−0.050	–	–	−0.050	–	−0.050
Sum total of interest expenses	**–**	**–**	**–**	**−0.050**	**−45.687**	**–**	**−45.737**	**−32.689**	**−78.426**
Net interest	**–**	**–**	**6.772**	**−0.050**	**−45.687**	**–**	**−38.965**	**−32.689**	**−71.654**
Sum total net gain/loss	**–**	**31.431**	**6.772**	**−0.050**	**−45.687**	**–**	**−7.534**	**−29.295**	**−36.829**
Financial result									**−36.829**
2. Net gain/loss in the operating result									
Income from derivative financial instruments and commodity futures	59.790	–	–	–	–	–	59.790		
Income from the receipt of written-off receivables/release of receivables value adjustments	–	–	2.677	–	–	–	2.677		
Expenses from derivative financial instruments and commodity futures	–	–	–	−41.761	–	–	−41.761		
Value adjustments/write-downs of receivables	–	–	−11.195	–	–	–	−11.195		
Sum total net gain/loss	**59.790**	**–**	**−8.518**	**−41.761**	**–**	**–**	**9.511**		
3. Net gain/loss in equity									
Change in the fair value from the market valuation of securities	–	0.453	–	–	–	–	0.453		
Reclassifications due to disposal of financial assets in the “available for sale” category	–	2.367	–	–	–	–	2.367		
Net gain/loss from hedging instruments with a clear hedging relationship	1.939	–	–	–	–	–	1.939		
Currency translation	–	–	–	–	–	10.135	10.135		
Sum total net gain/loss	**1.939**	**2.820**	**–**	**–**	**–**	**10.135**	**14.894**		

Income from participating interests includes dividend payments.

The following table shows an analysis of the maturity dates of undiscounted financial liabilities by IFRS 7 class.

In € million 2015	Residual term of up to one year	Residual term of one to five years	Residual term of more than five years	Total
Financial liabilities measured at amortised cost (FLAC)	2,473.456	721.058	457.370	3,651.884
Financial liabilities held for trading (FLHfT)	169.868	3.650	–	173.518
	2,643.324	**724.708**	**457.370**	**3,825.402**

In € million 2014	Residual term of up to one year	Residual term of one to five years	Residual term of more than five years	Total
Financial liabilities measured at amortised cost (FLAC)	2,147.535	718.968	429.832	3,296.335
Financial liabilities held for trading (FLHfT)	136.422	3.124	–	139.546
	2,283.957	**722.092**	**429.832**	**3,435.881**

The following schedule of maturities shows the distribution of the forecast cash flows of the contractually agreed interest and redemption payments in the IFRS 7 class "Liabilities measured at amortised cost" (FLAC) as at 31 December 2015.

In € million	Sum total	Until 6/2016	7–12/2016	2017 – 2020	> 2020
Share of interest	123.344	9.871	20.847	67.391	25.235
Redemption portion	3,528.540	1,879.175	563.563	653.667	432.135
Sum total	**3,651.884**	**1,889.046**	**584.410**	**721.058**	**457.370**

The following schedule of maturities shows the distribution of the forecast cash flows of the contractually agreed interest and redemption payments in the IFRS 7 class "Liabilities measured at amortised cost" (FLAC) as at 31 December 2014.

In € million	Sum total	Until 6/2015	7–12/2015	2016 – 2019	> 2019
Share of interest	109.877	10.958	19.594	62.482	16.843
Redemption portion	3,186.458	1,841.656	275.327	656.486	412.989
Sum total	**3,296.335**	**1,852.614**	**294.921**	**718.968**	**429.832**

Information on derivative financial instruments

A few derivatives in the context of fair value hedges for commodities futures may also be used in BayWa Group as hedging transactions under IAS 39 and hedging transactions for interest rate and currency risks in the form of interest rate caps, interest rate swaps and futures as well as foreign exchange transactions. In addition, the fair value of commodity futures classified as financial assets and financial liabilities within the meaning of IAS 39 would only be recognised for those scheduled for trading and not those scheduled to be utilised by the Group. The fair values are shown in the table below. In the reporting year, gains of €68.964 million (2014: €59.790 million) and losses of €33.972 million (2014: €41.761 million) were included in the calculation of the fair value in the income statement.

The following table shows the maturities of the fair values for the derivative financial instruments as well as the commodity futures scheduled exclusively for trading at the end of the reporting period.

	Currency hedges			
In € million 31/12/2015	Total	Residual term of up to one year	Residual term of one to five years	Residual term of more than five years
Assets				
Interest rate hedges	0.157	0.157	–	–
Commodity futures	179.687	179.687	–	–
Currency hedges	42.529	42.529	–	–
	222.373	**222.373**	**–**	**–**
Shareholders' equity and liabilities				
Interest rate hedges	4.008	0.857	3.650	–
Commodity futures	148.908	148.908	–	–
Currency hedges	20.602	20.602	–	–
	173.518	**169.868**	**3.650**	**–**

	Currency hedges			
In € million 31/12/2014	Total	Residual term of up to one year	Residual term of one to five years	Residual term of more than five years
Assets				
Interest rate hedges	0.083	0.083	–	–
Commodity futures	131.841	131.841	–	–
Currency hedges	21.485	21.485	–	–
	153.409	**153.409**	**–**	**–**
Shareholders' equity and liabilities				
Interest rate hedges	3.192	0.068	3.124	–
Commodity futures	124.802	124.802	–	–
Currency hedges	11.552	11.552	–	–
	139.546	**136.422**	**3.124**	**–**

The fair value of currency and interest rate hedges is ascertained on the basis of market prices quoted end at the end of the reporting period without netting off against counter-developments from possible underlying transactions. The market value corresponds to the amount which the Group would have to pay or would receive if the hedging transaction were closed out prior to the due date. The fair value of commodity futures is determined on the basis of or derived from stock market quotations at the end of the reporting period. The fair value corresponds to the profit or loss from the commodity futures taking into account buying and selling prices at the end of the reporting period.

(C.27.) Risk management

Opportunity and risk management
The corporate policy of BayWa Group is geared toward weighing up the opportunities against the risks of entrepreneurship in a responsible way. The management of opportunities and risks is an ongoing task of entrepreneurial activity designed to ensure the long-term success of the Group. This enables BayWa Group to innovate, secure and improve what is already in place. The management of opportunities and risks is closely aligned to BayWa Group's long-term strategy and medium-term planning. The Group's Decentralised regional organisation and management structure of the operating business enables it to identify trends, requirements and the opportunities and risk potential of frequently fragmented markets at an early stage, analyse them and take action which is both flexible and market oriented. Internationalisation also allows BayWa to tap new business opportunities, which in turn reduces its dependence on the individual country markets and their risks. Moreover, the systematically intense screening of the markets and of peer competitors is carried out with a view to identifying opportunities and risks. This is flanked by ongoing communication and the goal-oriented exchange of information between the individual parts of the Group, which leverage additional opportunities and synergy potential.

Principles of opportunity and risk management
BayWa exploits opportunities that arise in the context of its business activities but, at the same time, also enters into entrepreneurial risks. The identification of entrepreneurial opportunities, the safeguarding of the assets and the enhancing of enterprise value therefore necessitate an opportunity and risk management system.

The principles underlying the system set in place within BayWa Group to identify and monitor risks specific to the business have been described in a risk management manual approved by the Board of Management. In addition, the Internal Audit Department regularly audits the internal risk management system which supports the processes. ISO certifications for the standardisation of workflows and for risk avoidance and the concluding of insurance policies supplement the Group's management of risk.

Moreover, BayWa Group has established binding goals and a code of conduct in its corporate policy and ethical principles as well as the Code of Conduct which have been implemented throughout the Group. They regulate the individual employees' actions when applying the corporate values as well as their fair and responsible conduct towards suppliers, customers and colleagues.

Opportunity and risk management within BayWa Group
In BayWa Group risk management is an integral component of the planning and management and control processes. A comprehensive risk management system records and monitors both the development of the Group and any existing weak points on an ongoing basis. The risk management system covers all segments and is included as a key component of reporting. A particularly important task of risk management is to guarantee that risks to the Group as a going concern are identified and kept to a minimum. This enables the management of Group companies to react swiftly and effectively. All units have risk officers and risk reporting officers who are responsible for implementing the reporting process.

The reporting process classifies opportunities and risks into categories and estimates their probable occurrence and potential financial impact. The system is based on individual observations, supported by the relevant management processes, and forms an integral part of core activities. It starts with strategic planning and proceeds through to procurement, sales and distribution and, finally, to the management of counterparty risk. As an extension of the planning process that takes place in the business sectors and in procurement, sales organisations and centralised functions, the opportunity and risk management system serves to detect and assess potential divergences from expected developments. In addition to identifying and assessing key developments influencing business, this system facilitates the prioritisation and implementation of activities. As a result, BayWa Group can make better use of the opportunities while avoiding or reducing the risks.

A cornerstone of the risk management system are the risk reports which are regularly prepared by the operating units. These reports are subject to evaluation by the Board of Management and by the heads of the business units. The systematic development of existing and new systems with a built-in warning component makes an indispensable contribution to strengthening and consistently building up a Group-wide opportunity and risk culture.

A key component and, at the same time, an evolution of the opportunity and risk management is the "Risk Board", which has been in place since the financial year 2009. Presided over by the Chief Executive Officer, the Risk Board, which consists of operations managers and support staff, meets regularly to discuss and assess operational opportunities and risks on an ongoing basis. Minuted meetings are used to develop an understanding of the opportunities and risks and form the basis of the risk measurement applied to operational decisions.

The uniform Group-wide risk management system implemented in 2014 for the agriculture group encompasses the business activities of BayWa, Cefetra Group, BayWa Agrarhandel GmbH as well as BayWa Agrar International B.V. and its subsidiaries. The minimum requirements for risk management (MaRisk) published by the German Financial Supervisory Authority (BaFin) serve as a benchmark for BayWa's risk management. MaRisk includes arrangements governing the identification, assessment, management and monitoring of all material risk types, including counterparty risks as well as operational risks, such as quality and logistics risks. BayWa adapted the standards established in the financial services sector and leading trading companies for its Agricultural Trade business unit due to the flexible and practical framework of the material regulations. Appropriate and effective risk management pursuant to MaRisk comprises the risk-bearing capacity as well as the formulation of strategies and the establishment of internal control procedures. The internal control system consists in particular of:

- Arrangements governing the organisational structure and workflow,
- Processes for identifying, evaluating, managing, monitoring and reporting risks (risk management and control processes), and
- The setting up of a risk controlling function.

In order to manage market risks on each trading day, the positions, including the spreads (underlying risks), are determined and monitored for all Group companies. Value-oriented procedures, in addition to the volume limits, serve to ensure that the positions are managed in a manner that is appropriate for the risks. These procedures include the regular mark-to-market valuation of pending agricultural transactions and the determination of the trading results derived from this, as well as the portfolio-based value-at-risk procedure. In addition, scheduled and ad-hoc stress tests are performed to recognise the effect that extraordinary market price changes have on profit and loss and, where necessary, implement measures to reduce risks. The trading positions of the agriculture group as well as the risks these pose are reported to the operating units and the local risk management officer daily and to Management Board in the form of a weekly Risk Report.

These control mechanisms are supported by a standardised IT system solution that was introduced in 2014, which sees all functions and processes being monitored by an external auditing company within the scope of user acceptance testing.

The Agriculture Risk Committee is part of Risk Governance and acts as the highest decision-making body within the agriculture group; it is composed of, among others, members of the Management Board and meets regularly and when warranted. The Committee decides on risk limits and limit systems for the Agricultural Trade business unit and, where necessary, implements risk-controlling and mitigating measures.

A form of risk controlling that is independent of trading was established at both the level of the Group and in the individual agriculture trading companies to ensure that the provisions of the Agriculture Risk Committee are implemented in full. Group Risk Control is responsible for the Group-wide developments and implementation of risk management, risk monitoring and risk reporting methods, processes and systems. The Risk Officer's responsibility in the trading companies covers all risk processes within the company, including limit monitoring and reporting. The Agrar Risk Controlling Board, which is comprised of Group Risk Control as well as the Risk Officers of the trading units, is also part of Risk Governance and aims to promote the regular, at least weekly, structured exchange on risk-relevant incidents.

Agrar Coordination Center (ACC) established in 2014 to improve the commercial coordination of Agriculture Trade business activities was further developed in the reporting year and integrated in the newly created Economics and Public Affairs Department (EPAD) organisational units. In addition to monitor the global markets, the EPAD is responsible for preparing market analyses for all of BayWa Group's agricultural activities. The Global Book System (GBS) was created to coordinate trade management activities; it is responsible for the overarching coordination and optimisation of the trading and risk positions of the individual product lines in the trading of grain, oilseed and co-products for the national and international sectors.

Macroeconomic opportunities and risks

General economic factors have an influence on consumer behaviour and investment patterns in BayWa's core markets. However, these environmental factors exert less of an influence on BayWa's business activities than on other companies. BayWa Group's business model is largely geared to satisfying fundamental human requirements, such as the need for food, shelter, mobility and the supply of energy. Accordingly, the impact of cyclical swings is likely to be less strong than in other sectors. BayWa is even able to turn certain opportunities arising in times of crisis to its advantage through, for instance, the identification and acquisition of suitable companies with a view to building up or expanding existing or new areas of business. BayWa is, however, unable to fully decouple from any severe setbacks to international economic development that result from, among other things, the slump in global commodity prices.

Sector and Group-specific opportunities and risks

Changes in the political framework conditions, such as, for example, changes in the regulation of markets for individual agricultural products or tax-related government subsidies of energy carriers, as well as volatile markets harbour risks. At the same time, however, they open up new prospects. Extreme weather conditions can have a direct impact on offerings, quality, pricing and trading in agricultural produce and also downstream on the operating resources business. This is offset by the rise in product and geographical presence diversification in the Agriculture Segment as this would reduce the dependence on individual markets and increase procurement and marketing flexibility. BayWa also combats quality risks by performing samplings and checks. Risks posed by a deterioration in the quality of inventories are reduced by professional warehousing standards. Logistics risks resulting from a lack of transport capacities due to weather conditions or strikes are identified and managed early on by the early warning systems. Global climate changes also have a long-term effect on agriculture. The global demand for agricultural products, particularly grain, continues to grow. This may give rise to a sustained price uptrend. The fruit-growing activities pose a financial risk to the Group, which arises from the delay between cash outflow for buying, growing and maintaining the trees and vines as well as the costs of the harvest and cash inflow from the sale of the fruit. This risk is managed by actively monitoring and controlling net working capital. The development of income in the agriculture sector filters through directly to investment capacity and propensity and therefore to the sale of high-end agricultural machinery.

In the energy business, renewable energies are particularly affected by changes in promotion measures. Against this backdrop, geographic diversification stabilises the development of revenues and income and diversification across a number of different energy carriers – above all, wind energy, solar power and biomass – mitigates risk in certain markets that remain strongly dependent on subsidisation. Climatic risks (wind, sunshine) also play a role for BayWa's electricity-generating participations in the field of renewable energies. Long-term expert opinions mean that average wind and sunshine are relatively easy to forecast in the medium term, although both positive and negative deviations can occur at short notice. Asset availability also posed a risk, though this is greatly reduced by the assortment of proven components provided by well-known manufacturers. The conclusion of full-service maintenance contracts ensures that maintenance and repair work is performed within defined time periods.

Political and economic factors exert the main influence on demand in the construction sector. Political factors of influence are, for instance, special depreciation for listed buildings and measures to promote energy efficiency. At the same time, the ageing housing stock in Germany will encourage growing demand for modernisation and renovation. In the Building Materials Segment, BayWa Group is the franchiser for DIY and garden centres. Following the inclusion of the BayWa DIY and garden centres in a joint venture with Hellweg, the newly founded BayWa Bau- & Gartenmärkte GmbH & Co. KG, its operational management was transferred to Hellweg. In light of this, there is a risk that the franchise company in BayWa Group will no longer meet its contractual obligations to the franchisees in the previous way and of the previous quality. This could result in, among other things, claims for damages on the part of the franchisees. This risk was counteracted by the Group concluding long-term agreements with Hellweg.

Risks and opportunities from financial instruments

In addition to fixed- and variable-rate financial instruments, which are subject to varying degrees of interest rate risks, BayWa Group also uses derivative hedging instruments such as options and futures contracts to hedge its commodity futures. As well as interest rate change risks, these derivative hedging instruments are also subject to risks posed by changes to the prices of underlying transactions as well as, depending on the basis currency in which the derivative instrument is denominated, currency risks. Transactions that were not conducted via a stock exchange are also subject to counterparty risk. By the same token, changes to interest rates, currency exchange rates or forward market prices can lead to unplanned opportunities.

Price opportunities and risks

BayWa trades in merchandise that displays very high price volatility, such as grain, oilseeds, fertilisers, mineral oil, biomethane and solar components, especially in its Agriculture and Energy segments. The warehousing of the merchandise and the signing of delivery contracts governing the acquisition of merchandise in the future means that BayWa is also exposed to the risk of prices fluctuating. Whereas the risk inherent in mineral oils and biomethane is relatively low due to BayWa's pure distribution function, fluctuations in the price of grain, oilseeds, fertilisers and solar components may incur greater risks, also owing to their warehousing, if there is no matching in the agreements on the buying and selling of merchandise. In addition to absolute price risks, business developments may be influenced by various price developments in the local premiums, in the temporal price curve as well as different quality grades. If there are no hedging transactions existing at the time when agreements are signed, the ensuing risk is monitored on an ongoing basis by the respective executive bodies. Whenever necessary, appropriate measures to limit risk are initiated. BayWa also operates as a project developer in the field of renewable energies. This business harbours a risk that, for instance, the planning and building of solar power plants, wind farms and biogas plants are delayed and that they may be connected to the grid later than originally planned. In such cases, if the deadline for the further reduction in feed-in tariffs is not adhered to, there is a risk that the low feed-in and electricity income could result in the profitability of the projects being lower than planned.

BayWa Group uses a portfolio-based value-at-risk procedure to measure and control risks arising from future commodities classified as financial instruments within the meaning of IAS 39. The value-at-risk used by BayWa aims to quantify the negative changes in the value of a portfolio, which – with a certain degree of probability (95%) – will not be exceeded during a defined period of time (5 trading days). The value-at-risk calculated as at 31 December 2015 amounted to €2.693 million and indicates that the potential loss from the commodity futures considered will, with a probability of 95%, not exceed €2.693 million within the next 5 trading days.

Currency opportunities and risks

BayWa's activities are largely located in the euro zone. If foreign currency positions arise from goods and services transactions, these are always hedged without delay. Other payment obligations or receivables denominated in a foreign currency are hedged at the time when they arise. Speculative borrowing or investing bonds denominated in foreign currencies is prohibited.

Share price opportunities and risks

To a small extent, BayWa Group's investment portfolio comprises direct and indirect investments in listed companies. Equity investments are continuously monitored on the basis of their current market values.

Interest rate opportunities and risks

Interest rate risk positions arise from the Group's floating-rate financing activities, especially from the issuing of short-term commercial papers, short-term loans as well as variable-interest bonded loans. Short-term debt is used mainly to finance working capital. To reduce the interest rate risk, which is not hedged using a natural hedge, BayWa uses derivatives instruments in the form of futures, interest rate caps and swaps.

Interest rate risk

The share of variable-interest liabilities was further reduced and the share of fixed-interest liabilities raised in the current financial year by issuing another bonded loan. This resulted in a reduction in the weighted average interest rate for variable-interest financial liabilities to 1.02% (2014: 1.5%). A change in this interest rate of plus 1.0% to 2.02% would cause interest expenses to rise by €9.192 million. A fall in this interest rate of minus 1.0% to 0.02% would cause interest expenses to fall by €9.192 million.

Legal and regulatory opportunities and risks

The companies of the Group are exposed to a number of risks in connection with litigation in which they are currently involved or may be involved in the future. Such litigation comes about in the course of normal business activities, in particular in relation to the assertion of claims from services and deliveries that are not up to standard or from payment disputes. Legal risks can also rise from breaches of compliance regulations by individual employees. Antitrust investigations were conducted at various agricultural companies in Germany in 2015, including BayWa, with regard to crop protection wholesale operations. Investigations continue and the results or partial results were not available at the time of the conclusion of the consolidated financial statements. As a result, neither provisions for legal consultations nor balance sheet provisions had been set aside as the Board of Management cannot provide an assessment of the matter at this time. BayWa forms reserves for the event of such legal risks if the occurrence of an obligation event is probable and the amount can be adequately estimated. In the individual case, actual utilisation may exceed the reserve amount.

Changes in the regulatory environment can affect the Group's performance such as, in particular, government intervention in general framework conditions for the agricultural industry and the renewable energies business. Negative impacts emanate from the adjustment, reduction or abolition of funding measures. Conversely, new regulatory and legislative developments influencing bioenergy can also result in opportunities. In the construction sector, changes to building or fiscal regulations may also have an impact on the development of business.

Plant efficiency in terms of energy generation using renewable energy carriers is strongly reliant on regulatory frameworks and government subsidies. Politically motivated changes to subsidy parameters, in particular the retroactive cuts to or abolition of feed-in tariffs, can significantly impact the value of such facilities: either in the form of lower future disposal prices or lower cash inflows from the operation of the facilities. BayWa combats the potential implications of such risks on earnings by pursuing a threefold diversification strategy in its Renewable Energies business sector. The portfolio is diversified in terms of countries, energy carriers and business units (projects and service on the one hand, and other trading on the other hand).

Credit and counterparty risks

As part of its entrepreneurial activities, BayWa Group has an important function as a source of finance for its agricultural trading partners. In the context of so-called cultivation contracts, the Group is exposed to a financing risk arising from the upfront financing of agricultural resources and equipment, the repayment of which is made through acquiring and selling the harvest. Moreover, BayWa grants financing to commercial customers particularly in the construction sector in the form of payment terms of a considerable scope. Beyond this, there are the customary default risks inherent in trade receivables. Risks are kept to a minimum by way of an extensive debt monitoring system which spans all business units. To this end, credit limits are defined through a documented process of approval and monitored on an ongoing basis.

In addition to credit risks, the Agriculture Trade business unit also regularly monitors counterparty risks; consequently, market value changes to open selling and buying contracts are measured so as to monitor the risk of the non-fulfilment of contract obligations.

Credit risks are constituted by the economic loss of a financial asset brought about by default on a contractual payment by a contractual partner and the deterioration of its credit standing, together with the danger of concentration on only a few contractual partners (risk clusters). Credit risks may arise in the IFRS 7 classes of financial assets “available for sale” (AfS), “loans and receivables” (LaR) and “financial assets held for trading” (FAHfT).

Financial assets available for sale (AfS): This class mainly comprises shares in affiliated companies and participating investments and securities. These financial assets are not subject to further credit risk beyond the value adjustments made to date in this class. The maximum credit risk exposure at the end of the reporting period corresponds to the value of this class. BayWa Group does not consider this to be significant.

Loans and receivables (LaR): As part of its entrepreneurial activities, BayWa Group has an important function as a source of finance for its agricultural trading partners. In the context of so-called cultivation contracts, the Group enters into a financing risk arising from the upfront financing of agricultural equipment and resources. Settlement is effected by way of buying up and selling the harvest. An extensive debt monitoring system ensures that risks are kept to a minimum in this business, as well as for other segments of the Group. This is performed through establishing and consistently monitoring credit limits, flanked by a documented approval procedure. Value adjustments are carried out on the residual risk of the trade receivables.

There is currently no discernible concentration of default risk from business relationships with individual debtors or groups of debtors. The maximum credit risk exposure at the end of the reporting period corresponds to the value of this class. The expected default risk amounts to €12.604 million (2014: €15.746 million).

Financial assets held for trading (FAHfT): This category covers derivative financial instruments which are held to hedge currency and interest rate risks. The contractual partners of derivative financial instruments are mainly banks with international operations which have been given a good credit rating by an external rating agency. This category also includes the positive fair values of those commodity futures that are scheduled exclusively for trading and are therefore to be classified as financial instruments within the meaning of IAS 39. These commodity futures are measured at fair value as at the end of the reporting period. The measurement of commodity futures is based on the market or stock market value for identical or comparable transactions at the end of the reporting period. In addition, this class of assets comprises a low volume of securities. There are currently no payments overdue or value adjustments for default in this class.

Liquidity risks

The liquidity risk is the risk that BayWa Group may not – or only to a limited extent – be able to fulfil its financial obligations. In BayWa Group, funds are generated by operations and by borrowing from external financial institutions. In addition, financing instruments, such as multicurrency commercial paper programmes or asset-backed securitisation, are used as well as bonded loans. Existing credit lines are therefore measured to an extent deemed sufficient to guarantee business performance at all times – even in the event of growing volume. The financing structure therefore takes account of the pronounced seasonality of business activities. Owing to the diversification of the sources of financing, BayWa Group does not currently have any risk clusters in liquidity. BayWa Group’s financing structure with its mostly matching maturities ensures that interest-related opportunities are reflected within the Group.

Rating of BayWa Group

BayWa enjoys a positive rating among banks. This achievement is due to the solidity as well as to the long and successful history of the company and its high enterprise value, underpinned by assets such as real estate. In 2015, BayWa Group was again able to raise its credit facilities and issue a further bonded loan. For reasons of cost effectiveness, BayWa deliberately dispenses with the use of external ratings.

Opportunities and risks associated with personnel

As regards personnel, BayWa Group competes with other companies for highly qualified managers as well as for skilled and motivated staff. The Group continues to require qualified personnel in order to secure its future success. Excessively high employee fluctuation, brain drain and failure to win junior staff loyalty may have a detrimental effect on the Group's business performance. BayWa counteracts these risks by offering its employees extensive training and continuous professional development in order to secure expertise. Management based on trust, the tasking of employees in line with their natural talents and abilities, as well as the definition and adherence to our ethical principles create a positive working environment.

At the same time, BayWa AG promotes the ongoing vocational training and development of its employees. With more than 1,000 trainees in 2015, the Group ranks among the largest companies offering training specifically in rural areas. BayWa recruits a large majority of its future specialist and managerial employees from the ranks of these trainees. Long years of service to the company are testament to the great loyalty shown by BayWa personnel to "their" company. This attitude creates stability and continuity and also secures the transfer of expertise down the generations.

IT opportunities and risks

The use of cutting-edge information technology characterises the entire business activity of BayWa Group. All key business processes are supported by IT and mapped using state-of-the-art software solutions. In a trading company with high numbers of employees, having work processes supported electronically is imperative. The continuous monitoring and reviewing of processes mapped electronically, however, involves more than the mere implementation of new IT components. It is always accompanied by an optimisation of process workflows, as a result of which opportunities in the form of energy and cost savings potential can be identified and realised. At the same time, the risk inherent in the system rises in tandem with the growing complexity and dependency on the availability and reliability of the IT systems.

To realise the opportunities and minimise the risks, the IT competence of BayWa Group is kept at a consistently high level. The resources are combined under RI-Solution GmbH, a company belonging to the Group that provides the Group companies with IT services to the highest standard. Extensive precautionary measures such as firewalls, virus protection updated on a daily basis, disaster recovery plans and training in data protection serve to safeguard data processing. Segregated in organisational terms, a data protection officer monitors compliance with security and data protection standards.

Internal Control System for monitoring accounting processes

The Internal Control System (ICS) which monitors accounting processes is also a key component of opportunity and risk management. BayWa Group has set in place a professional control system, which has been certified in many areas, comprising measures and processes to safeguard its assets and to guarantee the presentation of a true and fair view of the result of operations.

The annual consolidated financial statements are drawn up through a centralised process. Compliance with legal provisions and regulations pertaining to the Articles of Association during this process is guaranteed by the prescribed accounting standards. Corporate Accounting acts as a direct point of contact for the managers of the subsidiaries in matters pertaining to reporting and the annual and interim financial statements and draws up the consolidated financial statements in accordance with IFRS.

A control system which monitors the accounting process ensures the complete and timely capturing of all business transactions in accordance with the statutory provisions and the regulations laid down under the Articles of Association. Moreover, it serves to guarantee that stocktaking is duly and properly performed and that assets and liabilities are recognised, valued and disclosed appropriately. The control system uses both IT-based and manual control mechanisms to fully ensure the regularity and reliability of accounting. Beyond this, suitable control mechanisms, such as strict compliance with the principle of dual control and analytical reviews, have been installed in all processes relevant for accounting. In addition, Internal Audit, which is independent of these processes, audits all accounting-related processes.

The obligation of all subsidiaries to report their figures every month on an IFRS basis in a standardised reporting format to BayWa enables target performance divergences to be identified swiftly, thereby offering an opportunity of taking action at short notice.

Corporate Accounting monitors all processes relating to the consolidated financial statements as part of quarterly reporting, such as the capital, liabilities, expenses and income consolidation and the elimination of inter-company results, in conjunction with the reconciliation of the Group companies.

The departments and units of the Group involved in the accounting process are suitably equipped in terms of quantity and quality, and training courses are regularly conducted.

The integrity and responsibility of all employees in respect of finance and financial reporting is ensured through taking each employee under obligation to observe the code of conduct adopted by the respective company.

The employing of highly qualified specialist personnel, specific and regular training and continuous professional development as well as stringent functional segregation in financial accounting in the preparing and booking of vouchers and in controlling guarantee compliance with local and international accounting rules in the annual and consolidated financial statements.

Overall assessment of the opportunity and risk situation by Group management

An overall assessment of the current opportunity and risk situation shows that there are no risks which could endanger the Group as a going concern. There are currently no such risks discernible for the future either. All in all, the risks to BayWa Group are limited and manageable.

Along with potentially non-influenceable or only indirectly influenceable global policy risks and macroeconomic risks, operational risks are also the focus of monitoring. As far as the latter are concerned, BayWa Group has taken appropriate measures to manage and control these risks.

(D.) NOTES TO THE INCOME STATEMENT

The layout of the income statement accords with total cost-type accounting.

(D.1.) Revenues

Revenues and earnings are always recorded at the time when the benefits of and the risks associated with the ownership of the goods and products sold and the services provided have passed to the buyer. Revenues and earnings are reported minus discounts, rebates and bonuses granted.

The breakdown by business unit and region can be seen in the segment report (Note E.2.). Owing to the diversified business activities of the individual segments, inter-segment revenues are transacted only to a minor extent.

In € million	**2015**	2014
Goods	14,719.450	14,961.667
Services	208.679	240.121
	14,928.129	**15,201.788**

(D.2.) Other operating income

In € million	**2015**	2014
Rental income	26.330	28.736
Gains from the disposal of assets	26.549	34.054
Gains from negative goodwill	–	8.354
Income from release of provisions	9.983	13.943
Reimbursement of expenses	17.597	18.163
Sourcing of employees	4.418	4.431
Advertising allowance	2.378	2.186
Price gains	18.117	20.347
Income from receivables written down/release of value adjustments	7.549	2.677
Other income	44.929	49.535
	157.850	**182.426**

Other income comprises income from licences and numerous other individual items. Rental income includes gains from incidental costs. Gains from the disposal of assets primarily comprise the disposal of BayWa AG property inventories and also includes the proportionate distribution of the accounting profit resulting from a sale and lease back transaction for real estate in the financial year 2013 and, due to the classification of the lease agreement as a financial lease, is to be distributed over the term of this agreement (€3.614 million).

(D.3.) Cost of materials

In € million	2015	2014
Expenses for raw materials, consumables and supplies, and for goods sourced	13,278.875	13,663.975
Expenses for services outsourced	296.426	152.941
	13,575.301	**13,816.916**

(D.4.) Personnel expenses

In € million	2015	2014
Wages and salaries	676.271	653.472
Share-based payment	1.431	1.522
Expenses for pensions, support and severance pay	52.627	52.184
(of which ongoing service cost)	(8.807)	(6.969)
Social insurance contributions	94.827	85.891
	825.156	**793.069**

After calculating the provisions for pension and severance pay according to IAS 19, expenses for pension and severance pay total €23.025 million (2014: €26.181 million). Of this amount, a portion amounting to €8.420 million (2014: €6.969 million) has been disclosed under personnel expenses and a portion totalling €14.605 million (2014: €19.212 million) under interest expenses.

Number	2015	2014
Employees		
Annual average (Section 267 para. 5 of the German Commercial Code [HGB])	16,609	16,072
of which jointly held companies within the meaning of Section 310 of the German Commercial Code (HGB)	0	0
As at 31 December	16,229	15,917
of which jointly held companies within the meaning of Section 310 of the German Commercial Code (HGB)	0	0

(D.5.) Other operating expenses

In € million	2015	2014
Vehicle fleet	73.899	77.211
Maintenance	49.345	50.592
Advertising	43.642	44.049
Energy	29.761	32.568
Rent	51.291	48.297
Expenses for staff hired externally	24.312	23.831
Information expenses	13.969	13.895
Commission	13.958	12.637
Insurances	18.544	17.268
Cost of legal and professional advice, audit fees	36.349	34.428
Amortisation/value adjustments of receivables	11.440	11.195
IT costs	3.149	3.067
Travel expenses	15.593	13.283
Office supplies	8.216	7.507
Other tax	8.242	7.751
Administrative expenses	4.923	3.981
Training and continuous professional development	8.324	8.958
Decommissioning and disposal	8.447	9.422
Currency-induced losses	17.726	23.265
Losses from asset disposals	11.077	11.459
Other expenses	43.127	36.824
	495.334	**491.488**

Other expenses comprise mainly general selling and other costs, such as those incurred by securing against operating risks.

(D.6.) Income from participating interests recognised at equity and other income from shareholdings

In € million	2015	2014
Profit/loss from participating interests recognised at equity	**3.284**	**3.394**
Income/expenses from affiliated companies	1.065	–0.358
Income/expenses from the disposal of affiliated companies	–0.004	0.448
Other income from holdings and similar income	3.485	32.227
Write-downs of financial assets and other expenses	–0.255	–0.886
Other income from shareholdings	**4.291**	**31.431**
	7.575	**34.825**

Dividend income is recorded as and when a claim to payout arises.

(D.7.) Interest income and expenses

In € million	2015	2014
Interest and similar income	5.613	6.772
(of which from affiliated companies)	(0.594)	(0.447)
Interest from fair value measurement	0.003	–
Interest income	**5.616**	**6.772**
Interest and similar expenses	–48.149	–45.687
(of which from affiliated companies)	(–0.217)	(–0.375)
Interest from fair value measurement	–0.114	–0.050
Interest portion of finance leasing	–12.351	–12.946
Interest portion of the allocation to pension provisions and other personnel provisions	–15.096	–19.743
Interest expense	**–75.710**	**–78.426**
Net interest	**–70.094**	**–71.654**

(D.8.) Income tax

Income tax breaks down as follows:

In € million	2015	2014
Actual taxes	–28.095	–28.855
Deferred taxes	1.645	29.134
	–26.450	**0.279**

Actual tax income and expenses comprise the corporate and trade tax of the companies in Germany and comparable taxes on foreign companies.

Deferred taxes are formed for all temporary differences between the tax-related assigned value and IFRS values as well as the consolidation measures. Equity includes deferred tax assets of €54.346 million (2014: €56.940 million) that were offset against the reserve for actuarial gains and losses from provisions for pensions and severance pay. Moreover, deferred tax assets of €0.135 million (2014: liabilities of €0.343 million) were offset against the assessment reserve in equity without effect on income. Deferred tax assets include tax-reducing claims which arise from the expected utilisation of loss carryforwards in the years ahead, the realisation of which is assured with sufficient probability. These came to €74.951 million (2014: €72.549 million). As part of corporate planning, a time horizon of three years has been assumed here. Deferred tax was not formed on loss carryforwards of subsidiaries in an amount of €27.155 million (2014: €24.015 million) as their usability is not anticipated. Loss carryforwards of individual Group companies can be partly carried forward within a limited period of time. No tax assets which are eligible as carryforwards are likely to expire. The deferred tax income expense from the origination and/or reversal of temporary differences amounts to €0.757 million (2014: deferred tax expense of €8.365 million).

Deferred taxes are calculated on the basis of the tax rates which apply or are anticipated given the current legal situation in the individual countries at the time when taxes are levied. The tax rate of BayWa AG remained at 28.18%, unchanged from the previous year.

Deferred tax assets and liabilities are allocated to the individual balance sheet items as shown in the table below:

	Deferred tax assets		Deferred tax liabilities	
In € million	**2015**	2014	**2015**	2014
Intangible assets and property, plant and equipment	10.084	6.892	98.959	88.095
Financial assets	4.446	2.574	24.709	25.347
Current assets	8.483	14.625	13.792	9.287
Other assets	0.015	0.013	0.748	–
Tax loss carryforwards	102.106	92.126	–	–
Provisions	99.283	100.957	1.976	2.596
Deferred tax liabilities	1.475	2.997	1.568	1.512
Other liabilities	31.752	25.027	27.494	32.825
Value adjustments deferred tax assets	– 29.461	– 21.083	–	–
Balance	– 27.175	– 25.227	– 27.175	– 25.227
Consolidation	10.517	10.370	16.021	18.021
	211.525	**209.271**	**158.092**	**152.456**

The actual tax expenses are €1.637 million higher the amount that would have been incurred if the German corporate tax rate had been applied under the currently prevailing law, plus the solidarity surcharge and the trade tax burden on the consolidated earnings before tax. The computational tax rate of 28.18% calculated for actual tax is based on the uniform corporate tax rate of 15.0%, plus the solidarity surcharge of 5.5% and the average effective trade tax of 12.35%. Deferred tax liabilities were not recognised for subsidiaries and associated companies as the company can control the timing of reversals and because it is therefore probable that the temporary difference will not reverse in the foreseeable future. No deferred tax liabilities were formed for temporary differences in an amount of €13.472 million (2014: €12.418 million) from subsidiaries and associated companies.

The table below shows the transition from the computed tax expenses in accordance with the corporate tax rate to the income tax expenses actually reported:

In € million	**2015**	2014
Consolidated result before income tax	**88.053**	**80.424**
Computational tax expenses based on a tax rate of 28.18%	24.813	22.663
Difference against foreign tax rates	1.250	– 0.352
Tax not relating to the period	– 4.152	0.556
Permanent difference changes	5.296	3.160
Tax effect due to non-tax deductible expenses	3.827	1.632
Trade tax deductions and additions	– 2.845	– 17.695
Final consolidation effect	1.115	– 0.622
Tax-exempt income	– 8.664	– 14.108
Changes in the value adjustment of deferred tax assets	8.379	3.479
Tax effect from equity results	0.963	0.234
Effect from expenses recognised directly in equity	– 0.529	0.029
Effects from changes in tax rates	– 2.928	0.286
Other tax effects	– 0.075	0.459
Income tax	**26.450**	**–0.279**

(D.9.) Profit share of minority interest

The share of consolidated net income of €13.399 million (2014: €19.276 million) due to other shareholders is mainly attributable to the minority shareholders of the Austrian subsidiaries as well as the minority shareholders of T&G Global Limited and their respective subsidiaries.

(D.10.) Earnings per share

Earnings per share are calculated by dividing the portion of profit of BayWa AG's shareholders by the average number of the shares issued in the financial year and dividend-bearing shares. There were no diluting effects.

		2015	2014
Income adjusted for minority interest	In € million	48.204	61.427
Average number of shares issued	Units	34,643,344	34,534,846
Basic earnings per share	€	1.39	1.78
Diluted earnings per share	€	1.39	1.78
Proposed dividend per share	€	0.85	0.80
Dividend per share paid out per financial year	€	0.80	0.75

(E.) OTHER INFORMATION

(E.1.) Explanations on the Cash Flow Statement of BayWa Group

The cash flow statement shows how the cash and cash equivalents of BayWa Group have changed due to cash inflows and outflows during the year under review. Cash and cash equivalents shown in the cash flow statement comprise all liquid funds disclosed in the balance sheet, i.e. cash in hand, cheques and deposits in banks. Owing to the fact that the Group conducts its business mainly in the euro zone, the impact of exchange-rate induced changes in cash and cash equivalents is of secondary importance and is therefore not disclosed separately. The funds are not subject to any restraints on disposal.

In accordance with the standards set out under IAS 7, the cash flow statement is divided up into cash flow from operating activities, investing activities and financing activities.

The cash flow from operating activities is calculated indirectly, based on consolidated net income for the year. This cash flow is ascertained by adjusting it for non-cash expenses (mainly depreciation and amortisation) and income. The cash flow from investing activities is calculated on a cash-effective basis and comprises cash-effective changes in consolidated non-current assets as well as incoming and outgoing payments from the acquisition of companies. Cash flow from financing activities is also ascertained on a cash-effective basis and comprises primarily cash-effective changes in borrowings and cash outflows from dividend distribution and the reduction of funds. Within the scope of the indirect calculation of these positions, changes from currency translation and from the group of consolidated companies were eliminated as they do not affect cash. For this reason, a comparison of these figures with the corresponding figures in the consolidated balance sheet is not possible. Further details on acquisitions and disposals can be found under Note B.1.

(E.2.) Explanations on the segment report

Dividing up of operations into segments

The segment report provides an overview of the important segments of BayWa Group. The breakdown of the segments accords with the provisions set out under IFRS 8. The segments are to be presented in the same form as is submitted to decision makers, namely the Board of Management of BayWa AG, in the respective reports made on a regular basis, and which therefore form the basis for strategic decisions. This results in greater uniformity of the internal and external reporting system. All consolidation measures are shown in a separate column of the segment report. Aside from the depreciation and amortisation included in this section, there are no other material non-cash items that must be reported separately in the segment report.

Segment reporting by business sector

Through its Agricultural Trade business sector, the Group serves the whole value chain covering the production of agricultural produce. This includes the delivery of agricultural operating resources such as fertilisers, crop protection, seed and feedstuff. The collection and selling of plant-based products are also activities allocated to the Agricultural Trade business unit. The Fruit business sector combines the activities of the Group in the business of fruit and vegetable cultivation and trading. Along with the sale of agricultural and municipal equipment, the Agricultural Equipment business sector also operates the workshops providing services. In the Digital Farming business sector, which was disclosed for the first time in the financial year 2015, the Group provides software solutions and integrated services for process-controlled operations management in agriculture.

The Energy business sector mainly covers trading in mineral oils, fuels and lubricants and the filling station business. The Renewable Energies business sector combines the activities of the Group in the field of renewable energies. Business is focused on project development as well as trading and offering services for the operation of photovoltaic, wind power and biogas facilities.

The Building Materials Segment sells building materials for construction and civil engineering. This segment also comprises the retail activities of Austrian Group companies.

Aside from peripheral activities, the Other Activities Segment mainly encompasses BayWa Group's real estate operations.

Apart from sales revenues generated through business with third parties that are disclosed in the business sectors, intra- and inter-segment sales are also reported. Revenues are not broken down by individual products and service at Group level due to the heterogeneity of the products sold in the Group. Both intra- and inter-segment sales are conducted at arm's length terms and conditions. Any interim profits arising in this context are eliminated in the consolidated financial statements. Moreover, write-downs and write-ups and the financial results per business sector are disclosed, along with earnings before interest, tax, depreciation and amortisation (EBITDA), earnings before interest and tax (EBIT) and earnings before tax (EBT). This is also applicable to the segmental assets, with separate disclosure of the inventories and segmental liabilities. Investments made (excluding financial assets) are also divided up among the business sectors. Such investments concern the addition of intangible assets and property, plant and equipment as well as additions from company acquisitions. Moreover, information in this segment report includes the annual average number of employees per business sector.

Segment information by operating segment

In € million 31/12/2015	Agricultural Trade	Fruit	Agricultural Equipment	Digital Farming	**Agriculture**
Revenues through third-party business	8,321.436	567.353	1,260.711	5.182	10,154.682
Intra-segment revenues	894.380	0.037	18.453	0.846	913.716
Inter-segment revenues	1.747	–	0.897	–	2.644
Total revenues	**9,217.563**	**567.390**	**1,280.061**	**6.028**	**11,071.042**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**71.898**	**40.022**	**31.880**	**–2.222**	**141.578**
Depreciation and amortisation	–30.308	–13.005	–10.404	–0.655	–54.372
Earnings before interest and tax (EBIT)	**41.590**	**27.017**	**21.476**	**–2.877**	**87.206**
Financial result	–20.657	–1.008	–10.311	–0.104	–32.080
of which: net interest	–21.971	–5.741	–9.523	–0.006	–37.241
of which: equity result	–0.029	4.032	0.311	–	4.314
Earnings before tax (EBT)	**19.619**	**21.276**	**11.953**	**–2.883**	**49.965**
Income tax					
Net income					
Assets	2,821.566	412.505	549.733	7.218	3,791.022
of which: Participating interests recognised at equity	3.164	14.555	6.620	–	24.339
of which: non-current assets held for sale	–	–	–	–	–
Inventories	1,086.682	29.628	291.188	0.225	1,407.723
of which: non-current assets held for sale	–	–	–	–	–
Liabilities	1,935.987	284.131	434.614	5.083	2,659.815
of which: Liabilities from non-current assets held for sale	–	–	–	–	–
Investments in intangible assets, property, plant and equipment and investment property (incl. company acquisitions)	52.488	45.415	25.745	9.154	132.802
Employee annual average	4,147	2,361	3,489	97	10,094

	Energy	Renewable Energies	**Energy**	**Building Materials**	**Other Activities***	Transition/ Consolidation	**Group**
	2,246.419	1,017.762	3,264.181	1,496.434	12.832	–	14,928.129
	225.660	29.882	255.542	35.521	49.805	−1,254.584	–
	16.201	18.530	34.731	1.403	4.308	−43.086	–
	2,488.280	**1,066.174**	**3,554.454**	**1,533.358**	**66.945**	**−1,297.670**	**14,928.129**
	23.969	**90.814**	**114.783**	**42.202**	**141.514**	**−151.769**	**288.308**
	−8.579	−29.004	−37.583	−14.753	−16.560	−6.893	−130.161
	15.390	**61.810**	**77.200**	**27.449**	**124.954**	**−158.662**	**158.147**
	−0.109	−15.073	−15.182	−9.956	147.072	−152.373	−62.519
	−0.210	−11.200	−11.410	−9.984	−9.720	−1.739	−70.094
	–	−4.501	−4.501	–	3.471	–	3.284
	15.180	**50.610**	**65.790**	**17.465**	**115.234**	**−160.401**	**88.053**
							−26.450
							61.603
	224.639	2,084.607	2,309.246	562.733	3,597.880	−4,224.224	6,036.657
	–	10.964	10.964	0.051	168.522	–	203.876
	–	–	–	–	9.796	–	9.796
	36.302	474.748	511.050	138.722	0.833	83.213	2,141.541
	–	–	–	–	–	–	–
	305.921	1,619.700	1,925.621	556.719	2,412.878	−2,594.277	4,960.756
	–	–	–	–	–	–	–
	7.130	24.947	32.077	26.240	22.746	–	213.865
	985	840	1,825	4,093	597	–	16,609

*** before consolidation**

Segment information by operating segment

In € million 31/12/2014	Agricultural Trade	Fruit	Agricultural Equipment	Digital Farming	Agriculture
Revenues through third-party business	8,230.662	563.901	1,310.705	–	10,105.268
Intra-segment revenues	628.167	–	19.499	–	647.666
Inter-segment revenues	1.365	–	0.823	–	2.188
Total revenues	**8,860.194**	**563.901**	**1,331.027**	**–**	**10,755.122**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**96.402**	**34.088**	**33.305**	**–**	**163.795**
Depreciation and amortisation	–31.490	–13.495	–11.015	–	–56.000
Earnings before interest and tax (EBIT)	**64.912**	**20.593**	**22.290**	**–**	**107.795**
Financial result	–21.143	–1.828	–10.783	–	–33.754
of which: net interest	–23.494	–4.456	–11.299	–	–39.249
of which: equity result	0.633	2.589	0.369	–	3.591
Earnings before tax (EBT)	**41.418**	**16.137**	**10.991**	**–**	**68.546**
Income tax					
Net income					
Assets	2,409.325	378.765	602.042	–	3,390.132
of which: Participating interests recognised at equity	3.091	12.229	4.505	–	19.825
of which: non-current assets held for sale	13.963	0.531	–	–	14.494
Inventories	980.832	26.518	301.819	–	1,309.169
of which: non-current assets held for sale	5.411	–	–	–	5.411
Liabilities	1,529.986	206.246	526.406	–	2,262.638
of which: Liabilities from non-current assets held for sale	5.079	–	–	–	5.079
Investments in intangible assets, property, plant and equipment and investment property (incl. company acquisitions)	51.384	60.751	17.832	–	129.967
Employee annual average	4,158	1,910	3,421	–	9,489

Energy	Renewable Energies	**Energy**	**Building Materials**	**Other Activities***	Transition/ Consolidation	**Group**
2,702.841	786.173	3,489.014	1,524.766	82.740	–	15,201.788
214.905	15.278	230.183	31.350	48.320	–957.519	–
13.780	0.481	14.261	2.717	3.218	–22.384	–
2,931.526	**801.932**	**3,733.458**	**1,558.833**	**134.278**	**–979.903**	**15,201.788**
14.882	**59.168**	**74.050**	**42.883**	**103.398**	**–104.337**	**279.789**
–9.138	–22.640	–31.778	–14.912	–17.704	–7.317	–127.711
5.744	**36.528**	**42.272**	**27.971**	**85.694**	**–111.654**	**152.078**
1.182	–15.341	–14.159	–10.890	134.001	–112.027	–36.829
1.133	–12.839	–11.706	–10.886	–9.428	–0.385	–71.654
–	–2.492	–2.492	–	2.295	–	3.394
6.877	**23.689**	**30.566**	**17.085**	**76.266**	**–112.039**	**80.424**
						0.279
						80.703
272.451	1,943.979	2,216.430	574.713	2,701.524	–3,230.800	5,651.999
–	6.016	6.016	0.051	170.552	–	196.444
–	–	–	–	4.006	–	18.500
39.776	461.606	501.382	135.579	1.442	38.747	1,986.319
–	–	–	–	–	–	5.411
347.471	1,525.348	1,872.819	562.504	2,009.153	–2,105.491	4,601.623
–	–	–	–	–	–	5.079
23.487	30.686	54.173	14.809	47.251	–	246.200
1,026	804	1,830	4,178	575	–	16,072

* before consolidation

Segment reporting by region

Beyond reporting under IFRS 8, which does not require secondary segmental information, information on segment reporting by region is also disclosed. Consequently, external sales are allocated according to where the customer is domiciled; the Group's core markets are in Germ any, Austria and the Netherlands. Accordingly, the external sales for these countries are shown separately. External sales attributable to New Zealand have not been included here due to the secondary importance of said external sales. The non-current assets attributable to the Netherlands have not been included for the same reason.

Segment information by region

	External sales		Non-current assets	
In € million	**2015**	2014	**2015**	2014
Germany	6,414.126	7,052.212	1,489.772	1,507.756
Austria	2,193.732	2,428.720	371.165	376.118
Netherlands	–	1,915.555	–	–
New Zealand	–	–	258.747	234.065
Other international operations	6,320.271	3,805.301	167.493	143.754
Group	**14,928.129**	**15,201.788**	**2,287.177**	**2,261.693**

As revenues in the Netherlands will no longer exceed the materiality threshold of at least 10% of the Group's total revenues in the current financial year, the revenues generated in the Netherlands will not be reported separately in the reporting year.

(E.3.) Significant events after the reporting date

On 26 January 2016, the Bundeskartellamt (German federal antitrust authority) conducted a search in a number of offices at BayWa AG headquarters in Munich, Germany, on the basis of a warrant. The investigation is based on the suspicion that employees of the company were allegedly involved in agreements aimed at restricting competition in the sale of agricultural equipment. According to the court order authorising the search, several companies from the industry are being investigated. No further details on the accusations were available to the company at the time of the conclusion of the consolidated financial statements. BayWa AG will offer its full cooperation with the Bundeskartellamt to clarify the circumstances.

BayWa AG will take over the majority of the Dutch supplier of exotic fruits and vegetables, TFC Holland B.V. (TFC) based in De Lier, the Netherlands, subject to approval by the antitrust authorities. The Munich-based trading and services group will receive 68.4% of the shares for a purchase price of €28.705 million. The takeover is an important step for BayWa in its international growth strategy in the Agricultural Segment. TFC has long-standing international trade relations in all procurement markets for exotic fruits - mainly for avocado, mango, ginger and citrus fruits, as well as with the European food retail industry. By expanding its portfolio in the growth market for exotic speciality fruits, in particular in the "ready-to-eat" sector, BayWa AG is strengthening its position as a leading international supplier of exotic and pome fruit.

BayWa AG, Munich, Germany, acquired 100% of the shares in Evergrain Germany GmbH & Co. KG (Evergrain), Hamburg, Germany, through Group company BayWa Agrar Beteiligung Nr. 2 GmbH, Munich, Germany, on 29 January 2016 for a purchase price of €4.992 million. The purchase agreement also includes purchase price components which, depending on key data determined for the financial year 2016 through 2019, amount to a maximum of €1.600 million. Evergrain is specialised in international trading with malting barley. With the take-over, BayWa is expanding its national and international specialities business and will take a leading role in the malting barley trade. The biggest market potential for malting barley lies in the European Union and increasingly in the growth of South American and Asian markets. Additional disclosures with regard to the company acquisition required pursuant to IFRS 3.B64 cannot be provided in these consolidated financial statements as the required information was not yet available at the time the consolidated financial statements were approved for publication.

BayWa AG, Munich, Germany, acquired the project rights for a total of 31 wind power projects from juwi, a project developer based in Wörrstadt, Germany, through Group company BayWa r.e. Wind GmbH, Munich, Germany. The portfolio comprises an output of around 375 megawatts (MW) at different locations in Germany, for the most part in North Rhine-Westphalia and Rhineland-Palatinate. BayWa r.e. renewable energy GmbH will implement the projects and complete them in line with our business model. The projects are at different stages of development. BayWa r.e. is anticipating approval for nearly one third of these projects in 2016. Following this, the aim is to immediately commence construction. BayWa r.e expects the first wind farms from the new portfolio to be commissioned as early as 2017.

(E.4.) Litigation

The companies of the Group are exposed to a number of risks in connection with litigation in which they are currently involved or may be involved in the future. Such litigation comes about in the course of normal business activities, in particular in relation to the assertion of claims from services and deliveries that are not up to standard or from payment disputes. Legal risks can also rise from breaches of compliance regulations by individual employees. Antitrust investigations were conducted at various agricultural companies in Germany in 2015, including BayWa, with regard to crop protection wholesale operations. BayWa currently possesses no further information about the outcome of this investigation. As a result, no financial provisions were made in the form of provisions, nor were contingent liabilities recognised.

Neither BayWa AG nor any of its Group companies are involved in a court case or arbitration proceedings which could have a major impact on the economic situation of the Group, either now or in the past two years. Such court cases are also not foreseeable. Provisions have been made in an appropriate amount at the respective Group companies for any financial burdens arising from a court case or arbitration proceedings and/or there is an appropriate insurance cover.

(E.5.) Information pursuant to Section 160 para. 1 item 8 of the German Stock Corporation Act (AktG)

Pursuant to the German Securities Trading Act (WpHG), any shareholder who reaches, exceeds or falls below the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of the voting rights of a listed company is required to inform the company and the German Financial Supervisory Authority (BaFin) without delay. BayWa AG was informed of the following holdings (the proportion of voting rights relates to the time when notification was made and may therefore now be outdated):

Pursuant to Section 41 para. 2 in conjunction with Section 21 para. 1 of the German Securities Trading Act (AktG), Bayerische Raiffeisen-Beteiligungs-AG, Beilngries, Germany, informed us on 4 April 2002 that the proportion of its voting rights in our company came to 37.51% on 1 April 2002.

Raiffeisen Agrar Invest GmbH, Vienna, Austria, informed us on 16 July 2009 that, pursuant to Section 21 para. 1 of the German Securities Trading Act (AktG), the share apportioned to it of the voting rights in BayWa AG, Arabellastrasse 4, 81925 Munich, Germany, exceeded the thresholds of 15%, 20% and 25% on 15 July 2009 and that the whole share in the voting rights came to 25.12% (8,533,673 voting rights, of which 8,389,785 voting rights from registered shares with restricted transferability and 143,888 voting rights from registered shares) on 15 July 2009.

Raiffeisen Agrar Invest GmbH, Vienna, Austria, informed us on 16 July 2009 that, pursuant to Sections 21 para. 1, 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (AktG), the share apportioned to it of the voting rights in BayWa AG, Arabellastrasse 4, 81925 Munich, Germany, exceeded the thresholds of 15%, 20% and 25% on 15 July 2009 and that the whole share in the voting rights came to 25.12% (8,533,673 voting rights, of which 8,389,785 voting rights from registered shares with restricted transferability and 143,888 voting rights from registered shares) on 15 July 2009. Of these voting rights, 25.12% (8,533,673 voting rights, of which 8,389,785 voting rights from registered shares with restricted transferability and 143,888 voting rights from registered shares) were apportionable to Raiffeisen Agrar Holding GmbH pursuant to Section 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (AktG). These voting rights were apportionable to Raiffeisen Agrar Holding GmbH via Raiffeisen Agrar Invest GmbH (direct holder of the voting rights) pursuant to Section 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (AktG).

LEIPNIK-LUNDENBURGER INVEST Beteiligungs AG, Vienna, Austria, informed us on 16 July 2009 that, pursuant to Sections 21 para. 1, 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (AktG), the share apportioned to it of the voting rights in BayWa AG, Arabellastrasse 4, 81925 Munich, Germany, exceeded the thresholds of 15%, 20% and 25% on 15 July 2009 and that the whole share in the voting rights came to 25.12% (8,533,673 voting rights, of which 8,389,785 voting rights from registered shares with restricted transferability and 143,888 voting rights from registered shares) on 15 July 2009. Of these voting rights, 25.12% (8,533,673 voting rights, of which 8,389,785 voting rights from shares with restricted transferability and 143,888 voting rights from registered shares) were apportionable to LEIPNIK-LUNDENBURGER INVEST Beteiligungs AG pursuant to Section 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (AktG). These voting rights were apportionable to LEIPNIK-LUNDENBURGER INVEST Beteiligungs AG via Raiffeisen Agrar Holding GmbH pursuant to Section 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (AktG).

On 8 September 2009, we received the following notification from 'KORMUS' Holding GmbH, Friedrich-Wilhelm-Raiffeisen-Platz 1, in 1020 Vienna, Austria, Company Register no. FN 241822X:

"We herewith inform you that, pursuant to Sections 21 para. 1 and 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (AktG), the share of the voting rights in BayWa Aktiengesellschaft, Arabellastrasse 4, 81925 Munich, Germany, apportioned to us had fallen below the thresholds of 25%, 20%, 15%, 10%, 5% and 3% on 8 September 2009 and that the whole share in the voting rights now amounts to 0% (the equivalent of 0 voting rights).

To date a share in the voting rights of 25.12% (the equivalent of 8,533,673 voting rights) was apportionable to us pursuant to Section 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (AktG) via LEIPNIK-LUNDENBURGER INVEST Beteiligungs AG. As a result of a demerger, 16,329,226 of the shares formerly held by us in LEIPNIK-LUNDENBURGER INVEST Beteiligungs AG (the equivalent of 50.05% of the shares and the voting rights) were directly transferred to 'LAREDO' Beteiligungs GmbH, our direct parent company, with effect from 8 September 2009."

'LAREDO' Beteiligungs GmbH, Vienna, Austria, informed us on 16 July 2009 that, pursuant to Sections 21 para. 1 and 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (AktG), the share of voting rights apportioned to it in BayWa Aktiengesellschaft, Arabellastrasse 4, 81925 Munich, Germany, had exceeded the thresholds of 15%, 20% and 25% on 15 July 2009 and that the whole share in the voting rights came to 25.12% (8,533,673 voting rights, of which 8,389,785 voting rights from registered shares with restricted transferability and 143,888 voting rights from registered shares) on 15 July 2009. Of these voting rights, 25.12% (8,533,673 voting rights, of which 8,389,785 voting rights from shares with restricted transferability and 143,888 voting rights from registered shares) were apportioned to 'LAREDO' Beteiligungs GmbH pursuant to Section 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (AktG). These voting rights were apportionable to 'LAREDO' Beteiligungs GmbH via 'KORMUS' Holding GmbH pursuant to Section 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (AktG).

Raiffeisen-Holding Niederösterreich-Wien reg.Gen.m.b.H., Vienna, Austria, informed us on 16 July 2009 that, pursuant to Sections 21 para. 1, 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (AktG), the share apportioned to it of the voting rights in BayWa AG, Arabellastrasse 4, 81925 Munich, Germany, exceeded the thresholds of 15%, 20% and 25% on 15 July 2009 and that the whole share in the voting rights came to 25.12% (8,533,673 voting rights, of which 8,389,785 voting rights from registered shares with restricted transferability and 143,888 voting rights from registered shares) on 15 July 2009. Of these voting rights, 25.12% (8,533,673 voting rights, of which 8,389,785 voting rights from registered shares with restricted transferability and 143,888 voting rights from registered shares) were apportionable to Raiffeisen-Holding GmbH, Niederösterreich-Wien reg.Gen.m.b.H. pursuant to Section 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (AktG). These voting rights were apportionable Raiffeisen-Holding GmbH, Niederösterreich-Wien reg.Gen.m.b.H. via 'LAREDO' Beteiligungs GmbH pursuant to Section 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (AktG).

RWA Management, Service und Beteiligungen GmbH, Vienna, Austria, informed us on 10 May 2012 that, pursuant to Section 21 para. 1 of the German Securities Trading Act (AktG), its share in the voting rights of BayWa AG, Munich, Germany, came to 25.12% (8,533,673 voting rights) on 15 July 2009 and that these voting rights are apportionable to it via Raiffeisen Agrar Invest GmbH (direct holder of the voting rights) pursuant to Section 22 para. 2 of the German Securities Trading Act (AktG).
We received the following additional information regarding these developments pursuant to Section 27a para. 1 of the German Securities Trading Act (AktG):

1) Objectives of the acquisition:
   a) The acquisition of BayWa Aktiengesellschaft voting rights serves to implement strategic goals;
   b) RWA Management, Service und Beteiligungen GmbH plans to obtain additional voting rights by means of acquisition or otherwise within the next twelve months, but not to a significant extent, and mainly to prevent dilution of its existing voting rights;
   c) RWA Management, Service und Beteiligungen GmbH currently does not intend to exercise any further-reaching influence on the appointment of members of the issuer's administration, management and supervisory bodies;
   d) RWA Management, Service und Beteiligungen GmbH currently does not plan to implement any material changes to the company's capital structure, particularly in view of the ratio between equity and debt capital as well as dividend policies.
2) Origin of funds used for the acquisition:
   Insofar as the acquisition of the voting rights occurred within the scope of the merger of RWA Verbundservice GmbH, the former wholly-owned subsidiary of the reporting entity, with Raiffeisen Agrar Invest GmbH, neither debt nor equity capital was used for the acquisition of BayWa Aktiengesellschaft voting rights. Any further small acquisitions concluded since the merger were paid with company funds.

RWA Raiffeisen Ware Austria Handel und Vermögensverwaltung eGen, Vienna, Austria, informed us on 10 May 2012 that, pursuant to Section 21 para. 1 of the German Securities Trading Act (AktG), its share in the voting rights of BayWa AG, Munich, Germany, came to 25.12% (8,533,673 voting rights) on 15 July 2009 and that these voting rights are apportionable to it via Raiffeisen Agrar Invest GmbH (direct holder of the voting rights) pursuant to Section 22 para. 2 of the German Securities Trading Act (AktG).

We received the following additional information regarding these developments pursuant to Section 27a para. 1 of the German Securities Trading Act (AktG):

3) Objectives of the acquisition:
   a) The acquisition of BayWa Aktiengesellschaft voting rights serves to implement strategic goals;
   b) RWA Raiffeisen Ware Austria Handel und Vermögensverwaltung eGen plans to obtain additional voting rights by means of acquisition or otherwise within the next twelve months, but not to a significant extent and mainly to prevent dilution of its existing voting rights;
   c) RWA Raiffeisen Ware Austria Handel und Vermögensverwaltung eGen currently does not intend to exercise any further-reaching influence on the appointment of members of the issuer's administration, management and supervisory bodies;
   d) RWA Raiffeisen Ware Austria Handel und Vermögensverwaltung eGen currently does not plan to implement any material changes to the company's capital structure, particularly in view of the ratio between equity and debt capital as well as dividend policies.
4) Origin of funds used for the acquisition:
   Insofar as the acquisition of the voting rights occurred within the scope of the merger of RWA Verbundservice GmbH, the former wholly owned subsidiary of the reporting entity, with Raiffeisen Agrar Invest GmbH, neither debt nor equity capital was used for the acquisition of BayWa AG voting rights. Any further small acquisitions concluded since the merger were paid with company funds.

Correction of a voting rights notification from 16 July 2009:
RWA Management, Service und Beteiligungen GmbH, Vienna, Austria, informed us on 10 May 2012 that, pursuant to Section 21 para. 1 of the German Securities Trading Act (AktG), the share of voting rights apportioned to it in BayWa AG, Munich, Germany, had exceeded the thresholds of 15%, 20% and 25% on 15 July 2009 and that the whole share in the voting rights came to 25.12% (8,533,673 voting rights) on 15 July 2009.
The share of voting rights of 25.12% (8,533,673 voting rights) is apportionable to it via Raiffeisen Agrar Invest GmbH pursuant to Section 22 para. 2 of the German Securities Trading Act (AktG).

Correction of a voting rights notification from 16 July 2009:
RWA Raiffeisen Ware Austria Handel und Vermögensverwaltung eGen, Vienna, Austria, informed us on 10 May 2012 that, pursuant to Section 21 para. 1 of the German Securities Trading Act (AktG), the share of voting rights apportioned to it in BayWa AG, Munich, Germany, had exceeded the thresholds of 15%, 20% and 25% on 15 July 2009 and that the whole share in the voting rights came to 25.12% (8,533,673 voting rights) on 15 July 2009.
The share of voting rights of 25.12% (8,533,673 voting rights) is apportionable to it via Raiffeisen Agrar Invest GmbH pursuant to Section 22 para. 2 of the German Securities Trading Act (AktG).

Correction of a voting rights notification from 16 July 2009:
Raiffeisen-Holding Niederösterreich-Wien registrierte Genossenschaft mit beschränkter Haftung, Vienna, Austria, informed us on 10 May 2012 that, pursuant to Section 21 para. 1 of the German Securities Trading Act (AktG), the share of voting rights apportioned to it in BayWa AG, Munich, Germany, had exceeded the thresholds of 15%, 20% and 25% on 15 July 2009 and that the whole share in the voting rights came to 25.12% (8,533,673 voting rights) on 15 July 2009.
This share in voting rights of 25.12% (8,533,673 voting rights) is apportionable to it via the chain 'LAREDO' Beteiligungs GmbH, LEIPNIK-LUNDENBURGER INVEST Beteiligungs Aktiengesellschaft, Raiffeisen Agrar Holding GmbH, Raiffeisen Agrar Invest GmbH, the direct holder of BayWa AG voting rights pursuant to Section 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (AktG).

Correction of a voting rights notification from 16 July 2009:
'LAREDO' Beteiligungs GmbH, Vienna, Austria, informed us on 10 May 2012 that, pursuant to Section 21 para. 1 of the German Securities Trading Act (AktG), the share of voting rights apportioned to it in BayWa AG, Munich, Germany, had exceeded the thresholds of 15%, 20% and 25% on 15 July 2009 and that the whole share in the voting rights came to 25.12% (8,533,673 voting rights) on 15 July 2009.
This share in voting rights of 25.12% (8,533,673 voting rights) is apportionable to it via the chain LEIPNIK-LUNDENBURGER INVEST Beteiligungs Aktiengesellschaft, Raiffeisen Agrar Holding GmbH, Raiffeisen Agrar Invest GmbH, the direct holder of BayWa AG voting rights pursuant to Section 22 para. 1 sentence 1 item 1 of the German Securities Trading Act (AktG).

Correction of a voting rights notification from 16 July 2009:
LEIPNIK-LUNDENBURGER INVEST Beteiligungs Aktiengesellschaft, Vienna, Austria, informed us on 10 May 2012 that, pursuant to Section 21 para. 1 of the German Securities Trading Act (AktG), the share of voting rights apportioned to it in BayWa AG, Munich, Germany, had exceeded the thresholds of 15%, 20% and 25% on 15 July 2009 and that the whole share in the voting rights came to 25.12% (8,533,673 voting rights) on 15 July 2009.
This share in voting rights of 25.12% (8,533,673 voting rights) is apportionable to it via the chain Raiffeisen Agrar Holding GmbH, Raiffeisen Agrar Invest GmbH (the latter being the direct holder of BayWa AG voting rights) pursuant to Section 22 para. 1 sentence 1 item 1 and Section 22 para. 2 of the German Securities Trading Act (AktG).

Correction of a voting rights notification from 16 July 2009:

Raiffeisen Agrar Holding GmbH, Vienna, Austria, informed us on 10 May 2012 that, pursuant to Section 21 para. 1 of the German Securities Trading Act (AktG), the share of voting rights apportioned to it in BayWa AG, Munich, Germany, had exceeded the thresholds of 15%, 20% and 25% on 15 July 2009 and that the whole share in the voting rights came to 25.12% (8,533,673 voting rights) on 15 July 2009.
This share in voting rights of 25.12% (8,533,673 voting rights) is apportionable to it via Raiffeisen Agrar Invest GmbH pursuant to Section 22 para. 1 sentence 1 item 1 and Section 22 para. 2 of the German Securities Trading Act (AktG).

Correction of a voting rights notification from 16 July 2009:
Raiffeisen Agrar Invest GmbH, Vienna, Austria, informed us on 10 May 2012 that, pursuant to Section 21 para. 1 of the German Securities Trading Act (AktG), the share of voting rights apportioned to it in BayWa AG, Munich, Germany, had exceeded the thresholds of 15%, 20% and 25% on 15 July 2009 and that the whole share in the voting rights came to 25.12% (8,533,673 voting rights) on 15 July 2009.

(E.6.) Related party disclosures

Under IAS 24, related parties are defined as companies and individuals where one of the parties has the possibility of controlling the other or of exerting a significant influence on the financial and business policies of the other.

A significant influence within the meaning of IAS 24 is constituted by participation in the financial and operating policies of the company, but not the control of these policies. Significant influence may be exercised in several ways usually by representation on the management board or on the management and/or supervisory bodies, but also by participation, for instance, in the policy-making process through material intra-Group transactions, by interchange of managerial personnel or by dependence on technical information. Significant influence may be gained by share ownership, statute or contractual agreement. With share ownership, significant influence is presumed in accordance with the definition under IAS 28 (Investments in Associates and Joint Ventures [2011]) if a shareholder owns 20% or more of the voting rights, either directly or indirectly, unless this supposition can be clearly refuted. Significant influence can be deemed irrefutable if the policy of the company can be influenced, for instance, by the corresponding appointment of the members to the supervisory bodies.

In relation to the shareholder group of BayWa AG, the holdings of Bayerische Raiffeisen-Beteiligungs-AG, Beilngries, Germany, as well as Raiffeisen Agrar Invest GmbH, Vienna, Austria, mean that they can exert significant influence on BayWa AG. These companies are, therefore, to be classified as related parties. In addition to dividend payments of BayWa AG to Bayerische Raiffeisen-Beteiligungs-AG of €9.768 million (2014: €9.022 million) and to Raiffeisen Agrar Invest GmbH of €6.965 million (2014: €6.510 million), no business transactions were carried out in the financial year 2015 within the meaning of IAS 24 which need to be reported here.

Transactions with related parties are shown in the table below:

In € million 2015	The Supervisory Board	The Board of Management	Bayerische Raiffeisen-Beteiligungs-AG and Raiffeisen Agrar Invest	Non-consolidated companies > 50%	Non-consolidated companies > 20% ≤ 50%
Receivables	0	0	0	10	14
Liabilities	0	0	0	4	5
Interest income	0	0	0	0	0
Interest expenses	0	0	0	0	0
Revenues	0	0	0	10	51

In € million 2014	The Supervisory Board	The Board of Management	Bayerische Raiffeisen-Beteiligungs-AG and Raiffeisen Agrar Invest	Non-consolidated companies > 50%	Non-consolidated companies > 20% ≤ 50%
Receivables	0	0	0	8	31
Liabilities	0	0	0	3	25
Interest income	0	0	0	0	0
Interest expenses	0	0	0	0	0
Revenues	0	0	0	8	83

The transactions conducted with related parties predominantly pertain to the sale of goods.

Members of the Board of Management or of the Supervisory Board of BayWa AG are members in supervisory boards or board members of other companies with which BayWa AG maintains business relations in the course of normal business.

(E.7.) Fees of the Group auditor

The following fees paid to the Group auditor Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft were recognised as expenses at BayWa AG and its subsidiaries:

In € million	2015	2014
For audits performed	0.854	0.794
For other consultancy services	0.044	0.017
For tax consultancy services	–	0.045
For other services	0.054	0.006
	0.952	**0.862**

(E.8.) Executive and supervisory bodies of BayWa AG

THE SUPERVISORY BOARD

Manfred Nüssel
MSc Agriculture (University of Applied Sciences), Chairman,
President of Deutscher Raiffeisenverband e. V.

Other mandates
- AGCO GmbH, Marktoberdorf, Germany
- Bayerische Raiffeisen-Beteiligungs-AG, Beilngries, Germany (Chairman)
- Deutscher Genossenschafts-Verlag eG, Wiesbaden, Germany
- KRAVAG-SACH Versicherung des Deutschen Kraftverkehrs VaG, Hamburg, Germany
- Landwirtschaftliche Rentenbank, Frankfurt am Main, Germany (Board of Administration)
- Raiffeisendruckerei GmbH, Neuwied, Germany (Chairman)
- R+V Vereinigte Tierversicherung Gesellschaft a.G., Wiesbaden, Germany (Vice Chairman)
- RWA Raiffeisen Ware Austria AG, Vienna, Austria

Klaus Buchleitner
Vice Chairman
Managing Director of Raiffeisen-Holding Niederösterreich-Wien reg.Gen.m.b.H and Raiffeisenlandesbank Niederösterreich-Wien AG

Other mandates
- AGRANA Beteiligungs-Aktiengesellschaft, Vienna, Austria (Second Vice Chairman)
- LEIPNIK-LUNDENBURGER INVEST Beteiligungs Aktiengesellschaft, Vienna, Austria
- Niederösterreichische Versicherung AG, St. Pölten, Austria
- NÖ Kulturwirtschaft GesmbH., St. Pölten, Austria (until 9 March 2015)
- NÖM AG, Baden, Austria (Chairman)
- Raiffeisen Bank International AG, Vienna, Austria
- Raiffeisen Software GmbH, Vienna, Austria (Chairman since 10 December 2015, member since 20 November 2015)
- Raiffeisen Zentralbank Österreich AG, Vienna, Austria
- Saint Louis Sucre S.A., Paris, France (since 31 January 2015)
- Süddeutsche Zuckerrübenverwertungs-Genossenschaft e.G., Ochsenfurt, Germany

Gunnar Metz
Vice Chairman
Chairman of the Main Works Council of BayWa AG

Wolfgang Altmüller
MBA, Chairman of the Board of Directors of VR meine Raiffeisenbank eG

Other mandates
- AERTICKET AG, Berlin, Germany (Chairman)
- Bausparkasse Schwäbisch Hall AG, Schwäbisch Hall, Germany (until 7 May 2015)
- Bayerische Raiffeisen-Beteiligungs-AG, Beilngries, Germany
- D-RT Groep B.V., Hoofddorp, The Netherlands (until 30 October 2015)
- Fiducia & GAD IT AG, Karlsruhe, Germany
- RTK International S.A., Bertrange, Luxembourg (Board of Administration until 31 December 2015)

Theo Bergmann
Vice Chairman of the Main Works Council of BayWa AG

Renate Glashauser
Chairwoman of the Works Council, Agricultural Equipment Eastern Bavaria/Lower Bavaria region

Prof. Dr. h. c. Stephan Götzl (until 22 June 2015)
Association President and Chairman of the Board of Directors of Genossenschaftverband Bayern e. V.

Other mandates
- Bayerische Raiffeisen-Beteiligungs-AG, Beilngries, Germany
- Bayern-Versicherung Lebensversicherung AG, Munich, Germany
- DVB Bank SE, Frankfurt am Main, Germany

Monika Hohlmeier
Member of the European Parliament

Peter König
Secretary of the Union, ver.di, Bavaria

Other mandate
- ADLER Modemärkte AG, Haibach, Germany

Stefan Kraft M. A.
National Secretary of the Union, ver.di-Bundesverwaltung

Michael Kuffner
Head of Occupational Safety (EH & S)

Dr. Johann Lang
MSc Engineering, farmer

Other mandates
- Niederösterreichische Versicherung AG, St. Pölten, Austria
- RWA Raiffeisen Ware Austria AG, Wien, Austria (Chairman)
- RWA Raiffeisen Ware Austria Handel und Vermögensverwaltung eGen, Vienna, Austria (Chairman)

Albrecht Merz (until 19 May 2015)
Retired bank director

Other mandate
- Volksbank Stuttgart eG (Vice Chairman)

Wilhelm Oberhofer (since 6 August 2015 court appointed)
Member of the Board of Management of Raiffeisen Kempten-Oberallgäu eG

Other mandates
- Bayerische Raiffeisen-Beteiligungs-AG, Beilngries, Germany (Member of the Board of Management)
- B L E, Bau- und Land-Entwicklungsgesellschaft Bayern GmbH, Munich, Germany (Chairman of the Supervisory Board)
- Bayerische Beteiligungsgesellschaft an der FIDUCIA GmbH & Co. KG, Beilngries, Germany (Vice Chairman of the Shareholders' Committee)
- Bausparkasse Schwäbisch Hall AG, Schwäbisch Hall, Germany (Member of the Supervisory Board since 7 May 2015)

Joachim Rukwied
MSc Agriculture (University of Applied Sciences), farmer and vintner, President of Deutscher Bauernverband e. V. and Landesbauernverband in Baden-Wurttemberg e. V.

Other mandates
- Buchstelle LBV GmbH, Stuttgart, Germany (Chairman)
- KfW Bankengruppe, Frankfurt am Main, Germany (Board of Administration)
- Landwirtschaftliche Rentenbank, Frankfurt am Main, Germany (Chairman of the Board of Administration)
- Land-DATA GmbH, Visselhövede, Germany (Chairman)
- LBV-Unternehmensberatungsdienste GmbH, Stuttgart, Germany (Chairman of the Board of Administration)
- Messe Berlin GmbH, Berlin, Germany
- R+V Allgemeine Versicherung AG, Wiesbaden, Germany
- Südzucker AG, Mannheim/Ochsenfurt, Germany

Josef Schraut
Head of Lubricant Sales, Vice Head of the Lubricant unit

Monique Surges (since 19 May 2015)
Chief Executive Officer New Zealand German Business Association Inc. (NZGBA), AHK New Zealand,
Treasurer New Zealand Europe Business Council (NZEBC), Auckland, New Zealand

Werner Waschbichler
Chairman of the Works Council of BayWa Headquarters

THE COOPERATIVE COUNCIL

Manfred Geyer
Chairman
Chairman of the Board of Directors of RaiffeisenVolksbank eG Gewerbebank

Members pursuant to Article 28 para. 5 of the Articles of Association

Manfred Nüssel
MSc Agriculture (University of Applied Sciences), Vice Chairman, President of Deutscher Raiffeisenverband e. V.

Dr. Johann Lang
MSc Engineering, farmer

Other members

Michael Bockelmann
German public auditor, tax consultant, business graduate, Association President and Chairman of Genossenschaftsverband e. V.

Franz Breiteneicher
Managing Director of Raiffeisen-Waren GmbH Erdinger Land

Dr. Alexander Büchel
Member of the Board of Directors of Genossenschaftsverband Bayern e.V.

Rudolf Büttner (until 30 April 2015)
Managing Director of Raiffeisen-Waren GmbH Weißenburg-Gunzenhausen

Albert Deß
Member of the European Parliament

Martin Empl
MSc Agriculture, farmer

Dr. Roman Glaser
Chairman of the Board of Directors of Baden-Württembergischer Genossenschaftsverband e. V.

Marcus Grauer (since 5 August 2015)
Managing Director of Raiffeisen-Waren GmbH Iller-Roth-Günz

Wolfgang Grübler
Chairman of the Board of Directors of Agrarunternehmen "Lommatzscher Pflege" e.G.

Walter Heidl
President of Bayerischer Bauernverband

Franz-Xaver Hilmer
Managing Director of Raiffeisenbank Straubing eG

Ludwig Hubauer
Farmer

Konrad Irtel
Spokesman of the Board of Directors of Volksbank Raiffeisenbank Rosenheim-Chiemsee eG (until 31 December 2015)

Karlheinz Kipke
Chairman of the Board of Directors of VR-Bank Coburg eG

Martin Körner
MSc Engineering (University of Applied Sciences), farmer, fruit farmer

Alfred Kraus
Managing Director of Raiffeisen-Handels-GmbH Rottal

Johann Kreitmeier
Chairman of Landeskuratorium für pflanzliche Erzeugung in Bayern e. V.

Franz Kustner
President of the Bayerischer Bauernverband, Upper Palatinate district association

Wilhelm Oberhofer (until 6 August 2015)
Member of the Board of Directors of Bayerische Raiffeisen-Beteiligungs-AG and Member of the Board of Directors of Raiffeisenbank Kempten-Oberallgäu eG

Alois Pabst (until 31 December 2015)
Economic advisor, farmer

Franz Reisecker
Ök.-Rat Engineering, President of Landwirtschaftskammer Oberosterreich, Farmer

Claudius Seidl
Chairman of the Board of Directors of VR-Bank Rottal-Inn eG

Gerd Sonnleitner
Farmer, former President of the European farmers' association COPA, the Deutscher Bauernverband and the Bayerischer Bauernverband

Angelika Schorer (since 5 August 2015)
Member of the State Assembly, Chairwoman of the Committee on Food, Agriculture and Forestry in the State Assembly of Bavaria (committee for agriculture)

Dr. Hermann Starnecker
Spokesman of the Board of Directors of VR Bank Kaufbeuren-Ostallgau eG

Wolfgang Vogel
President of Sachsischer Landesbauernverband e.V.

Rainer Wiederer
Spokesman of the Board of Directors of Volksbank Raiffeisenbank Würzburg eG

Thomas Wirth
Spokesman of the Board of Directors of Raiffeisenbank im Stiftland eG

Maximilian Zepf
MBA, Member of the Board of Directors of Raiffeisenbank Schwandorf-Nittenau eG

THE BOARD OF MANAGEMENT

Prof. Klaus Josef Lutz

(Chief Executive Officer)
Internationalisation/Risk Management, BayWa Agri Supply & Trade (BAST), Fruit, PR/Corporate Communications, Corporate Business Development (Group strategy), Group Audit, Board of Management Secretariat/Corporate Governance, Corporate HR (Personnel), Corporate Marketing, Corporate Compliance, EPAD Economics and Public Affairs Department, BayWa Foundation, Chairman of executive and supervisory committees of the international agriculture and fruit holdings

External mandates
- Giesecke & Devrient GmbH, Munich, Germany (Chairman of the Supervisory Board and the Advisory Board since 22 September 2015)
- Euro Pool System International B.V., Rijswijk, The Netherlands (Member of the Supervisory Board)

Group mandates
- RWA Raiffeisen Ware Austria AG, Vienna, Austria (First Vice Chairman of the Supervisory Board)
- T&G Global Limited (formerly: Turners & Growers Limited), Auckland, New Zealand (Chairman of the Board of Directors)
- "UNSER LAGERHAUS" WARENHANDELSGESELLSCHAFT m.b.H., Klagenfurt, Austria (Chairman of the Supervisory Board)

Andreas Helber

Finance, Corporate Finance (M & A), Building Materials Segment, Corporate Credit Management, Corporate Real Estate Management (CREM), Corporate Controlling, Information Systems (RI-Solution), Law, Business Services, Investor Relations, IT Coordination Center (ICC), Corporate Insurance, CFO Projects, CFO Agriculture, Member of the executive and supervisory committees of the international agriculture and fruit holdings

External mandate
- R+V Pensionsversicherung a.G., Wiesbaden, Germany (Member of the Supervisory Board)
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Group mandates
- BayWa r.e. USA LLC, Wilmington (Delaware), USA (Member of the Board of Directors until 7 October 2015)
- RWA Raiffeisen Ware Austria AG, Vienna, Austria (Third Vice Chairman of the Supervisory Board)
- T&G Global Limited (formerly: Turners & Growers Limited), Auckland, New Zealand (Member of the Board of Directors)
- "UNSER LAGERHAUS" WARENHANDELSGESELLSCHAFT m.b.H., Klagenfurt, Austria (Member of the Supervisory Board)

Dr. Josef Krapf (until 31 March 2015)

Executive and supervisory committees of the international agriculture holdings, Agricultural Trade

External mandate
- Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG, Ochsenfurt, Germany (Member of the Supervisory Board)

Group mandate
- RWA Raiffeisen Ware Austria AG, Vienna, Austria (Member of the Supervisory Board)

Roland Schuler

(since 1 April 2015)
BayWa Agri Services (Agricultural Equipment, Smart Farming/Internationalisation Agri Services, BayWa Agrar Vertrieb), Chairman of the executive and supervisory committees of the international agricultural services holdings (until 31 March 2015)
Energy, Agricultural Equipment, Renewable Energies business sector (BayWa r.e. renewable energy GmbH), Chairman of executive and supervisory committees of the international energy holdings

External mandate
- Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG, Ochsenfurt, Germany (Member of the Supervisory Board)

Group mandates
- BayWa r.e. USA LLC, Wilmington (Delaware), USA (Chairman of the Board of Directors until 1 July 2015)
- BayWa r.e. Wind, LLC, Wilmington (Delaware), USA (Member of the Board of Directors until 1 July 2015)
- RWA Raiffeisen Ware Austria AG, Vienna, Austria (Member of the Supervisory Board since 10 April 2015)

Matthias Taft (since 1 April 2015)

Energy, the renewable energies business (BayWa r.e. renewable energy GmbH), Corporate Logistics & Supply Chain, Chairman of executive and supervisory committees of the international energy holdings

Group mandates

- BayWa r.e. Asia Pacific Pte. Ltd., Singapore, Republic of Singapore (Chairman of the Board since 3 November 2015)
- BayWa r.e. USA LLC, Wilmington (Delaware), USA (Chairman of the Board since 1 July 2015)
- BayWa r.e. Wind LLC, Wilmington (Delaware), USA (Member of the Board of Directors)
- BayWa r.e. Solar Projects LLC, Wilmington (Delaware), USA (Member of the Board of Directors)
- BayWa r.e. Scandinavia AB (formerly: HS Kraft AB), Malmö, Sweden (Member of the Supervisory Board)
- BayWa r.e. Nordic AB (formerly: BayWa r.e. Scandinavia AB), Malmö, Sweden (Member of the Supervisory Board)
- RWA Raiffeisen Ware Austria AG, Vienna, Austria (First Replacement Member of the Supervisory Board since 10 April 2015)
- Managing Director of BayWa r.e. renewable energy GmbH, Munich, Germany

Reinhard Wolf

RWA Raiffeisen Ware Austria AG, Vienna, Austria

External mandates

- Raiffeisen Zentralbank Österreich Aktiengesellschaft, Vienna, Austria (Member of the Supervisory Board)
- Niederösterreichische Verkehrsorganisationsgesellschaft m.b.H., St. Pölten, Austria (Member of the Supervisory Board)

Group mandates

- Garant - Tiernahrung Gesellschaft m.b.H., Pöchlarn, Austria (Chairman of the Supervisory Board)
- Raiffeisen-Lagerhaus GmbH, Bruck an der Leitha, Austria (Vice Chairman of the Supervisory Board)

Allocation of operations as at 31 December 2015

(E.9.) Total remuneration of the Board of Management, the Supervisory Board and the Cooperative Council

The remuneration of the Cooperative Council amounts to €0.125 million (2014: €0.131 million). The total remuneration of the Supervisory Board comes to €0.686 million (2014: €0.686 million); of this amount €0.369 million (2014: €0.351 million) is variable. In addition to Supervisory Board remuneration, employee representatives who are employees of BayWa Group receive compensation not connected to their activities for the Supervisory Board. The sum total of such compensation received by the employee representatives came to €0.488 million (2014: €0.454 million). Total remuneration of the Board of Management comes to €6.326 million (2014: €6.519 million) and breaks down as follows:

In € million	2015	2014
Total remuneration of the Board of Management	**6.326**	**6.519**
of which:		
ongoing remuneration	4.997	5.006
non-cash benefits	0.224	0.283
transfers to pension provision	1.105	1.230
benefits upon termination of the employment relationship	–	–
The ongoing remuneration of the Board of Management is split up into		
fixed salary components	2.734	2.706
variable salary components – short-term	1.012	1.050
variable salary components – long-term	1.250	1.250

An amount of €3.360 million (2014: €3.255 million) has been paid out to former members of the Board of Management of BayWa Group and their dependents. Pension provisions for former members of the Board of Management are disclosed in an amount of €49.348 million (2014: €49.778 million).

In its meeting on 19 May 2015, the Annual General Meeting of Shareholders passed a resolution pursuant to Section 286 para. 5 of the German Commercial Code (HGB) to the effect that, in the preparation of the financial statements of the Group and of BayWa AG, the information required under Section 285 sentence 1 item 9 letter a sentences 5 to 8 of the German Commercial Code (HGB) and pursuant to Section 314 para. 1 item 6 letter a sentences 5 to 8 of the German Commercial Code (HGB) in the notes to the financial statements at company and at Group level shall be waived for the financial year 2015 and for the next four financial years.

(E.10.) Ratification of the consolidated financial statements and disclosure

The consolidated financial statements were released for publication by the Board of Management of BayWa AG on 24 March 2016.

In accordance with Section 264 III of the German Commercial Code (HGB), the following companies, as subsidiaries included in the consolidated financial statements of BayWa AG, do not apply the regulations governing disclosure (Sections 325 et seq. of the German Commercial Code [HGB]):

- TESSOL Kraftstoffe, Mineralöle und Tankanlagen Gesellschaft mit beschränkter Haftung, Stuttgart, Germany
- BayWa Handels-Systeme-Service GmbH, Munich, Germany
- BayWa Pensionsverwaltung GmbH (formerly: BayWa Finanzbeteiligungs-GmbH), Munich, Germany
- BayWa Agrar Beteiligungs GmbH, Munich, Germany
- BayWa Agrar Beteiligung Nr. 2 GmbH, Munich, Germany

In accordance with Section 264b of the German Commercial Code (HGB), the following companies, as subsidiaries included in the consolidated financial statements of BayWa AG, do not apply the regulations governing disclosure (Sections 325 et seq. of the German Commercial Code [HGB]):

- Bauzentrum Westmünsterland GmbH & Co. KG, Munich, Germany
- BayWa Agri GmbH & Co. KG, Munich, Germany
- BayWa Obst GmbH & Co. KG, Munich, Germany
- CLAAS Main-Donau GmbH & Co. KG, Vohburg, Germany
- CLAAS Nordostbayern GmbH & Co. KG, Altenstadt, Germany
- FarmFacts GmbH & Co. KG, Pfarrkirchen, Germany
- Ketziner Lagerhaus GmbH & Co. KG, Ketzin, Germany
- Aufwind BB GmbH & Co. Bioenergie Dessau Sechzehnte KG, Regensburg, Germany
- Aufwind BB GmbH & Co. Sechsundzwanzigste Biogas KG, Regensburg, Germany
- Aufwind BB GmbH & Co. Zweiundzwanzigste Biogas KG, Regensburg, Germany
- BayWa r.e. Solardächer II GmbH & Co. KG, Gräfelfing, Germany
- r.e Bioenergie Betriebs GmbH & Co. Zehnte Biogas KG, Regensburg, Germany
- r.e Bioenergie Betriebs GmbH & Co. Zwölfte Biogas KG, Regensburg, Germany
- Schradenbiogas GmbH & Co. KG, Gröden, Germany
- Dörenhagen Windenergieanlagen GmbH & Co. KG, Gräfelfing, Germany
- Solarpark Aquarius GmbH & Co. KG, Munich, Germany
- Solarpark Aries GmbH & Co. KG, Munich, Germany
- Solarpark Lupus GmbH & Co. KG, Gräfelfing, Germany
- Umspannwerk Klein Bünsdorf GmbH & Co. KG, Gräfelfing (formerly: Munich), Germany
- Windpark Holle-Sillium GmbH & Co. KG, Gräfelfing, Germany
- Windpark Namborn GmbH & Co. KG, Gräfelfing , Germany
- Windpark Wilhelmshöhe GmbH & Co. KG, Gräfelfing , Germany
- WP OWD Infrastruktur GmbH & Co. KG, Gräfelfing, Germany
- Windpark Berschweiler GmbH & Co. KG (formerly: Windpark GHN GmbH & Co. KG), Gräfelfing, Germany
- Windpark Finkenbach-Gersweiler GmbH & Co. KG (formerly: Windpark GHN Grundstücksverwaltung GmbH & Co. KG), Gräfelfing, Germany
- Windpark Hettstadt GmbH & Co. KG, Gräfelfing, Germany

(E.11.) Proposal for the appropriation of profit

As the parent company of BayWa Group, BayWa AG discloses profit available for distribution of €36,306,528.30 in its financial statements as at 31 December 2015 which were drawn up in accordance with German accounting standards (German Commercial Code – HGB) and adopted by the Supervisory Board on 30 March 2016. The Board of Management and the Supervisory Board will propose the following use of this amount to the Annual General Meeting of Shareholders on 7 June 2016:

In €	
Dividend of €0.85 per dividend-bearing share	29,463,417.40
Carried forward to new account	6,843,110.90
	36,306,528.30

The amount earmarked for distribution to the shareholders will be reduced by the portion of the shares owned by BayWa AG at the time when the resolution on profit appropriation was made, as these shares are not entitled to dividend pursuant to Section 71b of the German Stock Corporation Act (AktG). This portion will be transferred to other revenue reserves.

(E.12.) German Corporate Governance Code

The Board of Management and the Supervisory Board of BayWa AG submitted the Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) on 4 November 2015 and have made it permanently accessible to the shareholders on the company's website at www.baywa.com.

Munich, 24 March 2016
BayWa Aktiengesellschaft

The Board of Management

Prof. Klaus Josef Lutz
Andreas Helber
Roland Schuler
Matthias Taft
Reinhard Wolf

Group Holdings of BayWa AG (Appendix to the Notes of the Consolidated Financial Statements)
as at 31 December 2015

Name and principal place of business	Share in capital in %
Subsidiaries included in the group of consolidated companies	
"UNSER LAGERHAUS" WARENHANDELSGESELLSCHAFT m.b.H., Klagenfurt, Austria	51.1
AFS Franchise-Systeme GmbH, Vienna, Austria	100.0
Agrar- und Transportservice Kölleda GmbH, Kölleda, Germany	58.0
Agrarhandel Züssow Bohnhorst / Naeve Beteiligungs GmbH, Züssow, Germany	100.0
Agrosaat d.o.o., Ljubljana, Slovenia	100.0
Agroterra Warenhandel und Beteiligungen GmbH, Vienna, Austria	100.0
Alisea S.r.l., Rome, Italy	65.0
Aludra Energies SARL, Paris, France	100.0
Amadeus Wind, LLC, Wilmington (Delaware), USA	100.0
AMUR S.L.U., Barcelona, Spain	100.0
Apollo Apples (2014) Limited, Auckland, New Zealand	100.0
Arlena Energy S.r.l., Milan, Italy	100.0
Åshults Kraft AB, Malmö, Sweden	100.0
Aufwind BB GmbH & Co. Bioenergie Dessau Sechzehnte KG, Regensburg, Germany	100,0
Aufwind BB GmbH & Co. Sechsundzwanzigste Biogas KG, Regensburg, Germany	100.0
Aufwind BB GmbH & Co. Zweiundzwanzigste Biogas KG, Regensburg, Germany	100.0
Aufwind Schmack Első Biogáz Szolgáltató Kft., Szarvas, Hungary	100.0
Aurora Solar Projects, LLC, Dover (Delaware), USA	100.0
AWS Entsorgung GmbH Abfall und Wertstoff Service, Luckau (formerly: AWS Entsorgung GmbH Abfall & Wertstoff Service, Boppard), Germany	100.0
Bad und Heizung Krampfl GmbH, Plattling, Germany	70.0
Baltic Logistic Holding B.V., Rotterdam, the Netherlands	100.0
Bautechnik Gesellschaft m.b.H., Vienna, Austria	100.0
Bauzentrum Westmünsterland GmbH & Co. KG, Munich, Germany	100.0
Bayerische FuttersaatbauGesellschaft mit beschränkter Haftung, Ismaning, Germany	79.2
BayWa Agrar Beteiligung Nr. 2 GmbH, Munich, Germany	100.0[1]
BayWa Agrar Beteiligungs GmbH, Munich, Germany	100.0[1]
BayWa Agrar International B.V., Rotterdam (formerly: Amsterdam), the Netherlands	100.0
BayWa Agrarhandel GmbH (formerly: Bohnhorst Agrarhandel GmbH), Steimbke, Germany	100.0
BayWa Agri GmbH & Co. KG, Munich, Germany	100.0
BayWa Agri Romania S.r.l., Bucharest, Romania	90,0
BayWa Agro Polska Sp. z o.o., Grodzisk Mazowiecki, Poland	100.0
BayWa Energie Dienstleistungs GmbH, Munich, Germany	100,0
BayWa Handels-Systeme-Service GmbH, Munich, Germany	100.0[1]
BayWa Marketing & Trading International B.V., Rotterdam, the Netherlands	100.0
BayWa Obst GmbH & Co. KG, Munich, Germany	100.0
BayWa Ökoenergie GmbH, Munich, Germany	100.0[1]
BayWa Pensionsverwaltung GmbH (formerly: BayWa Finanzbeteiligungs-GmbH), Munich, Germany	100.0[1]
BayWa r.e. 148. Projektgesellschaft mbH, Gräfelfing, Germany	100.0
BayWa r.e. 149. Projektgesellschaft mbH, Gräfelfing, Germany	100.0
BayWa r.e. 203. Projektgesellschaft mbH, Gräfelfing (formerly: Grünwald), Germany	100.0

Name and principal place of business	Share in capital in %
BayWa r.e. 205. Projektgesellschaft mbH, Gräfelfing, Germany	100.0
BayWa r.e. 206. Projektgesellschaft mbH, Gräfelfing, Germany	100.0
BayWa r.e. Asset Holding GmbH, Gräfelfing, Germany	100.0
BayWa r.e. Asset Management GmbH, Gräfelfing, Germany	100.0
BayWa r.e. Bioenergy GmbH, Regensburg, Germany	100.0
BayWa r.e. Development, LLC, Wilmington (Delaware), USA	100.0
BayWa r.e. EPC, LLC, Wilmington (Delaware), USA	100.0
BayWa r.e. España S.L.U., Barcelona, Spain	100.0
BayWa r.e. France SAS, Paris, France	100.0
BayWa r.e. Green Energy Products GmbH, Munich, Germany	100.0
BayWa r.e. Hellas MEPE, Athens, Greece	100.0
BayWa r.e. Italia S.r.l., Milan, Italy	100.0
BayWa r.e. Japan K.K., Tokyo, Japan	100.0
BayWa r.e. Mexico, LLC, Wilmington (Delaware), USA	100.0
BayWa r.e. Nordic AB (formerly: BayWa r.e. Scandinavia AB), Malmö, Sweden	100.0
BayWa r.e. Operation Services GmbH, München (formerly: Solarmarkt Deutschland GmbH, Schwäbisch Hall), Germany	100.0
BayWa r.e. Polska Sp. z o.o., Warsaw, Poland	100.0
BayWa r.e. renewable energy GmbH, Munich, Germany	100.0
BayWa r.e. Rotor Service GmbH, Basdahl, Germany	100.0
BayWa r.e. Rotor Service Holding GmbH, Munich, Germany	100.0
BayWa r.e. Rotor Service Vermögensverwaltungs GmbH, Basdahl, Germany	100.0
BayWa r.e. Scandinavia AB (ehemals: HS Kraft AB), Malmö, Sweden	76.0
BayWa r.e. Solar Energy Systems GmbH (formerly: BayWa r.e. Solarsysteme GmbH), Tübingen, Germany	100.0
BayWa r.e. Solar Projects GmbH, Munich, Germany	100.0
BayWa r.e. Solar Projects LLC, Wilmington (Delaware), USA	100.0
BayWa r.e. Solar Systems LLC (formerly: Focused Energy LLC), Wilmington (Delaware), USA	100.0
BayWa r.e. Solar Systems Ltd., Machynlleth, UK	90.0
BayWa r.e. Solardächer II GmbH & Co. KG, Gräfelfing, Germany	100.0
BayWa r.e. Solarsystemer ApS, Svendborg, Denmark	100.0
BayWa r.e. UK Limited, London, UK	100.0
BayWa r.e. USA LLC, Wilmington (Delaware), USA	100.0
BayWa r.e. Wind GmbH, Munich, Germany	100.0
BayWa r.e. Wind Verwaltungs GmbH, Gräfelfing, Germany	100.0
BayWa r.e. Wind, LLC, Wilmington (Delaware), USA	95.0
BayWa r.e. Windpark Arlena GmbH, Gräfelfing, Germany	100.0
BayWa r.e. Windpark Gravina GmbH, Gräfelfing, Germany	100.0
BayWa r.e. Windpark Guasila GmbH, Gräfelfing, Germany	100.0
BayWa r.e. Windpark San Lupo GmbH, Gräfelfing, Germany	100.0
BayWa r.e. Windpark Tessenano GmbH, Gräfelfing, Germany	100.0
BayWa r.e. Windpark Tuscania GmbH, Gräfelfing, Germany	100.0
BayWa Ravano Operation Services S.r.l., Genoa, Italy	87.5
BayWa Rus LLC, Moscow, Russia	100.0
BayWa Ukraine LLC, Kiev, Ukraine	100.0
BayWa Vorarlberg HandelsGmbH, Lauterach, Austria	51.0
Berryfruit New Zealand Limited, Auckland, New Zealand	100.0
BGA Bio Getreide Austria GmbH, Vienna, Austria	100.0
Biogas Meden Ltd., London, UK	100.0
Biomethananlage Welbeck GmbH, Gräfelfing, Germany	100.0
Bish (Holdings) Limited, London, UK	100.0
Bishopthorpe Wind Farm Limited, London, UK	100.0
BOR s.r.o., Choceň, Czech Republic	92.8
Brahms Wind Holdings, LLC, Wilmington (Delaware), USA	100,0
Breathe Energia in Movimento S.r.l., Potenza, Italy	50.0
Burkes Agencies Limited, Glasgow, UK	100.0
BW DSG, LLC (formerly: Vivaldi Wind, LLC), Wilmington (Delaware), USA	100.0

Name and principal place of business	Share in capital in %
Carnemough Solar Project Limited, London, UK	100.0
Cefetra B.V., Rotterdam, the Netherlands	100.0
Cefetra Feed Service B.V., Rotterdam, the Netherlands	100.0
Cefetra Hungary Kft., Budapest, Hungary	100.0
Cefetra Ibérica S.L.U., Porzuelo de Alarcón, Spain	100.0
Cefetra Limited, Glasgow, UK	100.0
Cefetra Polska Sp. z o.o., Gdynia, Poland	100.0
Cefetra S.p.A., Rome, Italy	100.0
Cefetra Shipping B.V., Rotterdam, the Netherlands	100.0
Chopin Wind, LLC, Wilmington (Delaware), USA	100.0
CLAAS Main-Donau GmbH & Co. KG, Vohburg, Germany	90.0
CLAAS Nordostbayern GmbH & Co. KG, Altenstadt, Germany	90.0
CLAAS Südostbayern GmbH, Töging am Inn, Germany	90.0
CLAAS Württemberg GmbH, Langenau, Germany	80.0
Cork Oak Solar LLC, Raleigh (North Carolina), USA	100.0
Cosmos Power S.L.U., Barcelona, Spain	100.0
Delano Solar I, LLC, Wilmington (Delaware), USA	100.0
Delica (Shanghai) Fruit Trading Ltd, Shanghai, People's Republic of China	100.0
Delica Australia Pty Ltd, Tullamarine (formerly: Pakenham), Australia	100.0
Delica Domestic Pty Ltd, Tullamarine (formerly: Pakenham), Australia	80.0
Delica Limited, Auckland, New Zealand	100.0
Delica North America, Inc., Torrance, USA	75.0
Diermeier Energie GmbH, Munich, Germany	100.0
Dörenhagen Windenergieanlagen GmbH & Co. KG, Gräfelfing, Germany	100.0
DRWZ-Beteiligungsgesellschaft mbH, Munich, Germany	64.3
ECOwind d.o.o., Zagreb, Croatia	100.0
ECOWIND Handels- & Wartungs-GmbH, Kilb, Austria	90.0
EFL Holdings Limited, Auckland, New Zealand	100.0
Eko-En Drozkow Sp. z o.o., Żary, Poland	60.0
Eko-En Iwonicz 2 Sp. z o.o., Rezesów, Poland	75.0
Eko-En Kozmin Sp. z o.o., Poznań, Poland	100.0
Eko-En Polanow 1 Sp. z o.o., Koszalin, Poland	75.0
Eko-En Polanow 2 Sp. z o.o., Koszalin, Poland	75.0
Eko-En Skibno Sp. z o.o., Koszalin, Poland	75.0
Eko-En Żary Sp. z o.o., Żary, Poland	60.0
Eko-Energetyka Sp. z o.o., Rezesów, Poland	51.0
Energia Rinnovabile Pugliese S.r.l., Milan, Italy	100.0
ENZA Fresh Inc., Seattle, USA	100.0
ENZA Investments USA, Inc., Seattle, USA	100.0
ENZA Limited, Auckland, New Zealand	100.0
ENZAFOODS New Zealand Limited, Auckland, New Zealand	100.0
ENZAFRUIT (Hong Kong) Limited, Hong Kong, People's Republic of China	100.0
ENZAFRUIT New Zealand (Continent) NV, Sint-Truiden, Belgium	100.0
ENZAFRUIT New Zealand (UK) Limited, Luton, UK	100.0
ENZAFRUIT New Zealand International Limited, Auckland, New Zealand	100.0
ENZAFRUIT Peru S.A.C., Lima, Peru	100.0
ENZAFRUIT Products Inc., Wilmington (Delaware), USA	100.0
ENZASunrising (Holdings) Limited, Hong Kong, People's Republic of China	51.0
Eolica San Lupo S.r.l., Milan, Italy	100.0
EUROGREEN AUSTRIA GmbH, Mondsee, Austria	100.0
EUROGREEN CZ s.r.o., Jiřetín pod Jedlovou, Czech Republic	100.0
EUROGREEN GmbH, Betzdorf, Germany	100.0
EUROGREEN Schweiz AG, Zuchwil, Switzerland	100.0
Ewind Sp. z o.o., Rezesów, Poland	75.0
F. Url & Co. Gesellschaft m.b.H., Lannach, Austria	100.0

Name and principal place of business	Share in capital in %
FarmFacts GmbH & Co. KG, Pfarrkirchen, Germany	100.0
Fraisthorpe (Holding) Limited, London, UK	100.0
Fraisthorpe Wind Farm Ltd., London, UK	100.0
Fresh Food Exports 2011 Limited, Auckland (formaly: Mangere), New Zealand	100.0
Frucom Fruitimport GmbH, Hamburg, Germany	100.0
Fruit Distributors Limited, Auckland, New Zealand	100.0
Fruitmark NZ Limited, Auckland, New Zealand	100.0
Fruitmark Pty Ltd, Mulgrave (formerly: ENZACOR Pty Ltd, Pymble), Australia	100.0
Fruitmark USA Inc., Seattle, USA	100.0
Frutesa Chile Limitada, Santiago de Chile, Chile	100.0
Frutesa, George Town, Cayman Islands	100.0
Furukraft AB, Malmö, Sweden	100.0
FW Kamionka Sp. z o.o., Kamionka, Poland	100.0
Garant - Tiernahrung Gesellschaft m.b.H., Pöchlarn, Austria	100.0
GENOL Gesellschaft m.b.H. & Co KG, Vienna, Austria	71.0
Ge-Tec GmbH, Lienz, Austria	100.0
Great Lake Tomatoes Limited, Auckland, New Zealand	100.0
Hafen Vierow - Gesellschaft mit beschränkter Haftung, Brünzow, Germany	50.0
Hallwood Logistics Limited, Glasgow, UK	100.0
Haymaker (Homestead) Ltd., London (formerly: Eastbourne), UK	100.0
Horticultural Corporation of New Zealand Limited, Auckland, New Zealand	100.0
Immobilienvermietung Gesellschaft m.b.H., Traun, Austria	100.0
INRG (Solar Parks) 14 Ltd., London, UK	100.0
Invercargill Markets Limited, Auckland, New Zealand	100.0
Jannis Beteiligungsgesellschaft mbH, Munich, Germany	100.0
Karl Theis GmbH, Munich, Germany	100.0
Kerifresh Growers Trust 2015, Kerikeri, New Zealand	63.0
Ketziner Lagerhaus GmbH & Co. KG, Ketzin, Germany	100.0
Les Eoliennes de Saint Fraigne SAS, Paris, France	100.0
Les Pointes Energies SARL, Paris, France	100.0
LTZ Chemnitz GmbH, Hartmannsdorf, Germany	90,0
Lyngsåsa Kraft AB, Malmö, Sweden	100.0
MHH France SAS, Toulouse, France	99.0
Montjean Energies SARL, Paris, France	100.0
Mozart Wind, LLC (formerly: BayWa r.e Mozart, LLC), Wilmington (Delaware), USA	100.0
NLP Granger A82, LLC, Wilmington (Delaware), USA	100.0
NLP Valley Center Solar, LLC, Wilmington (Delaware), USA	100.0
Notch Peak Solar, LLC, Wilmington (Delaware), USA	100.0
Parco Solare Smeraldo S.r.l., Brixen, Italy	100.0
Park Eolian Limanu S.r.l., Sibiu, Romania	99.0
Parque Eólico La Carracha S.L., Zaragoza, Spain	74.0
Parque Eólico Plana de Jarreta S.L., Zaragoza, Spain	74.0
PC-Agrar Informations- und Beratungsdienst GmbH, Pfarrkirchen, Germany	100,0
Puterea Verde S.r.l., Sibiu, Romania	75.3
Quilly Guenrouet Energies SARL, Paris, France	100.0
r.e Bioenergie Betriebs GmbH & Co. Dreiundzwanzigste Biogas KG, Regensburg, Germany	100.0
r.e Bioenergie Betriebs GmbH & Co. Vierundzwanzigste Biogas KG, Regensburg, Germany	100.0
r.e Bioenergie Betriebs GmbH & Co. Zehnte Biogas KG, Regensburg, Germany	100.0
r.e Bioenergie Betriebs GmbH & Co. Zwölfte Biogas KG, Regensburg, Germany	100.0
Raiffeisen Agro d.o.o., Belgrade, Serbia	100.0
Raiffeisen Kraftfutterwerke Süd GmbH, Würzburg, Germany	100.0
Raiffeisen Waren GmbH Nürnberger Land, Hersbruck, Germany	52.0
Raiffeisen-Agro Magyaroszág Kft., Ikrény, Hungary	100.0
Raiffeisen-Lagerhaus GmbH, Bruck an der Leitha, Austria	89.9
Raiffeisen-Lagerhaus Investitionsholding GmbH, Vienna, Austria	100.0

Name and principal place of business	Share in capital in %
Ravel Wind, LLC, Wilmington (Delaware), USA	100.0
Real Power S.L.U., Barcelona, Spain	100.0
Rembrandt Van Rijen Limited, Auckland, New Zealand	100.0
RENERCO GEM 1 GmbH, Gräfelfing, Germany	100.0
RENERCO GEM 2 GmbH, Gräfelfing, Germany	100.0
RENERCO GEM 4 GmbH, Gräfelfing, Germany	100.0
renerco plan consult GmbH, Munich (formerly: Creotecc GmbH, Freiburg im Breisgau), Germany	100.0
Rianto Limited, Auckland, New Zealand	100.0
RI-Solution Data GmbH, Vienna, Austria	100.0
RI-Solution GmbH Gesellschaft für Retail-Informationssysteme, Services und Lösungen mbH, Munich, Germany	100.0
Rock Power S.L.U., Barcelona, Spain	100.0
Rose & Crown Solar PV Limited, London, UK	100.0
RUG Raiffeisen Umweltgesellschaft m.b.H., Vienna, Austria	75.0
RWA International Holding GmbH, Vienna, Austria	100.0
RWA RAIFFEISEN AGRO d.o.o., Zagreb, Croatia	100.0
RWA Raiffeisen Agro Romania S.r.l., Orțișoara, Romania	100.0
RWA Raiffeisen Ware Austria Aktiengesellschaft, Vienna, Austria	50.0
RWA SLOVAKIA spol. s r.o., Bratislava, Slovakia	100.0
Ryfors Kraft AB, Malmö, Sweden	100.0
Safer Food Technologies Limited, Auckland, New Zealand	100.0
Saint Congard Energies SAS, Paris, France	100.0
Samsonwind Wirtsnock GmbH, Thomatal, Austria	80.0
Schradenbiogas GmbH & Co. KG, Gröden, Germany	94.5
Sellindge Solar Limited, London, UK	100.0
Sempol spol. s r.o., Trnava, Slovakia	100.0
SEP S.A.G. Intersolaire 5 SNC, Mulhouse, France	100.0
SESMP110 Lower House Solar Farm Limited, London, UK	100.0
Shieldhall Logistics Limited, Glasgow, UK	100.0
Sinclair Logistics Limited, Glasgow, UK	100.0
Sjönnebol Kraft AB, Malmö, Sweden	100.0
Societe d'exploitation photovoltaique du Midi II SNC, Mulhouse, France	100.0
Solarmarkt GmbH, Aarau, Switzerland	100.0
Solarpark Aquarius GmbH & Co. KG, Munich, Germany	100.0
Solarpark Aries GmbH & Co. KG, Munich, Germany	100.0
Solarpark Aston Clinton GmbH, Gräfelfing, Germany	100.0
Solarpark Homestead GmbH (formerly: Solarpark Flit GmbH), Gräfelfing, Germany	100.0
Solarpark Lupus GmbH & Co. KG, Gräfelfing, Germany	100.0
Solarpark Lynt GmbH, Gräfelfing, Germany	100.0
Solarpark Vine Farm GmbH, Gräfelfing, Germany	100.0
Solesa Engineering S.r.l., Turin, Italy	100.0
Status Produce Favona Road Limited, Auckland, New Zealand	100.0
Stormon Energi AB, Malmö, Sweden	100.0
Studios Solar 2, LLC, Wilmington (Delaware), USA	100.0
Studios Solar 3, LLC, Wilmington (Delaware), USA	100.0
Studios Solar 4, LLC, Wilmington (Delaware), USA	100.0
Studios Solar 5, LLC, Wilmington (Delaware), USA	100.0
Studios Solar, LLC, Wilmington (Delaware), USA	100.0
Sunflower Solar LLC, Raleigh (North Carolina), USA	100.0
Sunshine Movement GmbH, Munich, Germany	100.0
T&G Global Limited (formerly: Turners & Growers Limited), Auckland, New Zealand	73.7
T&G Vizzarri Farms Pty Ltd, Tullamarine (formerly: Delica Pty Ltd, Pakenham), Australia	50.0
Taipa Water Supply Limited, Kerikeri, New Zealand	65.0
TechnikCenter Grimma GmbH, Mutzschen, Germany	70.0
Tecno Spot - G.m.b.H. (formerly: Tecno Spot S.r.l.), Bruneck, Italy	100.0
Tessennano Energy S.r.l., Milan, Italy	100.0

Name and principal place of business	Share in capital in %
TESSOL Kraftstoffe, Mineralöle und Tankanlagen Gesellschaft mit beschränkter Haftung, Stuttgart, Germany	100,0[1]
Theil Rabier Energies SARL, Paris, France	100.0
Turners & Growers (Fiji) Limited, Suva, Republic of Fiji	70.0
Turners & Growers Fresh Limited, Auckland, New Zealand	100.0
Turners & Growers New Zealand Limited, Auckland, New Zealand	100.0
Turners and Growers Horticulture Limited, Auckland, New Zealand	100.0
Tuscania Energy S.r.l., Milan, Italy	100.0
Umspannwerk Klein Bünsdorf GmbH & Co. KG, Gräfelfing (formerly: Munich), Germany	100.0
Unterstützungseinrichtung der BayWa Aktiengesellschaft in München GmbH, Munich, Germany	100.0
URL AGRAR GmbH, Unterpremstätten, Austria	100.0
VIELA Export GmbH, Vierow, Germany	74.0
Vine Farm Solar Wendy Ltd., London, UK	100.0
Wagner Wind, LLC, Wilmington (Delaware), USA	100.0
WAV Wärme Austria VertriebsgmbH, Vienna, Austria	89.0
WealthCap Portfolio Finanzierungs-GmbH & Co. KG, Grünwald, Germany	100.0
Wessex Grain Ltd., Templecombe, UK	100.0
Windfarm Fraisthorpe GmbH, Gräfelfing, Germany	100.0
Windfarm Lacedonia GmbH, Gräfelfing, Germany	100.0
Windfarms Italia S.r.l., Milan, Italy	100.0
Windpark Berschweiler GmbH & Co. KG (formerly: Windpark GHN GmbH & Co. KG), Gräfelfing, Germany	100.0
Windpark Creußen Neuhof GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Finkenbach-Gersweiler GmbH & Co. KG (formerly: Windpark GHN Grundstücksverwaltung GmbH & Co. KG), Gräfelfing, Germany	100.0
Windpark Fürstkogel GmbH, Kilb, Austria	100.0
Windpark Hettstadt GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Hiesberg GmbH, Kilb, Austria	100.0
Windpark Holle-Sillium GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Kamionka GmbH, Gräfelfing, Germany	100.0
Windpark Kraubatheck GmbH, Kilb, Austria	100.0
Windpark Melfi GmbH, Gräfelfing, Germany	100.0
Windpark Namborn GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Wilhelmshöhe GmbH & Co. KG, Gräfelfing, Germany	100.0
Wingenfeld Energie GmbH, Hünfeld, Germany	100.0
WP OWD Infrastruktur GmbH & Co. KG, Gräfelfing, Germany	100.0
Subsidiaries not included in the group of consolidated companies	
"Danufert" Handelsgesellschaftm.b.H., Vienna, Austria	60.0
ABATIS Beteiligungsgesellschaft mbH, Düsseldorf, Germany	100.0
Agrarproduktenhandel Gesellschaft m.b.H., Klagenfurt, Austria	100.0
AGRO-CAD Software GmbH, Großbardau OT Kleinbardau, Germany	100.0
AGROMED AUSTRIA GMBH, Kremsmünster, Austria	80.0
Agro-Property Kft., Kecskemét, Hungary	100.0
Bauzentrum Westmünsterland Verwaltungs-GmbH, Munich (formerly: Ahaus), Germany	100.0
BayWa Agrar Verwaltungs GmbH, Munich, Germany	100.0
BayWa Agri Argentina S.A., City of Buenos Aires, Argentina	100.0
BayWa CS GmbH, Munich, Germany	100.0
BayWa Finanzservice GmbH, Munich, Germany	100.0
BayWa InterOil Mineralölhandelsgesellschaft mit beschränkter Haftung, Munich, Germany	100.0
BayWa Obst Verwaltungsgesellschaft mbH, Munich, Germany	100.0
BayWa r.e. Asia Pacific Pte. Ltd., Singapore, Republic of Singapore	100.0
BayWa r.e. Bioenergy Betriebs GmbH, Regensburg, Germany	100.0
BayWa r.e. Desarrollos Solares S. de R.L. de C.V., Mexico City, Mexico	100.0
BayWa r.e. Solar Pte. Ltd., Singapore, Republic of Singapore	100.0
BayWa r.e. Solardächer I GmbH & Co. KG, Gräfelfing, Germany	100.0

Name and principal place of business	Share in capital in %
BayWa-Lager und Umschlags GmbH, Munich, Germany	100.0
Biogasanlage Geislingen GmbH & Co. KG, Gröden, Germany	100.0
Bohnhorst Beteiligungs-Gesellschaft mit beschränkter Haftung, Niederer Fläming, Germany	100.0
Bohnhorst Interhandel Sp. z o.o., Szcecin, Poland	76.0
Brands + Schnitzler Tiefbau-Fachhandel Verwaltungs GmbH, Mönchengladbach, Germany	100.0
Budge Haulage Limited, Templecombe, UK	100.0
BW Solar 615 G.K., Tokyo, Japan	100.0
C L G Computerdienst für Landwirtschaft und Gewerbe GmbH, Pfarrkirchen, Germany	100.0[1]
Cefetra Este S.L.U., Pozuelo de Alarcón, Spain	100.0
Cefetra Norte S.L.U., Pozuelo de Alarcón, Spain	100.0
Cefetra Oeste S.L.U., Pozuelo de Alarcón, Spain	100.0
Cefetra Sur S.L.U., Pozuelo de Alarcón, Spain	100.0
Danugrain Lagerei GmbH (formerly: Danugrain GmbH), Krems an der Donau, Austria	60,0
ELG Energie Logistik GmbH, Munich (formerly: Donau - Tanklagergesellschaft m.b.H., Deggendorf), Germany	100.0
Eoliennes de la Benate SARL, Paris, France	100.0
Erste Onshore Windkraft Beteiligungsgesellschaft mbH, Oldenburg, Germany	100.0
Eurogreen Italia S.r.l., Milan, Italy	51.0
FarmFacts Beteiligungs GmbH, Pfarrkirchen, Germany	100.0
GENOL Gesellschaft m.b.H., Vienna, Austria	71.0
Genol Vertriebssysteme GmbH, Vienna, Austria	100.0
Graninger & Mayr Gesellschaft m.b.H., Vienna, Austria	100.0
Green Answers GmbH & Co. WP Vahlbruch KG, Gräfelfing, Gemany	100.0
HERA Raiffeisen-Immobilien-Leasing Gesellschaft m.b.H., Vienna, Austria	51.0
Intersaatzucht GmbH & Co. KG, Munich, Germany	60.0
Intersaatzucht Verwaltungs GmbH, Munich, Germany	60.0
K3 Agroinvest S.r.l., Orțișoara, Romania	60.0
Lagerhaus e-Service GmbH (formerly: FLB Handels- und Beteiligungs GmbH), Vienna, Austria	100.0
Lesia a.s., Strážnice, Czech Republic	100.0
Magyar "Agrár-Ház" Kft., Székesfehérvár, Hungary	100.0
MD-Betriebs-GmbH, Munich, Germany	90.0
NOB-Betriebs-GmbH, Munich, Germany	90.0
Nuevos Parques Eólicos La Muela A.I.E., Zaragoza, Spain	100.0
Park Eolian Arieseni S.r.l., Sibiu, Romania	99.0
Park Eolian Solesti S.r.l., Sibiu, Romania	99.0
PATIS Beteiligungsgesellschaft mbH, Düsseldorf, Germany	100.0
Raiffeisen Trgovina d.o.o., Lenart, Slovenia	100.0
Saatzucht Gleisdorf Gesellschaft m.b.H., Gleisdorf, Austria	66.7
Saint-Ferriol Energies SAS, Paris, France	100.0
Schifffahrtsagentur GmbH, Groß Lüdershagen, Germany	100.0[1]
Schradenbiogas Betriebsgesellschaft mbH, Gröden, Germany	100.0
Schradenbiogas Sp. z o.o., Wrocław, Poland	100.0
Solarpark Aldebaran GmbH & Co. KG, Munich, Germany	100.0
Solarpark Cetus GmbH & Co. KG, Munich, Germany	100.0
Solarpark Günes GmbH, Gräfelfing, Germany	100.0
Solarpark Horus GmbH, Gräfelfing, Germany	100.0
Solarpark Kinmel GmbH,Gräfelfing, Germany	100.0
Solarpark Libra GmbH & Co. KG, Munich, Germany	100.0
Solarpark Lugh GmbH, Gräfelfing, Germany	100.0
Solarpark Lugh Sp. z o.o., Warsaw, Poland	100.0
Solarpark Malina GmbH, Gräfelfing, Germany	100.0
Solarpark Malina Sp. z o.o., Warsaw, Poland	100.0
Solarpark Mitra GmbH, Gräfelfing, Germany	100.0
Solarpark Mitra Sp. z o.o., Warsaw, Poland	100.0
Solarpark Pavo GmbH & Co. KG, Munich, Germany	100.0
Solarpark Perseus GmbH & Co. KG, Munich, Germany	100.0

Name and principal place of business	Share in capital in %
Solarpark Samas GmbH, Gräfelfing, Germany	100.0
Solarpark Samas Sp. z o.o., Warsaw, Poland	100.0
Solarpark Sunna GmbH, Gräfelfing, Germany	100.0
Solarpark Sunna Sp. z o.o., Warsaw, Poland	100.0
Solarpark Tucana GmbH & Co. KG, Munich, Germany	100.0
Solarpark Wega GmbH & Co. KG, Munich, Germany	100.0
Süd-Treber GmbH, Stuttgart, Germany	100.0[1]
Sunshine Bay GmbH & Co. KG, Munich, Germany	100.0
Sunshine Latin GmbH & Co. KG, Munich, Germany	100.0
Sunshine South GmbH & Co. KG, Munich, Germany	100.0
Tierceline Energies SARL, Paris, France	100.0
Tout Vent Energies SARL, Paris, France	100.0
Val de Moine Energies SARL, Paris, France	100.0
WHG LIEGENSCHAFTSVERWALTUNG BETRIEBS GMBH, Klagenfurt, Austria	100.0
Wind Park Kotla Sp. z o.o., Warsaw, Poland	100.0
Wind Park Lipnica Sp. z o.o., Nowy Targ, Poland	100.0
Windfarm Bonwick GmbH, Gräfelfing, Germany	100.0
Windfarm Sewstern GmbH, Gräfelfing, Germany	100.0
Windkraft Beteiligungsgesellschaft mbH, Düsseldorf, Germany	100.0
Windpark Bad Berleburg GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Bedesbach GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Cashagen GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Dissau GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Hodenbachwald GmbH & Co. KG (formerly: Windpark Dabergotz GmbH & Co. KG), Gräfelfing, Germany	100.0
Windpark Jembke GmbH & Co. KG, (formerly: Windpark Selmsdorf IV GmbH & Co. KG), Gräfelfing, Germany	100.0
Windpark Jettenbach GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Katzberg GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Klein Winternheim II GmbH & Co. KG (formerly: Windpark Hülsede GmbH & Co. KG), Gräfelfing, Germany	100.0
Windpark Langenlonsheim GmbH & Co. KG (formerly: Windpark Rätzlingen GmbH & Co. KG), Gräfelfing, Germany	100.0
Windpark Lauenbrück GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Molkenberg GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Olsberg GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Pferdsfeld GmbH & Co. KG (formerly: Windpark Bad Segeberg GmbH & Co. KG), Gräfelfing, Germany	100.0
Windpark Reichweiler GmbH & Co. KG (formerly: Umspannwerk Obernwohlde GmbH & Co. KG), Gräfelfing, Germany	100.0
Windpark SBG V GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Schmelz GmbH & Co. KG (formerly: WP GUG Infrastruktur GmbH & Co. KG), Gräfelfing, Germany	100.0
Windpark Seershausen GmbH & Co. KG (formerly: Windpark Unzenberg GmbH & Co. KG), Gräfelfing, Germany	100.0
Windpark Uphuser Mark GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Wilhelmshöhe II GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Wimmelburg 3 GmbH & Co. KG, Gräfelfing, Germany	100.0
Windpark Winterborn II GmbH & Co. KG (formerly: Windpark Wessenstedt GmbH & Co. KG), Gräfelfing, Germany	100.0
Yaita Solar G.K., Tokyo, Japan	100.0
Agrimec Group B.V., Apeldoorn, the Netherlands	49.0
AHG- Autohandelsgesellschaft mbH, Horb am Neckar, Germany	49.0
Allen Blair Properties Limited, Wellington, New Zealand	33.3
Apollo Foods Limited, Auckland, New Zealand	50.0
Aufwind BB GmbH & Co. Zwanzigste Biogas KG, Regensburg, Germany	100.0
AUSTRIA JUICE GmbH, Allhartsberg (formerly: Kröllendorf), Austria	50.0
Baltic Grain Terminal Sp. z o.o., Gdynia, Poland	50.0
BayWa Bau- & Gartenmärkte GmbH & Co. KG, Dortmund, Germany	50.0
BayWa Hochhaus GmbH & Co. KG, Grünwald (formerly: Feldafing), Germany	99.0
BEEGY GmbH, Mannheim, Germany	25.1
BHBW Limited, Maidenhead, UK	50.0
Biomethananlage Barby GmbH, Barby (formerly: Bioenergie Barby GmbH, Regensburg), Germany	25.1
Biomethananlage Staßfurt GmbH, Mannheim, Germany	25.1

Name and principal place of business	Share in capital in %
BRB Holding GmbH, Munich, Germany	45.3
CRE Project S.r.l., Matera, Italy	49.0
David Oppenheimer & Company I, LLC, Seattle, USA	15.0
David Oppenheimer Transport Inc., Wilmington (Delaware), USA	15.0
Deutsche Raiffeisen-Warenzentrale GmbH, Frankfurt am Main, Germany	37.8
EAV Energietechnische Anlagen Verwaltungs GmbH, Staßfurt, Germany	49.0
Fresh Vegetable Packers Limited, Christchurch, New Zealand	41.4
Frisch & Frost Nahrungsmittel GmbH, Vienna, Austria	25.0
Heizkraftwerke-Pool Verwaltungs-GmbH, Munich, Germany	33.3
IFS S.r.l., Bozen, Italy	51.0
LWM Austria GmbH, Hollabrunn, Austria	25.0
McKay Shipping Limited, Auckland, New Zealand	25.0
Mystery Creek Asparagus Limited, Hamilton, New Zealand	14.5
N.Z. Kumara Distributors Limited, Dargaville, New Zealand	20.4
Raiffeisen Beteiligungs GmbH, Frankfurt am Main, Germany	47.4
Süddeutsche Geothermie-Projekte GmbH & Co. KG, Gräfelfing, Germany	50.0
Süddeutsche Geothermie-Projekte Verwaltungsgesellschaft mbH, Gräfelfing, Germany	50.0
Wawata General Partner Limited, Nelson, New Zealand	50.0
Worldwide Fruit Limited, Spalding, UK	50.0

[1] **Profit and loss transfer agreement**

Associated companies and joint ventures of secondary importance not included under the equity method

Agrosen Holding GmbH, Kremsmünster, Austria	30.0
Agro-Service-Gröden GmbH, Gröden, Germany	20.0
B L E, Bau- und Land-Entwicklungsgesellschaft Bayern GmbH, Munich, Germany	25.0
BayWa BGM Verwaltungs GmbH, Dortmund, Germany	50.0
Bonus Holsystem für Verpackungen GmbH & Co.KG, Kufstein, Austria	26.0
Bonus Holsystem für Verpackungen GmbH, Kufstein, Austria	26.0
BRVG Bayerische Raiffeisen- und Volksbanken Verlag GmbH, Munich, Germany	25.0
Chemag Agrarchemikalien GmbH, Frankfurt am Main, Germany	33.3
DANUOIL Mineralöllager und Umschlags-Gesellschaft m.b.H., Vienna, Austria	50.0
DRWZ Marken GmbH, Karlsruhe, Germany	32.8
EBULUM GmbH & Co. Objekt Baunatal KG, Pullach im Isartal, Germany	94.0
ISTROPOL SOLARY a.s., Horné Mýto, Slovakia	29.8
Kärntner Saatbau e.Gen., Klagenfurt, Austria	33.0
Kartoffel Centrum Bayern GmbH, Rain am Lech, Germany	50.0
Lagerhaus Technik-Center GmbH & Co KG, Korneuburg, Austria	34.1
Lagerhaus Technik-Center GmbH, Korneuburg, Austria	34.1
Land24 Gesellschaft mit beschränkter Haftung, Telgte, Germany	34.2
LLT - Lannacher Lager- und Transport GesmbH, Korneuburg, Austria	50.0
Logistikzentrum Röthlein GmbH & Co. KG, Gräfelfing, Germany	94.0
Mineralfutter-Produktionsgesellschaft mbH, Memmingen, Germany	50.0
Obst vom Bodensee Vertriebsgesellschaft mbH, Oberteuringen, Germany	47.5
OÖ Lagerhaus Solidaritäts GmbH, Linz, Austria	33.3
Projektentwicklung Windkraft Unterallgäu GmbH & Co. KG, Bad Wörishofen, Germany	31.3
Projektentwicklung Windkraft Unterallgäu Verwaltungs GmbH, Bad Wörishofen, Germany	31.2
Raiffeisen - Landhandel GmbH, Emskirchen, Germany	23.4
Raiffeisen-BayWa-Waren GmbH Lobsing-Siegenburg- Abensberg-Rohr, Pförring / Lobsing, Germany	22.8
Sewstern Lane Wind Farm Limited, Huddersfield, UK	50.0
VR erneuerbare Energien eG, Kitzingen, Germany	33.3
VR-LEASING DIVO GmbH & Co. Immobilien KG, Eschborn, Germany	47.0
VR-LEASING LYRA GmbH & Co. Immobilien KG, Eschborn, Germany	47.0

Name and principal place of business	Share in capital in %
Wind Park Belzyce Sp. z o.o., Warsaw, Poland	50.0
Participations in large corporations	
Südstärke Gesellschaft mit beschränkter Haftung, Schrobenhausen, Germany Equity in € thousand: 126.814 Annual net income/loss in € thousand: 259	6.5

Affirmation by the Legally Authorised Representatives

We hereby affirm that, to the best of our knowledge and in accordance with the generally accepted accounting principles, the consolidated financial statements give a true and fair view of the net assets, financial position and the result of operations of the Group, and that the Management Report on the Group presents a true and fair description of the development of the Group's business, including its performance, and of the material risks and opportunities inherent in the prospective development of the Group.

Munich, 24 March 2016

BayWa Aktiengesellschaft
The Board of Management

Prof. Klaus Josef Lutz
Andreas Helber
Roland Schuler
Matthias Taft
Reinhard Wolf

Independent Auditors' Report

We have audited the consolidated financial statements prepared by BayWa Aktiengesellschaft, Munich – comprising the balance sheet, the income statement and statement of comprehensive income, the cash flow statement, the statement of changes in equity and the notes to the consolidated financial statements – and the group management report for the business year from 1 January to 31 December 2014. The preparation of the consolidated financial statements and the group management report in accordance with IFRS, as adopted by the European Union (EU), and the additional requirements of German commercial law pursuant to Section 315a para. 1 German Commercial Code (HGB) and supplementary provision of the articles of incorporation are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 German Commercial Code (HGB) and German generally accepted standards for the audit of financial statement promulgated by the Institut der Wirtschaftsprüfer. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements of BayWa Aktiengesellschaft, Munich, comply with IFRS, as adopted by the EU, the additional requirements of German commercial law pursuant to Section 315a para. 1 German Commercial Code (HGB) and supplementary provisions of the articles of incorporation 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. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the group's position and suitably presents the opportunities and risks of future development.

Munich, 29 March 2016

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

(Götz)	(Tauber)
Wirtschaftsprüfer	Wirtschaftsprüfer

Report of the Supervisory Board

Faced by a globally challenging market environment with declining prices for raw materials and agriculture produce, the BayWa Group achieved successful development in the reporting year 2015 and increased its operating result. After a subdued start to the year during the first quarter, the second quarter was marked by strong delay effects in agricultural trade and the project business of renewable energies. Despite difficult underlying conditions in national agricultural trade, these delay effects were completely made up in the third quarter. A good fourth quarter closed out 2015. Renewable energies, in particular, succeeded in making another impressive contribution to the BayWa Group's overall performance.

The Supervisory Board of BayWa AG has fulfilled the responsibility entrusted to it under the law, the Articles of Association and the bylaws. It regularly advised the Board of Management, coordinated the strategy with the Board of Management and supervised the latter in its management of the company. The common goal of the Board of Management and Supervisory Board is to raise the value of the company on a sustainable basis. The Board of Management always kept the Supervisory Board informed in a timely and comprehensive manner. The Supervisory Board was directly involved in all decisions of fundamental importance to the company. The measures requiring its approval were reviewed, and the respective resolutions passed both in meetings and in writing by way of a circulation procedure. Between the meetings, the Board of Management reported both in writing and in person on events of particular importance. After thorough deliberation and consultation, the Supervisory Board made its decisions on the reports and the resolutions put forward by the Board of Management.

The Chairman of the Supervisory Board was kept informed about important decisions by the Board of Management on an ongoing basis and remained in close contact with the Chairman of the Board of Management. He was informed through regular detailed reports on the current business situation. The cooperation within the Supervisory Board and with the Board of Management in the reporting year 2015 was again constructive and based on trust.

Key points of consultation of the meetings of the Supervisory Board

Matters of consultation at the four regular meetings of the Supervisory Board in the financial year 2015 included the business and financial development of the company, the performance of the individual business units, financial and investment planning, personnel-related decisions, the risk situation and questions of compliance, as well as the strategic development of the company. In particular, the Supervisory Board deliberated on the participations entered into by BayWa AG during the period under review. Moreover, the Supervisory Board addressed issues pertaining to accounting and the audit of the annual financial statements of the company, as well as BayWa AG's risk management and its risk position on an ongoing basis. Special attention was paid to the compliance monitoring at the Group. The Board of Management reported regularly and extensively on these issues as well as on the Group's current situation.

In its meeting on 25 March 2015, the Supervisory Board dealt mainly with the annual financial statements and the management report on BayWa AG and on the Group as at 31 December 2014 as well as with the report of the audits performed. In addition, the Supervisory Board consulted on the results of previous meetings held by the Audit Committee, the Lending and Investment Committee, the Strategy Committee, the Nomination Committee and the Board of Management Committee. The meeting also concentrated on the agenda for the Annual General Meeting of Shareholders on 19 May 2015, which included topics such as the proposal to the Annual General Meeting of Shareholders on the election of a shareholder representative to the Supervisory Board. Furthermore, strategic issues within the BayWa Group were discussed. At its meeting, the Supervisory Board dealt with the variable salary components of Board of Management members for the financial year 2014 and decided on the respective targets for the variable salary components for the financial year 2015. In addition, the Supervisory Board addressed in depth the restructuring of the Board of Management functions, the departure of Board of Management member Dr. Josef Krapf and the appointment of Board of Management member Matthias Taft. Other items on the meeting's agenda included a detailed report on the compliance system and on an efficiency audit of the Supervisory Board which was performed.

In the period from 2 April to 8 April 2015, an amendment to the Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) was resolved by way of a circulation procedure.

At its meeting on 6 May 2015, the Supervisory Board dealt with the interim report for the first three months of 2015, as well as with the risk situation at the BayWa agricultural group and strategic issues in the agricultural sector. Furthermore, chief representative Ito van Lanschot gave a status report on the ongoing internationalisation of the agricultural business.

At its meeting on 5 August 2015, the Supervisory Board addressed the interim report for the first half of 2015, among other things. The Board of Management also reported extensively to the Supervisory Board on market development, the development of the individual units, as well as on the current risk situation at the BayWa agricultural group. Furthermore, strategic issues concerning the BayWa Group, in particular at the BayWa agricultural group and in the fruit business, were discussed. The Supervisory Board approved the appointment of Monique Surges as a member of the Lending and Investment Committee following the departure of Albrecht Merz from the Supervisory Board. The Board of Management reported on the resignation of Prof. Dr. h. c. Stephan Götzl from his post on the Supervisory Board and on the Board of Management's petition filed with the District Court of Munich to appoint Wilhelm Oberhofer to the Supervisory Board. After detailed consideration of the gender quota, the Supervisory Board decided on a gender quota for the Board of Management of BayWa AG. The Supervisory Board also approved the appointment of two new members to the Cooperative Council. Lastly, the Supervisory Board adopted the resolution concerning the approval of the terms and conditions for the issuing of employee shares in 2015 within the scope of the 2015 authorised capital.

An increase in share capital and a corresponding change to the Articles of Association on account of the issuing of employee shares from the 2015 authorised capital was decided by way of a circulation procedure in the period from 23 September to 6 October 2015.

The interim report for the third quarter was presented at the meeting on 4 November 2015, and the Supervisory Board discussed the development of business in detail with the Board of Management. The Board of Management explained the development of business in the individual business units at length. The internationalisation strategy and risk situation at the BayWa agricultural group were presented in detail. Furthermore, the Supervisory Board was informed about the latest strategic projects in the BayWa Group and compliance issues. The Supervisory Board also consulted on the results of previous meetings held by the Audit Committee, the Lending and Investment Committee and the Strategy Committee. The Supervisory Board passed resolutions on the annual Declaration of Conformity to the German Corporate Governance Code and approved the appointment of Wilhelm Oberhofer as a member of the Nomination Committee and the Strategy Committee. Finally, the Supervisory Board approved the extension of the terms of five members of the Cooperative Council.

At the meeting convened to review the Group's accounts on 30 March 2016, the Supervisory Board dealt mainly with the annual financial statements and the management report on BayWa AG and on the Group as at 31 December 2015, as well as with the report of the audits performed. The meeting also concentrated on the agenda of the Annual General Meeting of Shareholders to be held on 7 June 2016.

Committees of the Supervisory Board

The Supervisory Board has set up a total of six committees to enhance the efficiency of its work. These committees prepare resolutions for the Supervisory Board and issues to be discussed by the entire Supervisory Board. To the extent permitted by law, decision-making powers of the Supervisory Board were delegated to the committees on a case-by-case basis. With the exception of the Audit Committee, the office of Chairman in respect of all committees is held by the Chairman of the Supervisory Board. The Supervisory Board was kept informed at its meetings about the work of the committees and their resolutions by the respective chairmen.

Supervisory Board Chairman Manfred Nüssel and the Supervisory Board members Wolfgang Altmüller, Klaus Buchleitner, Gunnar Metz and Werner Waschbichler belong to the Audit Committee. The Chairman of the Audit Committee is Wolfgang Altmüller. BayWa AG has therefore adopted the recommendation of the German Corporate Governance Code, which proposes that the Chairman of the Supervisory Board should not hold the office of Chairman of the Audit Committee. The Audit Committee held two meetings in the reporting year. In the presence of the independent auditor, the Chairman of the Board of Management and the Chief Financial Officer, the committee discussed the separate financial statements of BayWa AG and the consolidated financial statements for the financial year 2014, the report of management on the company and the Group, as well as the audit reports at its meeting on 24 March 2015. Moreover, the statement declaring the independence of the independent auditor pursuant to Code Item 7.2.1 of the German Corporate Governance Code was obtained. Resolutions on recommendations were drawn up for the Supervisory Board to approve and adopt the separate financial statements and the consolidated financial statements for 2014 and to propose to the Annual General Meeting of Shareholders on 19 May 2015 that Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Munich, be elected as the independent auditor for the financial year 2015.

The meeting on 3 November 2015 dealt with the quarterly figures for the third quarter of 2015, the assignment of audit mandates and establishing the key audit areas in respect of the 2015 annual financial statements and the audit fees.

At its meeting on 29 March 2016, the Audit Committee also consulted on the choice of the independent auditor for the financial year 2016 and recommended to the entire Supervisory Board that a proposal be put to the Annual General Meeting of Shareholders on 7 June 2016 in favour of appointing Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Munich.

Supervisory Board Chairman Manfred Nüssel and Supervisory Board members Gunnar Metz and Wolfgang Altmüller belong to the Board of Management Committee. The Board of Management Committee held one meeting in the reporting year. The Board of Management Committee concerned itself, in particular, with the restructuring of the Board of Management functions, the departure of Board of Management member Dr. Josef Krapf and the appointment of Matthias Taft to the Board of Management. It also provided the Supervisory Board with recommendations on the variable and fixed components of Board of Management member remuneration, as well as Board of Management members' mandates.

Supervisory Board Chairman Manfred Nüssel and the Supervisory Board members Gunnar Metz, Prof. Dr. h. c. Stephan Götzl (to 22 June 2015), Wilhelm Oberhofer (from 4 November 2015), Dr. Johann Lang, Joachim Rukwied, Michael Kuffner and Werner Waschbichler belong to the

Strategy Committee. The Strategy Committee met twice in the reporting year and concentrated mainly on the detailed preparation of Supervisory Board meetings. In addition, it discussed the company's strategy alignment, as well as current business projects and investment plans.

Supervisory Board Chairman Manfred Nüssel and the Supervisory Board members Monika Hohlmeier, Dr. Johann Lang, Albrecht Merz (to 19 May 2015), Monique Surges (from 5 August 2015), Theo Bergmann, Renate Glashauser and Josef Schraut belong to the Lending and Investment Committee. The Lending and Investment Committee held two meetings in the reporting year. The committee monitored investment activities and reviewed lending activities and credit exposures in line with the authorisations it has been granted. Beyond this, the committee dealt with the settlement of the 2014 investment budget, and the investment budgets for 2015 and 2016.

Supervisory Board Chairman Manfred Nüssel, Dr. Johann Lang and, from 4 November 2015, Mr. Wilhelm Oberhofer belong to the Nomination Committee. Prof. Dr. h. c. Stephan Götzl resigned on 22 June 2015. The committee is tasked with submitting recommendations to shareholder representatives on the Supervisory Board for proposals of shareholders for the election of Supervisory Board members by the Annual General Meeting of Shareholders. The Nomination Committee held one meeting in the reporting period, on 19 January 2015.

Supervisory Board Chairman Manfred Nüssel and the Supervisory Board members Gunnar Metz, Monika Hohlmeier and Werner Waschbichler belong to the Mediation Committee, set up pursuant to Section 27 para. 3 of the German Codetermination Act (MitbestG). The committee was not convened in the financial year 2015.

Corporate Governance

Recognising the important contribution that corporate governance makes to the transparent and responsible management of the company, the Supervisory Board regularly deliberates on related matters. More information on corporate governance can be found in the Statement on Corporate Governance. Details concerning the amount and structure of remuneration received by the Supervisory Board and the Board of Management can be found in the Group management report.

With respect to the recommendations of the German Corporate Governance Code in the version dated 24 June 2014, the Supervisory Board decided on an amendment to the Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) by way of a circulation procedure in the period from 2 April to 8 April 2015. With very few exceptions, the Board of Management and the Supervisory Board also adopted at its meeting on 4 November 2015 the recommendations of the German Corporate Governance Code in the version dated 5 May 2015. The Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) is included in the Statement on Corporate Governance pursuant to Section 289a of the German Commercial Code (HGB). It has also been posted on the company's website at www.baywa.com under Investor Relations.

All members of the Supervisory Board participated in at least half of the Supervisory Board meetings held during the reporting period.

Members of the Board of Management and of the Supervisory Board report any conflicts of interest without delay to the Supervisory Board. In the financial year 2015, there were no conflicts of interest in respect of members of the Board of Management or members of the Supervisory Board.

Audit of the separate financial statements and the consolidated financial statements

The separate financial statements of BayWa AG and the consolidated financial statements of the Group for the financial year 2015, as well as the management report on BayWa AG and on the Group, have been audited by Munich-based Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, and each was issued an unqualified audit opinion.

At its meeting on 30 March 2016, the Supervisory Board carefully examined the financial statements of BayWa AG, drawn up by the Board of Management in accordance with the German Commercial Code, and the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) and the additionally applicable standards set out under Section 315a of the German Commercial Code (HGB), as well as the management report on BayWa AG and on the Group for the financial year 2015 and discussed them in detail in the presence of the external auditor and the Board of Management. The key points of the 2015 audits as defined by the Audit Committee were also discussed extensively. All audit reports and documentation pertaining to the financial statements were made available to all Supervisory Board members in good time. The Supervisory Board concurred with the findings of the financial statements audit at its meeting on 30 March 2016. The audit reports and the documentation on the financial statements were previously the subject of in-depth deliberation by the Audit Committee at its meeting on 29 March 2016. The Audit Committee discussed the separate financial statements and the consolidated financial statements, the management report on the company and the Group, the audit reports, as well as the proposal for the appropriation of profit in the presence of the external auditor at its meeting on 29 March 2016. In accordance with the conclusive findings of the review by the Supervisory Board, no objections were raised against the financial statements. The Supervisory Board therefore ratified the separate financial statements of BayWa AG and the consolidated financial statements of the BayWa Group on 30 March 2016, which are hereby adopted.

The proposal of the Board of Management on the appropriation of profit available for distribution through paying a dividend of €0.85 per share has been reviewed and approved by the Supervisory Board.

During the Supervisory Board meeting on 30 March 2016, the external auditor also reported that there were no substantial weaknesses in the internal control system and the risk management system in respect of the accounting process. The Board of Management has thus taken all the appropriate measures to fulfil its obligations in this regard.

Changes to the Supervisory Board and to the Board of Management

Shareholder representative Albrecht Merz resigned from his position as a member of the Supervisory Board effective as at of the end of the Annual General Meeting of Shareholders on 19 May 2015. Monique Surges was elected to the Supervisory Board by the Annual General Meeting of Shareholders on 19 May 2015. Prof. Dr. h. c. Stephan Götzl resigned from his position as member of the Supervisory Board effective 22 June 2015. On 6 August 2015, Wilhelm Oberhofer was appointed to the Supervisory Board by the District Court of Munich upon petition by the Board of Management of BayWa AG. The Supervisory Board would like to thank Mr. Merz and Prof. Dr. h.c. Stephan Götzl for their constructive involvement and harmonious cooperation.

The Supervisory Board thanks the members of the Board of Management, the employees as well as the employee representatives of BayWa AG and all Group companies for their work. Their dedicated commitment once again contributed to BayWa AG's success in the financial year 2015.

Munich, 30 March 2016
On behalf of the Supervisory Board

Manfred Nüssel
Chairman

Corporate Governance Report / Statement on Corporate Governance pursuant to Section 289a German Commercial Code (HGB)

Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG)

The Board of Management and the Supervisory Board of BayWa AG submitted the most recent Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) on 5 November 2014, revised on 8 April 2015. The Board of Management and the Supervisory Board of BayWa AG declare that the recommendations of the "Government Commission on the German Corporate Governance Code" in the version dated 5 May 2015 (published in the German Federal Gazette on 12 June 2015; hereinafter referred to as the "GCGC") have been and will be complied with, with the exception of the following:

1 **Deductible under the D&O insurance for members of the Supervisory Board – Code Item 3.8 para. 3 GCGC**
In Code Item 3.8 para. 3, the GCGC recommends a deductible to be provided for when a Directors & Officers (D&O) insurance policy is taken out for members of the Supervisory Board. BayWa AG has concluded a D&O insurance policy on behalf of the members of the Supervisory Board that does not provide for a deductible in respect of its members. BayWa AG is not of the opinion that the motivation and the responsibility with which the members of the Supervisory Board discharge their duties would be improved by having a deductible in the D&O insurance policy.

2 **Setting the targeted level of benefits, taking into account the length of service on the Board of Management – Code Item 4.2.3 para. 3 GCGC**
The Supervisory Board of BayWa AG appointed Mr. Matthias Taft as a member of the Board of Management with effect from 1 April 2015. The members of the Supervisory Board discussed and set Mr. Taft's targeted level of benefits. Mr. Taft will receive a fixed pension from BayWa AG, which is not dependent on the length of his service on the Board of Management. The Supervisory Board believes this arrangement is appropriate in view of Mr. Taft's many years at the BayWa Group. It should be noted that the employer-funded insurance policies and pension commitments previously concluded for the benefit of Mr. Taft by the Group companies of BayWa AG have been discontinued.

3 **Severance payment cap – Code Item 4.2.3 para. 4 GCGC**
In Code Item 4.2.3 para. 4, the GCGC recommends that, when Board of Management employment contracts are concluded, care should be taken to ensure that, in the event of premature termination of a Board member's activities without serious cause, payments made to the Board member, including supplementary benefits, do not exceed the value of two years' compensation (severance cap) and compensate no more than the remaining term of the employment contract. The employment contracts of members of the Board of Management of BayWa AG do not contain such a provision, as the amount of any possible severance payment is part of an agreement to be signed upon termination of Board member activities and therefore depends on reaching an agreement with the respective member of the Board of Management. Even if such a contractual provision were to be included, a member of the Board of Management could nonetheless insist upon having the full scope of claims arising from the employment contract paid out and otherwise refuse to give his consent to the termination of his Board member contract. Moreover, BayWa AG is convinced that having such a clause is unnecessary as, even without it, the Supervisory Board will take sufficient account of the interests of the company in negotiations with the member leaving the Board of Management and not grant an excessive severance payment.

4 **Individual disclosure of executive remuneration – Code Item 4.2.5 para. 3 GCGC**
In Code Item 4.2.5 para. 3 GCGC, it is recommended that Board of Management member remuneration be disclosed in the remuneration report in table form and for each member individually for financial years from 31 December 2013. At BayWa AG, Board of Management member remuneration is disclosed in accordance with relevant legal regulations. The Annual General Meeting of Shareholders 2015 passed a new resolution pursuant to Sections 286 para. 5 and 314 para. 2 of the old version of the German Commercial Code (HGB), according to which Board of Management member remuneration is not disclosed for each member individually. As long as this Annual General Meeting of Shareholders resolution is valid, no individual disclosure of Board of Management member remuneration will take place pursuant to the recommendations in Code Item 4.2.5 para. 3 GCGC.

5 No set age limit for the Board of Management – Code Item 5.1.2 para. 2 sentence 3 GCGC

In the current version of the bylaws applicable to the Board of Management of BayWa AG, and contrary to the recommendations in Code Item 5.1.2 para. 2 sentence 3 GCGC, there is no restriction on age for membership in the Board of Management. BayWa AG reviews the ability to perform and the competence of the members of its executive body on an ongoing basis. Age, however, is not indicative of the ability of a current or potential member of said body to perform their duties. For this reason, BayWa AG does not consider fixed age limits, which also restrict flexibility in respect of personnel decisions and the number of potential candidates, expedient.

6 Tasks of the Audit Committee – Code Item 5.3.2 sentence 1 GCGC

Pursuant to Code Item 5.3.2 sentence 1 GCGC, the Audit Committee should also concentrate on compliance if no other committee is responsible for it. At the current time, compliance issues are not allocated to any particular committee by derogation of Code Item 5.3.2 sentence 1 GCGC. In fact, the Supervisory Board is directly responsible for this area. Due to the high value it places on compliance, BayWa AG is of the opinion that all Supervisory Board members should be included in the response to compliance issues. In order to ensure that tasks in this area are fulfilled comprehensively and professionally, this area remains the responsibility of the Supervisory Board.

7 No set age or specified limit for maximum length of service on the Supervisory Board – Code Item 5.4.1 para. 2 GCGC

In the current version of the bylaws applicable to the Supervisory Board of BayWa AG, and contrary to the recommendations in Code Item 5.4.1 para. 2 sentence 1 GCGC, there is no restriction on age for membership in or specified limit for maximum length of service on the Supervisory Board. BayWa AG reviews the ability to perform and the competence of the members of its supervisory body on an ongoing basis. Age, however, is not indicative of the ability of a current or potential member of said body to perform their duties. Furthermore, the expertise of experienced and proven Supervisory Board members ought to be available to BayWa AG. For this reason, BayWa AG does not consider a fixed age limit and a specified limit for maximum service on the Supervisory Board, which also restrict flexibility in respect of personnel decisions and the number of potential candidates, expedient.

8 Specification of concrete objectives for the composition of the Supervisory Board – Code Item 5.4.1 para. 2 and para. 3 GCGC

In Code Item 5.4.1 para. 2 and para. 3, the GCGC recommends the specification of concrete objectives for the composition of the Supervisory Board. In the specification of concrete objectives, the international activities of the company, potential conflicts of interest, the number of independent Supervisory Board members within the meaning of Code Item 5.4.2 GCGC and diversity, among other things, are to be given due regard in consideration of the situation specific to the company. Proposals by the Supervisory Board to the Annual General Meeting of Shareholders shall take these objectives into account. BayWa AG has not established concrete objectives and quotas in this sense. BayWa AG believes that potential Supervisory Board members' qualifications are the primary criteria for the assumption of a Supervisory Board mandate and therefore also for the composition of the Supervisory Board. In the proposals on the composition of the Supervisory Board, BayWa AG supports and takes into account the criteria specified in Code Item 5.4.1 para. 2 and para. 3 GCGC, though it does not regard concrete objectives or quotas as expedient.

9 Disclosure of personal and business relationships of Supervisory Board candidates with the company, the company's executive and supervisory bodies and a shareholder holding a material interest in the company – Code Item 5.4.1 para. 5 to para. 7 GCGC

Code Item 5.4.1 para. 5 to para. 7 GCGC includes the recommendation that the personal and business relationships of candidates proposed by the Supervisory Board for election to the Supervisory Board with the company, the company's executive and supervisory bodies and a shareholder holding a material interest in the company be disclosed. BayWa AG does not comply with this recommendation. There is no legal certainty at the current time in regard to the nature and scope of circumstances that are to be disclosed upon the proposition of election candidates. Therefore, there is a risk that the lack of clarity in this Code Item could be used within the scope of resolution challenges. The Supervisory Board will continue to observe how this issue develops and will review the application of this Code Item in future Supervisory Board elections.

10 Information on the structure of performance-related remuneration for Supervisory Board members – Code Item 5.4.6 para. 2 sentence 2 GCGC

Code Item 5.4.6 para. 2 sentence 2 GCGC stipulates that performance-related remuneration issued to Supervisory Board members is to be oriented toward the long-term success of the company and be evaluated over a period of several years. Alongside fixed annual pay, members of the BayWa AG Supervisory Board can also be paid variable performance-related remuneration. As this is defined on the basis of the cash dividends for the respective financial year approved by the Annual General Meeting of Shareholders, this is a discrepancy between this system and the requirement to orient performance-related remuneration toward long-term success. BayWa AG continues to believe that alignment with cash dividends in the respective financial year is expedient. In the view of BayWa AG, this orientation ensures the harmony of the interests of the Supervisory Board and those of the shareholders.

11 Information on the disclosure of the remuneration of members of the Supervisory Board – Code Item 5.4.6 para. 3

Contrary to the recommendation under Code Item 5.4.6 para. 3 GCGC, the remuneration of Supervisory Board members (including remuneration or benefits paid by the company to members of the Supervisory Board for services personally rendered, in particular the rendering of advisory and agency services) has not been and is not itemised. Instead, it is divided up into fixed and performance-related components and disclosed annually in the Notes or Management Report. The information included in the Notes or Management Report shows the structure and the amount of compensation received by the Supervisory Board. BayWa AG considers this information to be sufficient to satisfy the interest in such information of the capital market and its shareholders.

12 Information on the attendance of the members of the Supervisory Board at committee meetings – Code Item 5.4.7 sentence 1 GCGC

Among other things, Code Item 5.4.7 sentence 1 GCGC stipulates that a note is to be made in the Report of the Supervisory Board if a member of the Supervisory Board has attended only half or less than half of the meetings of those committees to which he or she belongs. BayWa AG believes that it is important for a member of the Supervisory Board to participate in the committees and be involved in the decision-making process as well. As a rule, meetings of the committees of BayWa AG's Supervisory Board are held twice a year. Missing one time would already result in a note in the Report of the Supervisory Board when complying with Code Item 5.4.7 sentence 1 GCGC. Due to the number of committee meetings, such a note would give a false impression of the discipline of the Supervisory Board member with regard to meeting attendance.

Munich, 4 November 2015
BayWa Aktiengesellschaft

The Board of Management The Supervisory Board

Management and control structure of the company

The Board of Management and the Supervisory Board

As a company with its principal place of business in Munich, Germany, BayWa AG is subject to the provisions laid down under German law. The executive and supervisory bodies consisting of the Board of Management and the Supervisory Board form the dual-tier management and control structure in accordance with the provisions under German stock corporation law. The Board of Management and the Supervisory Board work closely together in the interest of the company. Their joint goal is to ensure the company's continued existence and sustained value.

The Board of Management's duties and practices

The Board of Management, which is currently composed of five members, is independently responsible for running the company, developing the corporate strategy, agreeing the strategy with the Supervisory Board and ensuring that it is implemented. It is responsible for the company's annual and multi-year planning as well as for the preparation of the interim reports and the annual and consolidated financial statements. The Board of Management ensures that legal provisions, official rules and regulations as well as the company's internal guidelines are observed, and it works towards the Group's compliance with them. In accordance with legal provisions, the Board of Management reports to the Supervisory Board regularly, promptly and comprehensively on all relevant issues pertaining to planning, the development of business, the earnings, financial position and assets, the risk situation, risk management and compliance. The Supervisory Board is directly involved in all decisions of fundamental importance for the company. Furthermore, such decisions are subject to approval by the Supervisory Board. The Board of Management ensures that there is open and transparent communication within the company.

The Board of Management manages the company's business under its own responsibility. The principle of joint responsibility applies, meaning that the members of the Board of Management jointly bear the responsibility for the managing of the company. Each Board member is assigned certain tasks to be specifically handled under the allocation of duties plan (Geschäftsverteilungsplan). Certain decisions, especially those requiring the Supervisory Board's approval or for which the Board of Management is responsible under the law or the Articles of Association, are reserved for the entire Board of Management under the bylaws. Moreover, a resolution must also be obtained from the entire Board of Management in respect of matters which have been submitted to the Board of Management by the Chairman or by a Board member.

Meetings of the Board of Management take place at least once a month. They are convened by the Chairman of the Board of Management. The Chairman also sets the agenda and chairs the meetings. The Board of Management is quorate if all members have been invited and at least half of the Board members, including the Chairman, take part in deciding a resolution. The resolutions of the Board of Management are valid through a simple majority of votes cast. In the event of a tie vote, the Chairman shall have the casting vote. Upon instruction by the Chairman, resolutions can also be passed outside of meetings by way of votes cast in writing or by telephone.

The Supervisory Board's duties and practices

The Supervisory Board of BayWa AG appoints the members of the Board of Management and advises and supervises the Board of Management in its management of the company. The Supervisory Board is made up of 16 members. In accordance with the German Codetermination Act (MitbestG), it is composed in equal parts of representatives of the shareholders and of the employees. The Supervisory Board is composed of what it considers a sufficient number of independent members. A member is considered independent if he or she does not have any commercial or personal relationship to the company, the company's executive and supervisory bodies, controlling shareholder or any affiliated companies, which can justify a material or long-term conflict of interests. Last year, the following changes to the Supervisory Board took place: Albrecht Merz resigned from his post following the conclusion of the Annual General Meeting of Shareholders on 19 May 2015. The Annual General Meeting of Shareholders on 19 May 2015 appointed Monique Surges to the Supervisory Board as shareholder representative for a term of four years. Prof. Stephan Götzl resigned from his post effective 22 June 2015. In its letter dated 6 August 2015, the District Court of Munich legally appointed shareholder representative Wilhelm Oberhofer to be a member of the Supervisory Board until the next Annual General Meeting of Shareholders in June 2016. For further information on changes to the Supervisory Board in the reporting period, please see the Report of the Supervisory Board.

A set of bylaws regulates the tasks of the Supervisory Board; in particular, the internal organisation, the activities of the committees and the regulations governing approval by the Supervisory Board for decisions of the Board of Management. Meetings of the Supervisory Board take place at least once every quarter and, in addition, whenever necessary for business reasons. Meetings are convened by the Chairman or, if he is detained, by the Vice Chairman.

The Supervisory Board must also be convened if one of its members or the Board of Management requests it, stating the reasons. The Supervisory Board only has a quorum if eight members – including the Chairman – or twelve members take part in the meeting and in deciding on the resolution. Resolutions of the Supervisory Board or one of its committees passed in writing, by telegraph, telephone, electronic media or telefax are only permitted if the Chairman of the Supervisory Board or, if he is detained, the Vice Chairman has given the requisite instruction. Decisions generally require a simple majority. In the event of a tie vote, the Chairman of the Supervisory Board has a dual voting right in the second round if votes are cast equally again.

The Supervisory Board meets without members of the Board of Management to the extent that this is necessary for independent discussion and decision-making. There is a standardised procedure for regularly reviewing the efficiency of the Supervisory Board's work. BayWa AG has taken out D&O insurance for the members of the Board of Management and the Supervisory Board which covers the personal liability risk in the event that financial damages are asserted against board members in the exercising of their duties. There is currently no deductible for members of the Supervisory Board (cf. reasons cited previously in the Declaration of Conformity). In accordance with the provisions of the German Act on the Appropriateness of Executive Remuneration, BayWa AG has provided for a reasonable deductible on the D&O insurance taken out for members of the Board of Management.

Committees of the Supervisory Board

BayWa AG's Supervisory Board has set up six committees of experts to enhance the efficiency of its work. The respective committee chairmen report regularly to the Supervisory Board on their committee's work. For full details of the composition of each individual committee, please also see the Report of the Supervisory Board.

The Audit Committee concentrates mainly on the documentation of the independent auditor in respect of auditing the annual and consolidated financial statements and prepares them for adoption by the Supervisory Board. The committee also supervises the accounting process, the annual audit and the effectiveness of the internal control, risk management and audit system. It checks the auditor's independence and agrees on the key points of the audit and on the fees with the auditor. The Annual General Meeting of Shareholders on 19 May 2015 appointed Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Munich, as auditor for the financial year 2015. The Supervisory Board ensures that the committee members can act independently and that they are familiar with and experienced in applying special know-how associated with the application of accounting rules and the internal controlling procedures. The Audit Committee is made up of the Chairman of the Supervisory Board, two shareholder representatives and two employee representatives.

The Board of Management Committee concerns itself with personnel matters affecting the Board of Management, such as the content of Board member contracts and the approval of sideline activities. The Board of Management Committee performs the preparatory work for the determination of the remuneration paid to the individual Board of Management members. The committee is composed of the Chairman of the Supervisory Board as well as one shareholder representative and one employee representative.

The Strategy Committee is mainly concerned with the preparation of Supervisory Board meetings. Moreover, the committee monitors and supervises the company's strategic orientation as well as the implementation of current company projects. It is composed of the Chairman of the Supervisory Board, three shareholder representatives and three employee representatives.

The Lending and Investment Committee deals with the financing measures requiring approval by the Supervisory Board and supervises the investment activities. It is composed of the Chairman of the Supervisory Board, three shareholder representatives and three employee representatives.

The Nomination Committee is tasked with preparing the proposals of the Supervisory Board for the election of shareholder representatives to the Supervisory Board by the Annual General Meeting of Shareholders. It is composed of the Chairman of the Supervisory Board and two shareholder representatives.

Under the German Codetermination Act (MitbestG), the Mediation Committee, anchored in the law, only meets if, during the voting process on the appointment or dismissal of a member of the Board of Management, the required two-thirds majority of the votes by the Supervisory Board is not attained in the first round of voting. It is composed of the Chairman of the Supervisory Board, one further shareholder representative and two employee representatives.

The committees' practices are set out in the Articles of Association and in the bylaws of the Supervisory Board. Furthermore, the Supervisory Board may entrust one or more of its members with special control functions. More information on the activities of the Supervisory Board and its committees in the financial year 2015 can be found in the Report of the Supervisory Board. The names of the members belonging to the various committees are also listed there.

Shareholders and the Annual General Meeting of Shareholders

The organisation and execution of BayWa AG's Annual General Meeting of Shareholders is carried out with the aim of informing all shareholders swiftly and extensively before and during the event. All shareholders listed in the share register (Aktienregister) and who have duly registered in good time are entitled to participate. BayWa AG offers its shareholders the possibility of having their vote exercised in accordance with their personal instructions by a voting proxy appointed by the company. The Annual General Meeting of Shareholders decides, among other things, on the appropriation of profit, the discharge of the Board of Management and Supervisory Board as well as the nomination of the auditor. Decisions on changes to the Articles of Association and on measures that may change the share capital are exclusively reserved for the Annual General Meeting of Shareholders, to the exception of the use of authorised capital by the administration. The share capital of BayWa AG is divided into shares with restricted transferability (approximately 96%) and registered shares (approximately 4%). Transferring registered shares with restricted transferability is formally subject to the Board of Management's consent. However, in the past, approval has never been withheld. Each share of BayWa AG carries equal voting rights and confers the same dividend entitlement. The company therefore applies the "one share, one vote, one dividend" principle.

Securities transactions by the Board of Management and the Supervisory Board (Directors' Dealings)

According to Section 15a of the German Securities Trading Act (WpHG), the members of the Board of Management and the Supervisory Board, and persons close to them, are required by law to disclose the acquisition and sale of shares in BayWa AG or financial instruments related thereto if the value of such transactions equals or exceeds an amount of €5,000 in a given calendar year. This also applies to certain employees with managerial functions (executive managers, for instance).
Transactions disclosed in the financial year 2015 are published on the company website at www.baywa.com.

Shareholdings by the Board of Management and the Supervisory Board

As at 31 December 2015, the number of shares held in BayWa AG by members of the Board of Management and the Supervisory Board came to less than 1% of the shares issued by the company. There were therefore no holdings requiring reporting under Code Item 6.2 GCGC as at 31 December 2015.

Avoidance of conflicts of interest

Under the bylaws of the Board of Management, its members are obliged to disclose any conflicts of interest to the Supervisory Board without delay and to inform the other members of the Board of Management thereof. Under the bylaws of the Supervisory Board, its members must disclose any conflicts of interest – particularly those that could occur due to consultancy or board functions at customers, suppliers, lenders or other business partners – to the Supervisory Board without delay. Significant conflicts of interest in the person of a Supervisory Board member that are not of a temporary nature should lead to the termination of the mandate. In the financial year 2015 just ended, there were no conflicts of interest in respect of the members of the Board of Management or the Supervisory Board in the exercising of their duties on behalf of BayWa AG.

Remuneration of the Board of Management and the Supervisory Board

As regards the remuneration of the Board of Management and the Supervisory Board in the financial year 2015, we refer to the Remuneration Report that is part of the Notes to the Consolidated Financial Statements.

Equal participation of women and men in leadership positions

Like approximately one hundred other companies in Germany, BayWa AG is a publicly listed stock corporation (Aktiengesellschaft) subject to codetermination on a basis of parity. For these companies, the German Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector Act stipulates a fixed gender quota of 30% women on supervisory boards, which BayWa AG will satisfy.
On 5 August 2015, the Supervisory Board complied with the additional legal requirement of setting a target for a gender quota and achieving said target no later than 30 June 2017. The Supervisory Board defined a target for women on the Board of Management of 0% by June 2017.
On 23 September 2015, the Board of Management of BayWa AG also set as targets a quota of 18% for women in the top executive tier and a quota of 12% for women in the second executive tier, which are scheduled to be met by 30 June 2017.

Additional information on management practices

The Code of Conduct of BayWa AG forms the value system for BayWa AG. It is mandatory and applies across the Group to all employees. The Code of Conduct has been made publicly available on the company's website at www.baywa.com. In addition, an internal control system has been set in place to ensure compliance with the law, statutory provisions and internal guidelines as well as to avoid actions detrimental to business, which includes prevention, monitoring and intervention. Furthermore, the employees have the option of turning to an anonymous whistleblower system or applying to the external legal counsel mandated by BayWa AG to serve as an ombudsman in the event of occurrences in the company that do not comply with the law or grievances in cooperation with business partners/companies.

In order to avoid breach of regulations on the prohibition of insider trading pursuant to Section 14 of the German Securities Trading Act (WpHG), the company has all persons who are deemed insiders under the legal provisions confirm in writing that they were informed about all relevant statutory provisions governing trading in the shares of the company. All persons who, owing to their activities and authorisations, may have access to potential insider information are listed in a Group-wide Insider Register. The head of the Legal department monitors the regular keeping of the Insider Register
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Other aspects of good corporate governance

Communication and transparency

BayWa AG communicates regularly and promptly on the development of business as well as on its earnings, financial position and assets. In order to guarantee an ongoing exchange of information with the capital market, the company holds regular events as part of its investor relations activities featuring the Chief Executive Officer and Chief Financial Officer for analysts and institutional investors in the form of roadshows and individual meetings. Press releases are published and press conferences and conference calls with analysts are held every quarter on business performance. The annual results are released at an Annual Results Press Conference and at an analysts' meeting. All new information disclosed to financial analysts and similar parties in the context of the aforementioned investor relations activities is also made available to the shareholders without delay. All relevant presentations and press releases are promptly published in the Investor Relations section on the website of BayWa AG. BayWa AG places great importance on ensuring that all shareholders are treated equally with regard to information.
The dates of the main recurring publications (inter alia the consolidated financial statements) and the date of the Annual General Meeting of Shareholders are published in the financial calendar in good time. Current developments are reported in press releases and, if necessary, in ad hoc releases. All information is also made accessible on the company's website under www.baywa.com.

Responsible action and risk management

The aim of risk management at BayWa AG is to identify the risks of entrepreneurial action at an early stage and evaluate them. Risk management is therefore an integral part of the company's planning and management and control processes. The internal control, risk management and audit system is developed by the Board of Management on an ongoing basis and adjusted to changes in the environment. Parts of the internal control and risk management system for the accounting processes are examined by the external auditor. More information on the structure and the processes of risk management in the context of accounting processes is included in the Group management report.