BERENTZEN-GRUPPE AKTIENGESELLSCHAFT

GROUP HALF-YEARLY FINANCIAL REPORT

JANUARY TO JUNE 2018

BERENTZEN-GRUPPE
Durst auf Leben

Key Figures

Key figures of the Berentzen Group

		HY 1 2018 or 06/30/2018	HY 1 2017 or 06/30/2017 [1]	Change 2018 / 2017
Consolidated revenues excl. alcohol tax	EURm	78.4	80.0	- 2.1 %
Spirits segment	EURm	40.7	41.9	- 2.9 %
Non-alcoholic Beverages segment	EURm	24.1	23.5	+ 2.8 %
Fresh Juice Systems segment	EURm	9.4	10.6	- 11.4 %
Other segments		4.2	4.1	+ 2.9 %
Total operating performance	EURm	79.6	79.4	+ 0.1 %
Contribution margin after marketing budgets	EURm	29.9	30.3	- 1.4 %
Consolidated EBITDA	EURm	8.2	7.6	+ 7.4 %
Consolidated EBITDA margin	%	10.4	9.5	+ 0.9 PP [2]
Consolidated EBIT	EURm	4.6	4.1	+ 10.1 %
Consolidated EBIT margin	%	5.8	5.2	+ 0.6 PP [2]
Consolidated profit	EURm	2.7	1.2	> + 100.0 %
Operating cash flow	EURm	7.3	6.0	+ 22.1 %
Cash flow from investing activities	EURm	-3.6	-2.3	+ 59.4 %
Free cash flow [3]	EURm	-3.7	-4.9	- 25.1 %
Consolidated equity ratio	%	32.4	24.2 [4]	+ 8.2 PP [2]
Employees	Total (at the end of period)	482	492	- 2.0 %

[1] Previous-year figures partially adjusted due to the first-time application of IFRS 15. See also Note (1.3) in the Abridged Notes to the Consolidated Financial Statements.

[2] PP = percentage points.

[3] Cash flow from operating activities plus cash flow from investing activities.

[4] 12/31/2017.

Key figures for the Berentzen common share

		HY 1 2018 or 6/30/2018	HY 1 2017 or 6/30/2017	Change 2018 / 2017
Berentzen common share (ISIN DE0005201602, WKN 520160) Share price / XETRA	EUR / share	7.73	12.5	- 38.2 %
Market capitalisation	EURm	72.6	117.4	- 38.2 %
Dividend	EUR / share	0.22	0.25	- 12.0 %

BERENTZEN-GRUPPE
Durst auf Leben

Content

A. Letter to shareholders

Ladies and Gentlemen, dear shareholders,

getting straight to the good news, we increased our profitability substantially in the first six months of the 2018 financial year. On slightly lower revenues (EUR 78.4 million; -2.1%), we increased our EBIT (EUR 4.6 million; +10.1%) and our EBITDA (EUR 8.2 million; +7.4%) significantly. The main reason for these gains was the substantial increase in our gross profit, which has a direct impact on the earnings figures.

Although we are very pleased with this success, the development of consolidated revenues in the year to date has fallen short of our expectations. Unfortunately, we continue to see particular challenges in the *Fresh Juice Systems* segment, which sustained a revenue decline of 11.4 percent. This decline was particularly caused by the markedly weak volume of fruit press sales in the important French market. We have come to understand that we placed too much of an operational focus on sales volumes in the past years and were not ambitious enough in our efforts to develop new, innovative equipment. In the *Fresh Juice Systems* segment, we must focus even more on the development, production and distribution of innovative equipment in the future so as to create the right stimulus for growth. Despite the challenges, we remain convinced of the success potential and growth opportunities of this dynamic segment.

Also in the *Spirits* segment, we sustained a revenue decline – albeit a much smaller one – of 2.9 percent, primarily due to the lower sales volumes of our branded dealer and private-label products. Thanks to the positive sales volume development of our core brand portfolio consisting of the umbrella brands *Berentzen* and *Puschkin*, the total volume of branded products sold in the domestic market increased, bucking the general market trend.

In the *Non-alcoholic Beverages* segment, we achieved a solid revenue gain of 2.8 percent over the strong first half of 2017, mainly thanks to the success of our own brands again, most of all our *Mio Mio* brand beverages, the sales volume of which rose by nearly 36 percent in the first half of 2018. Factoring out the contract bottling business in which the sales volume declined substantially, revenues in this segment would have risen by more than 12 percent in the first half. This positive performance was also helped by our mineral water brands, which enjoyed rising sales volumes in the first half of 2018.

Taking a closer look at the revenue performance of our corporate group in the year to date, we note that revenues increased substantially in the second quarter. Whereas the consolidated revenues for the first quarter were 6.2 percent less than the corresponding figure for the first quarter of last year, we succeeded in reducing this gap to -2.1 percent by the end of the first half. Thus, we generated higher consolidated revenues in the second quarter of this year than in the second quarter of 2017.

We will strive to continue this positive trend. Our goal is not to have to choose between the alternatives of higher revenues and a higher operating result; instead, we want to achieve both! Due to the modest revenue decline in the first half, however, we will no longer be able to achieve the originally forecasted amount of consolidated revenues. Nonetheless, we currently still anticipate a modest revenue gain for the full 2018 financial year. As we have said many times in the past, we expect positive effects, especially in the second half of 2018, to result from the various measures that have already been initiated. And naturally, we continually review our strategic course settings and our operational performance so that we can always respond to changing conditions. This is how we want to shape the future of the Berentzen Group together with you: Sustainable. Profitable. Growth.

Sincerely yours,

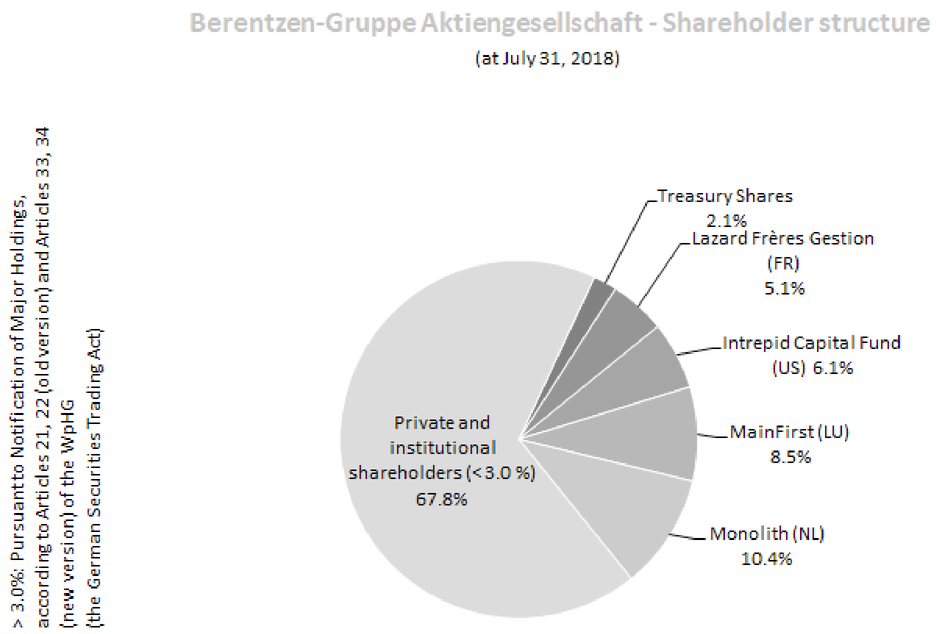
Oliver Schwegmann — Executive Board member

Ralf Brühöfner — Executive Board member

B. Interim group management report

(1) Underlying principles of the corporate group

The Berentzen Group is one of the leading beverage groups in Germany and simultaneously one of the country's oldest producers of spirits, with a history going back over 250 years. Berentzen-Gruppe Aktiengesellschaft based in Haselünne, Germany, is the ultimate parent of the Berentzen Group, which consists of more than 20 domestic and international subsidiaries as well as the parent company. The capital stock of Berentzen-Gruppe Aktiengesellschaft is divided into 9.6 million no-par shares of common stock that are listed on the regulated market of the Frankfurt Stock Exchange (General Standard) under ISIN DE0005201602 and WKN 520160.



(2) Economic report

(2.1) General economic and industry-specific conditions

General economic conditions

In its World Economic Outlook Update issued in July 2018, the International Monetary Fund (IMF) confirmed its forecast for the expected global economic growth for the current year, but indicated at the same time that the pace of global growth is slowing and becoming more uneven. According to the IMF, differences in growth are emerging particularly between the United States of America on the one hand and Europe and Japan on the other. The German Institute for Economic Research (DIW Berlin) also observed a year-on-year slowdown of growth in the global economy at the beginning of the year, citing in particular increased uncertainty surrounding economic policy as a possible reason.

The German economy continued to grow at the beginning of the year, albeit at a somewhat weaker rate than in recent times. As the German Federal Statistical Office announced in May, gross domestic product (GDP) adjusted for seasonal, price and calendar reasons was 0.3% higher than the figure for the previous quarter. This can be attributed primarily to positive stimuli from domestic sources. Capital expenditure in particular rose sharply at the beginning of the year, while there was a drop in impetus from abroad.

Developments on the drinks market

According to figures from the German Federal Statistical Office, the change in consumer prices in Germany was between 1.4% and 2.2% overall in the first six months of 2018 compared with the equivalent months in the previous year, with prices in the “Alcoholic beverages and tobacco” category that is important for the Berentzen Group rising at an above-average rate. The inflation rates in this area were between 2.8% and 4.1% over the equivalent period last year. Price rises were slightly less pronounced in the “Food and non-alcoholic beverages” category, with inflation in this area fluctuating between 1.1% and 3.4%.

Figures published by The Nielsen Company (Nielsen), an independent market researcher, show that domestic sales of spirits in the first half of the current year were below the level recorded in the same period last year overall. The sales volume in the German food retail trade and drugstores segment fell by 1.2%, whereas revenues rose by 1.2% from EUR 1.97 billion to EUR 1.99 billion. Accordingly, 253.9 million 0.7-litre bottles (256.9 million 0.7-litre bottles) were sold through this important sales channel for the Berentzen Group. According to Nielsen, 116.9 million 0.7-litre bottles (122.7 million 0.7-litre bottles) from proprietary brands were sold through this channel between January and June 2018, while the share of total revenues declined from EUR 0.69 billion to EUR 0.67 billion at the same time.

On the market for non-alcoholic beverages, carbonated soft drinks (CSD) are still considered popular among consumers, with 115.8 litres consumed per person in 2017, although consumption was down 1.7% on the previous year according to figures from Wirtschaftsvereinigung Alkoholfreie Getränke (wafg), a German non-alcoholic beverage industry association, dated May 2018. Similarly, wafg figures revealed a decline in per-capita consumption of 2.6% to 148.2 litres in the product category covering mineral and medicinal waters. According to an April 2018 statement published by Verband Deutscher Mineralbrunnen e.V. (VDM), a German mineral water association, sales of mineral and medicinal waters as well as non-alcoholic soft drinks based on mineral water from German sources dropped by 1.8% to 14.5 billion litres in 2017 compared with the previous year, from the producer viewpoint. Within this total, sales of mineral and medicinal waters decreased by 2.1% overall to 11.1 billion litres. Soft drinks accounted for 34.0 million hectolitres, representing a decline in sales of 1.0%.

As far as the Berentzen Group is aware, to all intents and purposes there are no all-round, reliable market data available for the *Fresh Juice Systems* segment. The corporate group estimates that existing and future consumer demand for fresh foodstuffs, especially fresh drinks like not-from-concentrate juices, freshly squeezed juices and smoothies, is a key indicator for the development of this segment. The trend ongoing for several years now of increased dietary awareness and the impact on health and well-being are further influencing consumer behaviour. Values and product characteristics like freshness, biological and regional provenance as well as traceability in the production process are increasingly important factors for end customers. A market study by the Association of the Industry of Juices and Nectars from Fruits and Vegetables of the European Union (AIJN) from 2018 shows that the market development of smoothies, which are most readily comparable with the system solution offered by the *Fresh Juice Systems* segment (production of freshly squeezed fruit juices), was most recently very positive in the European markets most important for the segment. Accordingly, sales expanded in 2017 by 55.6% in France, by 35.6% in Germany, and by 15.2% in Austria.

(2.2) Business performance and economic position

(2.2.1) Overview of business performance and operating results

In the first half of the 2018 financial year, consolidated revenues for the Berentzen Group fell to EUR 78.4 million (EUR 80.0 million), but the consolidated operating profit increased to EUR 4.6 million (EUR 4.1 million) and the consolidated operating profit before depreciation and amortisation also climbed to EUR 8.2 million (EUR 7.6 million). Ultimately the Berentzen Group recorded consolidated profit of EUR 2.7 million in the first six months of the 2018 financial year (EUR 1.2 million).

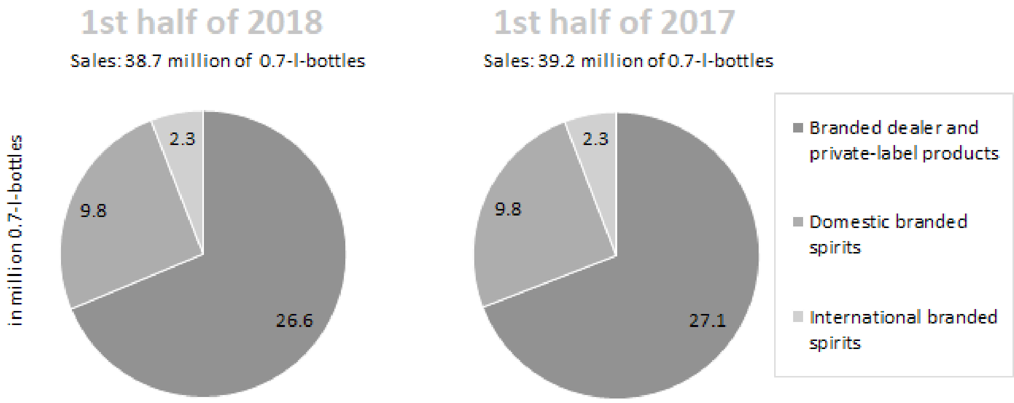
(2.2.2) Business performance – Significant developments and events

Sales volumes

The business performance is driven notably by the development of product sales that forms the focal point of the Company's operating activities, even though diverse sales mix effects mean that there is no strict linear relationship to revenues, gross profit and performance indicators.

Spirits

The following diagrams show the development of sales volumes in the Spirits business:



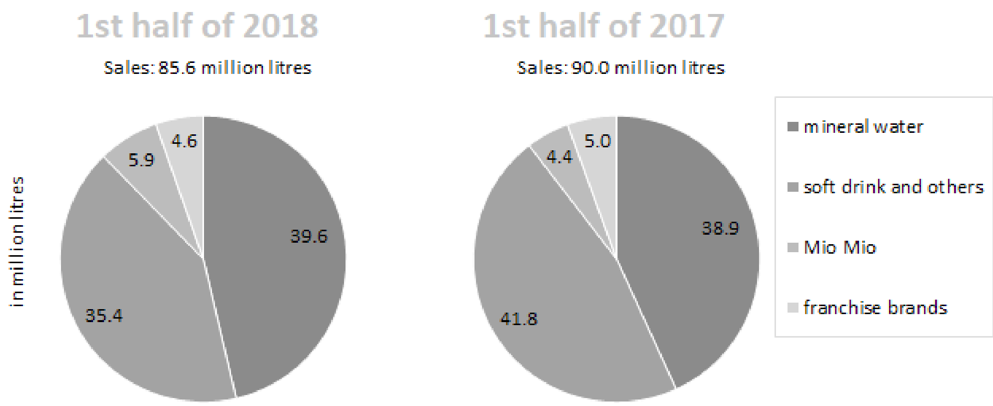
In the first six months of the 2018 financial year, sales of spirits in the Berentzen Group decreased marginally by 1.1% to 38.7 million 0.7-litre bottles (39.2 million 0.7-litre bottles). Domestic sales volumes totalled 32.5 million 0.7-litre bottles (32.9 million 0.7-litre bottles) and international sales volumes stood at 6.2 million 0.7-litre bottles (6.3 million 0.7-litre bottles). The Berentzen Group recorded sales of 12.1 million 0.7-litre bottles (12.1 million 0.7-litre bottles) with branded spirits at home and abroad in the first half of the financial year.

The sales volume for the entire domestic branded business was up slightly by 0.4% as of June 30, 2018. Sales volumes for the core brands *Berentzen* and *Puschkin* were 2.2% above the level of the previous-year period, but these two umbrella brands developed very differently: while sales of the products sold under the umbrella brand *Berentzen* suffered a decline of 3.6% in the first six months of the 2018 financial year, sales of spirits under the umbrella brand *Puschkin* continued to develop very positively, rising by 15.0% on the previous-year period. There was a 2.4% fall in sales in the business with other brands, particularly with traditional spirits, against the backdrop of further general decline in the market development of some spirits segments.

The sales volume of the international branded spirits business declined slightly by 1.4% from the previous-year period. Sales volumes in the Benelux countries grew by 6.9% with support coming from the *Berentzen* core brand. At 8.8%, unit sales growth was also very pleasing for the Turkish market, which is still subject to intense scrutiny. With sales down 43.8% in total on the previous-year period, however, the Czech and Slovakian markets developed very negatively. As a result, Berentzen is working together with the local distributor on a sales and brand-strategic adjustment for these markets.

The development of sales in the spirits business involving branded dealer and private-label products saw a slight decline compared with the equivalent period last year. A decline in sales of 1.7% meant that the international business in this area was not able to follow on from the previous-year level. With a fall of 1.6%, sales in Germany similarly failed to match the equivalent period last year. To summarise, sales dropped 1.6% to 26.6 million 0.7-litre bottles (27.1 million 0.7-litre bottles) by comparison with the same period in the previous year.

Non-alcoholic beverages



The sales volume of mineral water products and soft drinks in the *Non-alcoholic Beverages* segment decreased by 5.0% to a total of 85.6 million litres in the first six months of the 2018 financial year (90.0 million litres). This was mainly attributable to the (comparatively low-margin) business with contract bottling, primarily for lemonades, which contracted by 15.6%. By contrast, the business with drinks sold under the proprietary brand *Mio Mio* developed positively, experiencing sales growth of 35.8%. Sales of mineral waters were also improved on the previous-year period, albeit to a lesser extent (+1.7%). The sales performance of other drinks from the proprietary brand portfolio was more or less stable. This was unlike the franchise business with branded beverages from the Sinalco corporate group, which dropped off to the tune of 7.2%.

Fresh Juice Systems

		2018	2017	Change	%
Fruit juicers		1,149	1,387	- 238	- 17.2
Bottling systems	In thousands	8,471	8,177	+ 294	+ 3.6
Fruit	In thousand kilos	3,619	4,104	- 485	- 11.8

Sales performance in the *Fresh Juice Systems* segment was unsatisfactory on the whole in the first six months of the current financial year. While sales of bottling systems jumped by 3.6%, sales of fruit juicers dropped by 17.2%. This was particularly due to a significantly lower sales volume on the important French market, whereas there were positive developments in the GSA region (Germany, Switzerland and Austria) and the USA when compared with the equivalent period last year. The dynamic growth on these and other markets was not sufficient, however, to compensate for the aforementioned effect. There was also a considerable decline in sales of fruit (oranges) amounting to 11.8%.

General statement on the sales volume performance

In consideration of the aforementioned business developments in the individual segments, especially the development in sales volumes in the *Fresh Juice Systems* and *Spirits* segments contributed to a decrease in consolidated revenues. Despite a marginal decline in sales, the *Non-alcoholic Beverages* segment managed to increase revenues by 2.7% due to product mix management so that the contribution of this segment to consolidated revenues rose by 1.5 percentage points to 30.8%.

Sourcing

In terms of the production of spirits and non-alcoholic beverages, the cost of sourcing of raw materials and – in the *Fresh Juice Systems* segment – the cost of procuring the individual system components represent a major part of the total costs involved. The framework conditions differ, but the cost prices for raw materials have been more or less stable. In this regard, the continued increase in purchase costs for the system component fruit (oranges) in the *Fresh Juice Systems* segment is a noteworthy exception. By contrast, the expiry of the quotas for sugar and isoglucose as of September 30, 2017 resulted in a relaxing of prices for sugar and sugar-containing preliminary products.

(2.2.3) Financial performance

The following table summarises the development of the financial performance. Individual items in the Consolidated Statement of Comprehensive Income from the equivalent period last year have been adjusted for exceptional effects (non-recurring items) in line with the definition of the normalised consolidated EBIT used to manage the corporate group.

	01/01 to 06/30/2018		01/01 to 06/30/2017 [1)]		Change	
	EUR'000	%	EUR'000	%	EUR'000	%
Consolidated revenues	**78,376**	**98.5**	**80,021**	**100.7**	**- 1,645**	**- 2.1**
Change in inventories	1,183	1.5	-576	- 0.7	+ 1,759	> - 100.0
Total operating performance	**79,559**	**100.0**	**79,445**	**100.0**	**+ 114**	**+ 0.1**
Purchased goods and service	43,663	54.9	44,162	55.6	- 499	- 1.1
Consolidated gross profit	**35,896**	**45.1**	**35,283**	**44.4**	**+ 613**	**+ 1.7**
Other operating income	2,023	2.5	1,699	2.1	+ 324	+ 19.1
Operating costs	33,363	41.9	32,844	41.3	+ 519	+ 1.6
Consolidated operating profit (EBIT)	**4,556**	**5.7**	**4,138**	**5.2**	**+ 418**	**+ 10.1**
Exceptional effects	0	0.0	-427	- 0.5	+ 427	- 100.0
Financial result and result from participating interests	-759	- 1.0	-2,043	- 2.6	+ 1,284	- 62.8
Consolidated profit before income taxes	**3,797**	**4.8**	**1,668**	**2.1**	**+ 2,129**	**> + 100.0**
Income tax expense	1,107	1.4	487	0.6	+ 620	> + 100.0
Consolidated profit	**2,690**	**3.4**	**1,181**	**1.5**	**+ 1,509**	**> + 100.0**

1) Previous-year figures partially adjusted due to the first-time application of IFRS 15. See also Note (1.3) in the Abridged Notes to the Consolidated Financial Statements.

Consolidated revenues and total operating performance

The consolidated revenues of the Berentzen Group amounted to EUR 78.4 million (EUR 80.0 million) in the first half of the 2018 financial year, while the consolidated revenues including alcohol tax amounted to EUR 179.1 million (EUR 182.2 million). Including the changes in inventory of EUR 1.2 million (EUR-0.6 million), the total operating performance came to EUR 79.6 million (EUR 79.4 million).

The following table shows the development of revenues in the individual segments of the corporate group:

	01/01 to 06/30/2018	01/01 to 06/30/2017 [1)]	Change	
	EUR'000	EUR'000	EUR'000	%
Spirits segment	40,683	41,895	- 1,212	- 2.9
Non-alcoholic Beverages segment	24,124	23,470	+ 654	+ 2.8
Fresh Juice Systems segment	9,358	10,564	- 1,206	- 11.4
Other segments	4,211	4,092	+ 119	+ 2.9
Consolidated revenues excluding alcohol tax	**78,376**	**80,021**	**- 1,645**	**- 2.1**
Alcohol tax	100,675	102,192	- 1,517	- 1.5
Consolidated revenues including alcohol tax	**179,051**	**182,213**	**- 3,162**	**- 1.7**

1) Previous-year figures partially adjusted due to the first-time application of IFRS 15. See also Note (1.3) in the Abridged Notes to the Consolidated Financial Statements.

Purchased goods and services and consolidated gross profit

Despite the higher total operating performance, the cost of purchased goods and services decreased in absolute terms in the first half of the 2018 financial year to EUR 43.7 million (EUR 44.2 million), while the ratio of purchased goods and services to total operating performance fell to 54.9% (55.6%) by comparison. The cost prices for commodities remained largely stable overall with the exception of higher purchasing costs for the system component fruit (oranges) in the *Fresh Juice Systems* segment, so the lower ratio of purchased goods and services to total operating performance is primarily attributable to a favourable product mix in this respect. This effect likewise led to a 0.7 percentage point improvement in gross profit margin to 45.1% (44.4%). This meant that, despite a drop of EUR 1.7 million in consolidated revenues, consolidated gross profit rose by EUR 0.6 million to EUR 35.9 million (EUR 35.3 million).

Other operating income

Other operating income rose to EUR 2.0 million in total in the first half of the 2018 financial year (EUR 1.7 million). Alongside income from the reversal of provisions and the derecognition of liabilities of EUR 0.8 million (EUR 0.7 million), this figure mainly includes cost refunds and other reimbursements from business partners in connection with licence and sales agreements of EUR 0.3 million (EUR 0.4 million).

Operating expenses

Operating expenses increased marginally to EUR 33.4 million (year: EUR 32.8 million). With the corporate group's total operating performance remaining stable compared to the equivalent period in the previous year, the ratio of operating expenses to total operating performance thus rose to 41.9% (41.3%).

Personnel expenses dropped slightly to EUR 12.6 million (EUR 12.7 million), and the personnel expenses ratio decreased to 15.8% (16.0%). The decrease in personnel expenses is due first and foremost to lower remuneration at executive level in the corporate group. The corporate group had 482 (492) employees as of the June 30, 2018 cut-off date and an average of 412 (406) full-time equivalents in the first half of the 2018 financial year. This means that the headcount has dropped a little as of the June 30, 2018 reporting date compared with June 30, 2017, but the average number of full-time equivalents was somewhat higher during the first half of the 2018 financial year.

Depreciation and amortisation of assets increased marginally in the first six months of the 2018 financial year to EUR 3.6 million (EUR 3.5 million) with an investment volume to date of EUR 3.8 million (EUR 2.4 million). This increase results mainly from higher depreciation on property, plant and equipment.

Other operating expenses were up by EUR 0.5 million to EUR 17.2 million (EUR 16.7 million). This included a small increase in transport and selling expenses to EUR 8.0 million (EUR 7.9 million), with most of the rise relating to additional expenses in connection with the regional expansion of products from the *Mio Mio* brand in the *Non-alcoholic Beverages* segment. There was also an increase in the marketing and trade advertising expenses to EUR 2.9 million (EUR 2.4 million), chiefly as part of a communications campaign for the *Mio Mio* product line in the *Non-alcoholic Beverages* segment. Maintenance expenses were cut to EUR 1.3 million (EUR 1.6 million). Other overheads rose marginally overall to EUR 4.9 million compared to the first half of the 2017 financial year (EUR 4.8 million).

Exceptional effects

Exceptional effects (non-recurring items) in the first half of the 2018 financial year

No exceptional effects as such to be recognised in results arose in the first half of the 2018 financial year.

Exceptional effects (non-recurring items) in the first half of the 2017 financial year

In the first half of the 2017 financial year, a non-recurring item arose from an ad hoc impairment test relating to the *Non-alcoholic Beverages* segment. Despite a generally positive development in sales, revenues and segment earnings (contribution margin by budget) in comparison to the previous year's reporting period, there were indications that this segment's total profit contribution to consolidated operating result is and will remain not as strong as anticipated.

The impairment test to be performed for these assets as of June 30, 2017 in line with the rules of IAS 36 led to a net expense of EUR 0.4 million; for accounting reasons, this includes both write-downs of EUR 0.6 million and write-ups of EUR 0.2 million relating to the assets previously written down.

Financial result and result from participating interests

The financial result and result from participating interests was much improved on the previous year, amounting to a net expense of EUR 0.8 million (EUR 2.0 million). The key factor here was the reduction in interest expenses. While interest expenses of EUR 1.6 million were incurred in the equivalent period last year for the Berentzen bond 2012/2017 repaid in October 2017, the debt instruments with variable interest components used by the Berentzen Group in the first six months of the 2018 financial year constituted a much smaller burden on the financial result.

Income tax expenses

In relation to the first half of the 2018 financial year, the Group incurred an income tax expense of EUR 1.1 million (EUR 0.5 million). The total includes expenses of EUR 1.2 million (EUR 0.6 million) from German trade tax and corporate income tax and comparable foreign income taxes. The measurement of deferred taxes in accordance with IAS 34 in conjunction with IAS 12 gave rise to an aggregate gain of EUR 0.1 million (EUR 0.1 million), resulting mainly from a decrease in deferred tax liabilities on temporary measurement differences of intangible assets.

Consolidated profit

At EUR 4.6 million (EUR 4.1 million), the consolidated operating result or EBIT recorded in the first half of the 2018 financial year surpassed the previous-year period. This can be attributed mainly to the improvement in consolidated gross profit to EUR 35.9 million (EUR 35.3 million). Based on the positive development of the consolidated operating result and in view of the improved financial result and result from participating interests, consolidated profit rose sharply to EUR 2.7 million (EUR 1.2 million).

(2.2.4) Cash flows

Financing structure

The overall funding of the Berentzen Group as presented in the annual report for the 2017 financial year remains essentially unchanged at the end of the first half of the 2018 financial year, as shown in the table below:

		Financing line 06/30/2018			Financing line 12/31/2017		
		Longterm	Shortterm	Total	Longterm	Shortterm	Total
		EURm	EURm	EURm	EURm	EURm	EURm
Syndicated loan agreement	Line, limited	7.5	18.0	25.5	7.5	18.0	25.5
Factoring	Line, limited	0.0	50.0	50.0	0.0	50.0	50.0
Central settlement and factoring	Line, unlimited [1)]	0.0	9.6	9.6	0.0	9.7	9.7
Working capital loans	Line, limited [2)]	0.0	1.2	1.2	0.0	1.4	1.4
Surety bond for spirits tax liabilities	Line, limited	0.0	0.8	0.8	0.0	0.8	0.8
Total financing		**7.5**	**79.6**	**87.1**	**7.5**	**79.9**	**87.4**

1) Average funding volume in the (half) financial year.

2) Working capital loans in foreign currency included therein are translated using the respective closing rate.

Compared with December 31, 2017, the financing scope as of June 30, 2018 deviated only in terms of the utilisation of factoring lines and the volume of financing from credit agreements with providers of working capital outside of the syndicated loan agreement. This resulted in the first half of the 2018 financial year in an average gross financing volume of EUR 9.6 million (EUR 9.7 million) within the framework of a factoring line from three central settlement and factoring agreements that has no formal limit on its amount. In addition, the scope for operating loans available to the two foreign group companies decreased by EUR 0.2 million to EUR 1.2 million (EUR 1.4 million) on account of exchange rate effects.

Abridged Consolidated Cash Flow Statement for the period from January 1 to June 30, 2018

The following Cash Flow Statement shows the development of liquid assets in the corporate group. The cash and cash equivalents are calculated as the balance of the cash and cash equivalents shown in the Statement of Financial Position and part of the current financial liabilities.

Cash and cash equivalents include the current accounts maintained with banks that are used to settle two factoring agreements, containing the cash available at all times from the factoring arrangements ("customer settlement accounts"). The receivables from the customer settlement accounts have different characteristics from usual current account receivables from banks, notably with regard to interest. Only the shares of outside capital immediately available under working capital lines are presented as current financial liabilities.

	01/01 to 06/30/2018 EUR'000	01/01 to 06/30/2017 EUR'000	Change EUR'000
Operating cash flow	7,303	5,980	+ 1,323
Cash flow from operating activities	- 23	- 2,601	+ 2,578
Cash flow from investing activities	- 3,632	- 2,279	- 1,353
Cash flow from financing activities	- 2,067	- 2,348	281
Change in cash and cash equivalents	**- 5,722**	**- 7,228**	**+ 1,506**
Cash and cash equivalents at the start of the period	**18,435**	**67,084**	**- 48,649**
Cash and cash equivalents at the end of the period	**12,713**	**59,856**	**- 47,143**

Operating cash flow and cash flow from operating activities

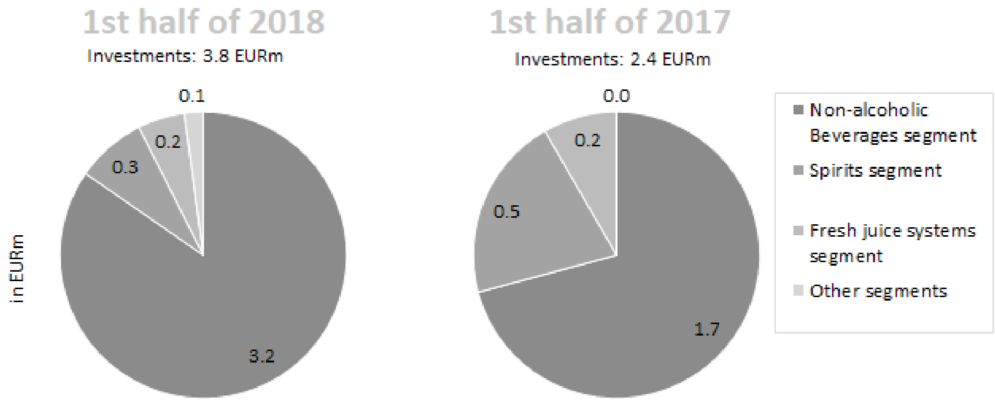
Operating cash flow growth in the first half of the 2018 financial year was chiefly attributable to the EUR 1.5 million rise in consolidated profit to EUR 7.3 million (EUR 6.0 million).

The cash flow from operating activities also encompasses changes in working capital, showing net cash outflow of less than EUR 0.1 million in the first six months of the 2018 financial year (EUR 2.6 million). The following matters were the main contributory factors in this respect.

The change in trade working capital – i.e. the balance from the cash movement in inventories, receivables including factoring, liabilities from alcohol tax as well as trade payables – resulted in a net cash outflow of EUR 10.3 million (EUR 7.1 million). This is especially attributable to the recurring effect from the seasonal reduction in liabilities from alcohol tax during the year; this figure totalled EUR 8.6 million (EUR 8.0 million) as of the June 30, 2018 cut-off date. This was countered by a net cash inflow from the decrease in other assets of EUR 1.8 million (EUR 0.0 million). Furthermore, debt financing from provisions dropped by EUR 0.7 million (EUR 0.5 million), chiefly based on a corresponding change in the recognised amount of pension obligations. In addition, the change in other liabilities resulted in a cash inflow of EUR 2.0 million, after a cash outflow of EUR 1.0 million in the equivalent period last year.

Cash flow from investing activities

The corporate group's investing activities led to a net cash outflow of EUR 3.6 million (EUR 2.3 million). Investments in property, plant and equipment and intangible assets totalled EUR 3.8 million (EUR 2.4 million) and were countered by cash received from the disposal of fixed assets of EUR 0.2 million (EUR 0.1 million). The substantially higher level of cash outflow was mainly due to investments in empty bottle containers and crates and the refurbishment of a glass recycling facility in the *Non-alcoholic Beverages* segment.



Cash flow from financing activities

Financing activities resulted in a net cash outflow of EUR 2.1 million (EUR 2.3 million) stemming – based on corresponding resolutions of the annual general meeting – completely from the dividend payment.

Cash and cash equivalents

All in all, cash and cash equivalents totalled EUR 12.7 million (EUR 59.9 million) as of the middle of the 2018 financial year, of which EUR 10.6 million (EUR 29.5 million) relates to receivables from the customer settlement accounts maintained with banks that are used for settlement under two factoring agreements. At June 30, 2018, drawdowns of short-term credit lines and similar financial instruments amounted to EUR 1.0 million (EUR 0.8 million).

(2.2.5) Financial position

	06/30/2018		12/31/2017		Change
	EUR'000	**%**	**EUR'000**	**%**	**EUR'000**
Assets					
Non-current assets	60,400	43.4	60,325	42.1	+ 75
Current assets	78,824	56.6	83,120	57.9	- 4,296
Bilanzsumme	**139,224**	**100.0**	**143,445**	**100.0**	**- 4,221**
Shareholders' equity and liabilities					
Shareholders' equity	45,114	32.4	44,589	31.1	+ 525
Non-current liabilities	19,269	13.8	19,984	13.9	- 715
Current liabilities	74,841	53.8	78,872	55.0	- 4,031
	139,224	**100.0**	**143,445**	**100.0**	**- 4,221**

Assets

Compared with December 31, 2017, total assets declined to EUR 139.2 million (EUR 143.4 million).

Non-current assets

EUR 60.4 million (EUR 60.3 million) of group assets are invested in non-current assets. While absolute figures have remained more or less stable, the share as a percentage of total assets has risen to 43.4% (42.1%). The property, plant and equipment contained in this figure rose by a total of EUR 0.3 million, due first and foremost to investments of EUR 3.4 million. By contrast, intangible assets slipped a little by EUR 0.3 million.

The coverage of non-current assets by shareholders' equity and non-current liabilities decreased just slightly to 106.6% (107.0%).

Current assets

Current assets decreased to EUR 78.8 million (EUR 83.1 million), with trade receivables accounting for 21.7% (16.6%) of the total. At present, the Berentzen Group has two factoring agreements in place with a net funding framework of EUR 50.0 million together with a factoring line with no formal limit under three further central settlement and factoring agreements. Gross receivables of EUR 55.6 million (EUR 56.0 million) had been sold by June 30, 2018 on this basis. The receivables volume still recognised rose to EUR 17.1 million (EUR 13.8 million).

Inventories remained stable at EUR 37.0 million (EUR 37.0 million).

A significant item in other current assets relates to security retainers from factoring transactions of EUR 7.7 million (EUR 9.6 million). These declined in line with the lower volume of gross receivables sold as at June 30, 2018.

The cash and cash equivalents of EUR 13.7 million (EUR 19.4 million) declined mainly due to the negative total cash flow totalling EUR 5.7 million shown in the abridged Consolidated Cash Flow Statement.

Shareholders' equity and liabilities

Shareholders' equity

With consolidated comprehensive income in the first half of the 2018 financial year of EUR 2.6 million (EUR 1.0 million) and taking into account the dividend payment passed by resolution at the annual general meeting in May 2018 of EUR 2.1 million (EUR 2.3 million), equity climbed to EUR 45.1 million (EUR 44.6 million).

Non-current liabilities

A figure of EUR 19.3 million (EUR 20.0 million) was available to the corporate group in the form of non-current liabilities. This chiefly includes non-current financial liabilities of EUR 7.1 million (EUR 7.1 million) and pension provisions of EUR 9.8 million (EUR 10.5 million). Non-current liabilities accounted for 20.5% (20.2%) of total consolidated liabilities at June 30, 2018.

Current liabilities

Current debt capital decreased to EUR 74.8 million (EUR 78.9 million) or 53.8% (55.0%) of total consolidated assets. EUR 1.7 million (EUR 1.7 million) thereof relates to current financial liabilities.

Liabilities from alcohol tax amounted to EUR 34.7 million (EUR 43.3 million). The decline of EUR 8.6 million compared with December 31, 2017 in alcohol tax liabilities arising from revenues in the *Spirits* segment and *Other segments* in Germany results mainly from the traditionally stronger business activities towards the end of a financial year compared with the middle of each financial year for seasonal reasons.

At EUR 11.5 million (EUR 9.8 million), trade payables were EUR 1.6 million higher than at the end of the 2017 financial year for reasons relating to scheduling and the balance sheet date. Other current liabilities including current provisions increased to EUR 27.0 million (EUR 24.1 million). The liabilities from marketing and sales obligations carried in the total plus bonuses totalled EUR 12.2 million (EUR 9.9 million). Taxes payable – mainly payroll and sales taxes – declined to EUR 5.1 million (EUR 5.7 million), due mostly to a season-related change in the VAT payable, influenced largely by the sales of spirits at the respective year-end.

(2.2.6) General statement about the business performance and economic position of the corporate group

The first half of the 2018 financial year was characterised by challenges and changes for the Berentzen Group as part of its transformation process. To summarise, the economic position of the corporate group can still be considered good against the backdrop of robust financing and a positive financial performance.

While consolidated revenues dipped by 2.1% to EUR 78.4 million (EUR 80.0 million), key performance indicators developed more positively. Based on a gross profit improved by EUR 0.6 million, the Berentzen Group closed the first half of the 2018 financial year with a consolidated operating profit (consolidated EBIT) of EUR 4.6 million (EUR 4.1 million) and consolidated operating profit before depreciation and amortisation (consolidated EBITDA) of EUR 8.2 million (EUR 7.6 million); consolidated net profit was up significantly to EUR 2.7 million (EUR 1.2 million).

Within these figures, business performance varied from one segment to the next. The business with spirits – shown in *Spirits* and *Other segments* – was stable on the whole in the first half of the financial year. Its successful product mix management meant that the *Non-alcoholic Beverages* segment succeeded in generating revenue growth despite a lower sales volume. The products of the proprietary *Mio Mio* brand in particular performed well once again. This ultimately led to a significantly improved earnings contribution in this segment. For the *Fresh Juice Systems* segment, the first half of the financial year was disappointing, with revenues down by 11.4%. The business with fruit (oranges) continued to be challenging, and sales of the system components fruit juicers were not satisfactory either, especially on the French market, which is significant in terms of volume and earnings.

The cash flows and financial position remained robust. The funding of the corporate group remained secure, especially in light of the overall funding described, and the corporate group continues to enjoy a very good liquidity base to fund its commercial operations and its medium-term growth strategy. A dynamic gearing ratio of-0.29 as of June 30, 2018 (-0.52) highlights that cash and cash equivalents exceed non-current and current financial liabilities and that in this respect there is – from a general perspective – no debt recorded on the face of the statement of financial position after netting. As a result of the positive development in financial performance, group equity increased by EUR 0.5 million. Taking into account total assets having dropped EUR 4.2 million to EUR 139.2 million, the equity ratio increased to 32.4% compared with December 31, 2017 (31.1%).

(3) Report on opportunities and risks

The commercial activities of the corporate group give rise to a large number of opportunities while exposing it to numerous risks at the same time. Risk may have a negative impact on the business performance due to the occurrence of internal or external events affecting future developments that prevent the company from achieving defined goals or successfully implementing strategies. In contrast, opportunities provide ways of positively impacting the business performance by means of future successes that go beyond the defined objectives.

The Berentzen Group's risk management system is geared towards promptly identifying, assessing and mitigating risk by means of appropriate early identification and hedging measures. The structure of the risk management system is described in detail in the report on opportunities and risks contained in the Berentzen Group annual report for the 2017 financial year.

The risks and opportunities presented there and the assessment thereof as part of the assessment matrix continue to apply. No significant risks or opportunities were identified in the reporting period going beyond those presented in the report on opportunities and risks contained in the Berentzen Group annual report for the 2017 financial year. Consequently, there are no risks classified as high risk within the scope of the risk management system. In the opinion of the Management, the Berentzen Group's risk exposure has thus remained unchanged overall compared with the position described in the Berentzen Group annual report for the 2017 financial year, and continues to be manageable from today's perspective.

(4) Forecast report

The forecast report for the Berentzen Group takes account of the relevant facts and events known at the time of preparation of the consolidated half-yearly financial statements which might have an impact on the corporate group's future business performance. The forecasts made herein on the basis of the current version of the integrated corporate plan for the Berentzen Group for the 2018 financial year, and taking into account the business performance in the first half of the 2018 financial year, are built around the organic development of the corporate group excluding significant non-recurring exceptional effects and changes arising from possible company acquisitions; where such events need to be incorporated at the time of preparation of the present forecast report, this is stated accordingly.

(4.1) General economic and industry-specific conditions

General economic conditions

In its World Economic Outlook Update issued in July 2018, the IMF confirmed its forecast for global economic growth in 2018 of 3.9%, although growth is slowing down and risks are increasing according to the IMF's observations. While the forecast for the US economy of 2.9% growth was confirmed, the IMF lowered its expectations for Eurozone growth by 0.2 percentage points to growth of 2.2% in 2018. In a publication from June 2018, the DIW Berlin expects global economic growth of 4.1% and is thus somewhat more optimistic. Nevertheless, it too refers to uncertainties and risks in relation to prevailing economic policy.

Regarding the German economy as a whole, the IMF is currently similarly predicting an expansion of 2.2% and thus lowered its expectations by 0.3 percentage points in comparison to April. To date, DIW Berlin is anticipating real GDP growth of 1.9%.

Developments on the drinks market

Based on the national economic forecasts, the Berentzen Group continues to expect that the positive development will apply according to the general drink sales environment, albeit at a slightly weaker level.

With regard to the development of the domestic and international spirits market, the Berentzen Group believes that there have been no significant changes overall since the annual report for the 2017 financial year was published in March of this year. Consequently, the Berentzen Group continues to assume that total sales of spirits in the German retail trade will remain stable or at worst experience a marginal decline. The most important international markets for the Berentzen Group are expected to develop unevenly. Most of them are likely to shrink, but there are some exceptions. Negative highlights are the recent economic developments in Turkey. Increased inflation and the decline in the value of the Turkish lira against the euro and US dollar have led to significantly increased planning uncertainty in this market environment. The business with American whiskey has also suffered a setback, with the EU having levied import duties on bourbon whiskey of 25% since the end of June 2018 in response to the customs tariffs on European steel and aluminium introduced by the US administration. The Berentzen Group's *Spirits* segment with its business with branded dealer and private-label products is particularly affected.

There have not been any significant changes with regard to the forecast made in the 2017 annual report for the 2018 financial year for the underlying conditions for the business with non-alcoholic beverages either. The growth prospects essentially arising from the broad product portfolio depend at least in part on propitious weather conditions for the consumption of non-alcoholic beverages in the remaining summer months in the last six months of the financial year. Excessive temperatures can limit the availability of recyclable empties and freight space and thus hamper sales opportunities. All in all, however, the Berentzen Group rates the market prospects for the business with soft drinks as positive.

With reference to the presentation of the developments on the drinks market in the economic report (Section 2.1), as far as the Berentzen Group is aware, to all intents and purposes there are practically no all-round, resilient market data available for the *Fresh Juice Systems* segment, meaning that it makes use of the market development of fresh drinks such as not-from-concentrate juices, freshly squeezed fruit juices and smoothies as a leading indicator. No deviations from the forecasts made in the 2017 annual report have arisen for this segment either. In an internal assessment of the situation, the Berentzen Group continues to assume that the trend towards sensible and healthy diets observed for many years now will continue into the future. As a consequence, the positive sales and revenue developments for fresh drinks seen in particular on the most important European markets, namely Central Europe, that were confirmed by the market study published by the Association of the Industry of Juices and Nectars from Fruits and Vegetables of the European Union (AIJN) in 2018 is expected to continue.

(4.2) Anticipated development of financial performance

Anticipated development of the segments

	2017 EURm	Forecast for the 2018 financial year in 2017 Forecast Report EURm	Forecast for the 2018 financial year Q2/ 2018 EURm
Contribution margin after marketing budgets			
Segment			
Spirits	27.6	26.3 to 29.1	unchanged
Non-alcoholic Beverages	19.3	21.5 to 23.7	unchanged
Fresh Juice Systems	6.5	7.5 to 8.3	6.5 to 7.2
Other Segments	5.0	5.3 to 5.9	unchanged

The anticipated development of the individual segment results (contribution margin after marketing budgets) as shown in the above table is based in particular on the information gained from the internal planning processes, which reflect the respective business performance achieved up to the end of the first seven months of the 2018 financial year as well as the estimates for the period remaining until the end of the 2018 financial year. Based thereon, the forecasts needed to be amended in one case.

In the first half of the 2018 financial year, the *Spirits* segment's business with branded spirits in Germany and the business with branded dealer and private-label products dipped slightly compared with the equivalent period last year due to the difficult market environment. In the second half of the financial year, the Berentzen Group expects a positive development in the business with the umbrella brands *Berentzen* and *Puschkin* as well as in the entire branded dealer and private-label products business. Furthermore, the funds needed for marketing and trade advertising are expected to be lower overall than assumed in the original plan. Consequently, the Berentzen Group still anticipates segment earnings in the *Spirits* segment of between EUR 26.3 million and EUR 29.1 million.

The forecast made in the 2017 annual report concerning the segment earnings for the 2018 financial year of *Other segments*, which notably include the international business with branded spirits, is likewise confirmed. According to current estimates, it must be assumed, however, that this figure will tend towards the lower end of the range at the end of the financial year. In order to ensure that objectives are met, it is especially important to step up the involvement with the Czech and Slovakian markets.

Against the backdrop of the business performance displayed in the *Non-alcoholic Beverages* segment in the first six months of the 2017 financial year, the Berentzen Group confirms the increase in the contribution margin after marketing budgets to between EUR 21.5 million and EUR 23.7 million. The key reasons for assuming that segment earnings will develop positively are that business volume is expected to increase considerably and the product mix is advantageous from a contribution margin perspective.

The Berentzen Group has adjusted its forecast for the *Fresh Juice Systems* segment. Segment earnings for the 2018 financial year are now expected to range from EUR 6.5 million to EUR 7.2 million. The adjustment was made firstly because of the drop in sales of fruit juicers on the significant French market determined in the first half of the 2018 financial year already. It is likely that it will not be possible to compensate for this development on this market in the second half of the financial year either. Another exacerbating factor is that the sales volumes of fruit juicers on the US market are expected to fall short of expectations over the remaining months of 2018 due to the resurgence of a conflict with the distributor there. This is the principal reason why total annual revenues and contribution margins of the system component fruit juicers is expected to be lower than in the previous year and below original budget expectations. Secondly, the sales business with the system component fruit (oranges) continues to be challenging: For the whole of 2018, the contribution margin is expected to improve on the previous year but not compared with the original budgeted level.

Anticipated development of total operating performance and consolidated operating profit

	2017 EURm	Forecast for the 2018 financial year in 2017 Forecast Report EURm	Forecast for the 2018 financial year Q2/ 2018 EURm
Consolidated revenues	160.4 [1)]	170.1 to 178.9	162.8 to 171.2
Consolidated operating profit (consolidated EBIT)	9.2	9.6 to 10.6	unchanged
Consolidated operating profit before depreciation and amortisation (consolidated EBITDA)	16.4	17.2 to 19.0	unchanged

1) Previous-year figure adjusted due to the first-time application of IFRS 15. See also Note (1.3) in the Abridged Notes to the Consolidated Financial Statements.

Following on from the aforementioned adjustment of segment earnings for the *Fresh Juice Systems* segment and the related lower contribution to revenues by that segment as well as from lower-than-expected revenues in all other segments, the Berentzen Group is adjusting its forecast for consolidated revenues as stated in the annual report for the 2017 financial year to a range of between EUR 162.8 million and EUR 171.2 million. However, this adjustment will not have any significant impact on the anticipated development of the forecast earnings-related figures for consolidated operating result (consolidated EBIT) and consolidated operating profit before depreciation and amortisation (consolidated EBITDA). The Berentzen Group confirms its forecasts made for the 2018 financial year in the annual report for the 2017 financial year as far as both of these figures are concerned.

(4.3) Anticipated development of cash flows and financial position

Based on the anticipated development of the operating activities as described above, which has been largely confirmed, the Berentzen Group is reaffirming the basic forecast it made in the 2017 annual report for the 2018 financial year that the good and sound cash flows and financial position of the corporate group will continue to improve. The cash flows and financial position of the corporate group at December 31, 2017 represent the starting point in this context.

Anticipated development of cash flows

	2017 EURm	Forecast for the 2018 financial year in 2017 Forecast Report EURm	Forecast for the 2018 financial year Q2/ 2018 EURm
Operating cash flow	10.2	14.0 to 16.2	unchanged

In line with forecast earnings, the corporate group continues to anticipate an improvement in operating cash flow to a figure in the range between EUR 14.0 million and EUR 16.2 million.

Anticipated development of financial position

	2017	Forecast for the 2018 financial year in 2017 Forecast Report	Forecast for the 2018 financial year Q2/ 2018
Equity ratio	31.1 %	32.6 % to 37.6 %	unchanged
Dynamic gearing ratio	- 0.65	-0.08 to-0.03	unchanged

Likewise in line with the positive earnings development forecast, the Berentzen Group expects an increase in consolidated shareholders' equity as of the end of the 2018 financial year in absolute terms. The equity ratio is expected to be in the range of 32.6% to 37.6%.

In light of the expected change in accounting parameters and the anticipated positive development of financial performance, the Berentzen Group is still forecasting dynamic leverage to range somewhere between-0.08 and-0.03.

Based on the current status of the integrated corporate plan for the 2018 financial year, the funding structure of the corporate group will remain balanced overall. Nevertheless the indicators used to manage the corporate group are also subject to reporting-date effects to a large extent, in particular if they are only subject to short commitment periods.

(4.4) Anticipated development of the corporate group

Based on the above forecasts, the Berentzen Group expects its financial position, cash flows and financial performance to continue to develop positively in the 2018 financial year. Although two forecast figures had to be adjusted, as reported above in the context of the anticipated development of financial performance, this did not impact on the expectations regarding the key performance indicators consolidated EBIT and consolidated EBITDA.

The forecasts presented here are based on an unchanged corporate structure compared with the end of the 2017 financial year. Accordingly, significant deviations may arise from the realisation of the possible opportunities to make further company acquisitions. Furthermore, the actual business performance is dependent not least upon the general economic and industry-specific environment and may be negatively affected by more strongly adverse changes in the underlying conditions described. Both positive and negative deviations from the forecast may also result from not only the opportunities and risks described in the report on opportunities and risks but also such opportunities and risks that were not identifiable at the time of preparing this group management report.

C. Consolidated Half-yearly Financial Statements

Consolidated Statement of Financial Position at June 30, 2018

	06/30/2018 EUR '000	12/31/2017 EUR '000
ASSETS		
Non-current assets		
Intangible assets	12,380	12,682
Property, plant and equipment	46,538	46,199
Investment property	752	760
Other financial assets	730	684
Total non-current assets	**60,400**	**60,325**
Current assets		
Inventories	37,039	37,001
Current trade receivables	17,118	13,775
Current income tax assets	416	634
Cash and cash equivalents	13,711	19,397
Other current financial and non-financial assets	10,540	12,313
Total current assets	**78,824**	**83,120**
TOTAL ASSETS	**139,224**	**143,445**

	06/30/2018 EUR '000	12/31/2017 EUR '000
SHAREHOLDERS‘ EQUITY AND LIABILITIES		
Shareholders' Equity		
Subscribed capital	24,424	24,424
Additional paid-in capital	6,821	6,821
Retained earnings	13,869	13,344
Total shareholders‘ equity	**45,114**	**44,589**
Non-current liabilities		
Non-current provisions	10,266	10,992
Non-current financial liabilities	7,092	7,068
Deferred tax liabilities	1,911	1,924
Total non-current liabilities	**19,269**	**19,984**
Current liabilities		
Alcohol tax liabilities	34,700	43,312
Current provisions	80	80
Current income tax liabilities	2,979	2,078
Current financial liabilities	1,662	1,669
Trade payables and other liabilities	35,420	31,733
Total current liabilities	**74,841**	**78,872**
TOTAL SHAREHOLDERS‘ EQUITY AND LIABILITIES	**139,224**	**143,445**

Consolidated Statement of Comprehensive Income for the period from January 1 to June 30, 2018

	01/01 to 06/30/2018 EUR'000	01/01 to 06/30/2017[1)] EUR'000
Revenues	78,376	80,021
Change in inventories	1,183	-576
Other operating income	2,023	1,699
Purchased goods and services	43,663	44,162
Personnel expenses	12,565	12,691
Amortisation and depreciation of assets	3,603	3,458
Impairments/ write-ups	0	427
Other operating expenses	17,195	16,695
Financial income	31	28
Financial expenses	790	2,071
Earnings before income taxes	**3,797**	**1,668**
Income tax expenses	1,107	487
Consolidated profit	**2,690**	**1,181**
Currency translation differences	-326	-227
Items to be reclassified to the income statement at a later date	**-326**	**-227**
Revaluation of defined benefit obligations	301	0
Deferred taxes on revaluation of defined benefit obligations	-73	0
Items not to be reclassified to the income statement at a later date	**228**	**0**
Other comprehensive income	**-98**	**-227**
Consolidated comprehensive income	**2,592**	**954**
Earnings per share after profit attributable to shareholders (in EUR per share)		
Basic / diluted earnings per common share	0.286	0.126

1) Previous-year figures partially adjusted due to the first-time application of IFRS 15. See also Note (1.3) in the Abridged Notes to the Consolidated Financial Statements.

Consolidated Statement of Changes in Shareholders’ Equity for the period from January 1 to June 30, 2018

	Subscribed capital EUR‘000	Additional paid-in capital EUR‘000	Retained earnings EUR‘000	Total shareholders' equity EUR‘000
Total at 01/01/2017	**24,424**	**6,821**	**13,982**	**45,227**
Consolidated profit			1,181	1,181
Other comprehensive income			-227	-227
Consolidated comprehensive income			954	954
Dividends paid			-2,348	-2,348
Total at 06/30/2017	**24,424**	**6,821**	**12,588**	**43,833**
Total at 01/01/2018	**24,424**	**6,821**	**13,344**	**44,589**
Consolidated profit			2,690	2,690
Other comprehensive income			-98	-98
Consolidated comprehensive income			2,592	2,592
Dividends paid			-2,067	-2,067
Total at 06/30/2018	**24,424**	**6,821**	**13,869**	**45,114**

Abridged Consolidated Cash Flow Statement for the period from January 1 to June 30, 2018

	01/01 to 06/30/2018 EUR‘000	01/01 to 06/30/2017 EUR‘000
Cash flow from operating activities	- 23	- 2,601
Cash flow from investing activities	- 3,632	- 2,279
Cash flow from financing activities	- 2,067	- 2,348
Change in cash and cash equivalents	- 5,722	- 7,228
Cash and cash equivalents at the start of the period	18,435	67,084
Cash and cash equivalents at the end of the period	12,713	59,856

Abridged Consolidated Notes

(1) Policies and methods

(1.1) Information about the Company

Berentzen-Gruppe Aktiengesellschaft, (the "Company"), Haselünne, is a stock corporation (Aktiengesellschaft) organised under German law. The company has its registered office in Haselünne, Ritterstraße 7, 49740 Haselünne, Germany, and is recorded in the Commercial Register maintained by Osnabrück Local Court (entry HRB 120444).

The share capital of Berentzen-Gruppe Aktiengesellschaft is divided into 9.6 million no-par shares of common stock which are listed on the regulated market of the Frankfurt Stock Exchange (General Standard) under ISIN DE0005201602 and WKN 520160.

The business activities of Berentzen-Gruppe Aktiengesellschaft and its affiliated companies comprise the production and distribution of spirits and non-alcoholic beverages and the development and distribution of fresh juice systems.

(1.2) Explanatory notes to the policies and methods applied in the preparation of the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft in accordance with International Financial Reporting Standards (IFRS)

Principal accounting policies

The present consolidated half-yearly financial statements at June 30, 2018 were prepared in accordance with Section 117 No. 2 of the German Securities Trading Act (WpHG) in conjunction with Section 115 WpHG and in accordance with the International Financial Reporting Standards (IFRS) and the interpretations of the IFRS Interpretations Committee as applicable in the European Union (EU) for interim financial reporting. In particular, IAS 34 "Interim Financial Reporting" was applied; in addition, German Accounting Standard No. 16 (GAS 16) "Half-Year Financial Reporting" was observed.

With the following exception, the recognition and measurement methods applied in the consolidated half-yearly financial statements are essentially the same as those applied in the last consolidated financial statements at the end of the 2017 financial year:

In accordance with IAS 34 in conjunction with IAS 12, the income tax expense in the reporting period was calculated on the basis of the best estimate of the currently anticipated effective income tax rate for the financial year as a whole. This income tax rate is applied to the pre-tax profit for the interim reporting period.

A detailed description of the principal accounting policies and the recognition and measurement methods applied is provided in the consolidated financial statements at December 31, 2017, which forms the basis for the present consolidated half-yearly financial statements.

The consolidated half-yearly financial statements at June 30, 2018 and the interim group management report for the first half of the 2018 financial year were subjected to neither a voluntary review nor an audit in accordance with Section 317 HGB and should be read in conjunction with the consolidated financial statements at December 31, 2017 and the combined management report of the Berentzen Group and of Berentzen-Gruppe Aktiengesellschaft for the 2017 financial year.

The Executive Board approved the present consolidated half-yearly financial statements for the period from January 1 to June 30, 2018 and the interim Group management report for the first half of the 2018 financial year for publication on August 14, 2018.

(1.3) New IFRS and amended IFRS standards

The following new or amended IFRS standards had to be applied for the first time in the 2018 financial year:

Standard	Mandatory adoption
IFRS 9 “financial instruments“	01/01/2018
IFRS 15 "revenue from contracts with customers"	01/01/2018

More details on the changes are included in Note (1.3) “New IFRS and amended IFRS standards” in the Notes to the Consolidated Financial Statements in the 2017 Annual Report of Berentzen-Gruppe Aktiengesellschaft.

The effects of the initial application of IFRS 15 “Revenue from Contracts With Customers” and IFRS 9 “Financial Instruments” are presented under Notes (2.2), (2.7), and (3.1).

(1.4) Consolidated group

The consolidated group is unchanged compared with the consolidated financial statements at December 31, 2017.

(1.5) Assumptions and estimates

When preparing the consolidated half-yearly financial statements in accordance with IAS 34, the Executive Board is required to apply assessments and estimates, and make assumptions, that have an impact on the application of accounting principles in the corporate group and the disclosure of assets and liabilities, and income and expenses. The actual amounts may deviate from these estimates. The results for the reporting period ending June 30, 2018 do not necessarily allow any conclusions to be drawn regarding the development of future results.

With the following exception, the methods applied when making assumptions and estimations are unchanged compared with the consolidated financial statements at December 31, 2017:

Regarding the estimate of the liability arising from deposits / deposit provisions for the *Non-alcoholic Beverages* segment, there is a higher turnover rate for returnable containers than at the reporting date of December 31, 2017 for seasonal reasons. Consequently, the liability is EUR 147 thousand (June 30, 2017: EUR 212 thousand) lower than under the calculation method applied at the reporting date of December 31, 2017.

(1.6) Economic and seasonal factors

The Group’s revenues are influenced by seasonal factors, particularly in the *Spirits* and *Non-alcoholic Beverages* segments. As described in greater detail in Note (4.2) “Segment reporting”, the revenues of the *Spirits* segment – the segment with the highest revenues – are generally higher in the second half of the financial year than the first half of the financial year. In addition, the earnings performance of this segment is also dependent on the nature and scope of the marketing instruments employed, whereas general weather conditions are a significant factor influencing the unit sales and revenues of the *Non-alcoholic Beverages* segment. By contrast, no material seasonal factors have been identified for the *Fresh Juice Systems* segment.

Consequently, the results for the first half of the financial year are not necessarily indicative of the results that can be expected for the financial year as a whole.

(2) Explanatory notes to the Consolidated Statement of Financial Position

(2.1) Non-current assets

Investments

A total of EUR 3,784 thousand (first half of 2017: EUR 2,407 thousand) was invested in intangible assets, property, plant and equipment, and other financial assets in the first half of the 2018 financial year.

Obligations to purchase property, plant and equipment

Furthermore, there were obligations at June 30, 2018 to purchase property, plant and equipment of EUR 1,568 thousand (December 31, 2017: EUR 860 thousand).

(2.2) Trade receivables

The initial application of IFRS 9 starting January 1, 2018 led to changes in accounting principles and adjustments to the amounts recorded in the financial statements. The Berentzen Group uses the simplified approach under IFRS 9 to measure expected credit losses; according to this approach, the credit losses expected over the term are used for all trade receivables. Trade receivables were combined based on common features and days overdue in order to measure the expected credit losses.

The impairment with regard to trade receivables as of June 30, 2018 was determined as follows:

June 30, 2018	Current and less than 30 days overdue	More than 30 days overdue	More than 60 days overdue	More than 120 days overdue	
Expected loss rate	0.4%	1.4%	1.6%	2.7%	
Gross carrying amount (EUR '000)	16,651	264	119	184	17,218
Impairment (EUR '000)	**67**	**4**	**2**	**5**	**77**

Transfers of financial assets

As part of its external financing activities, the Berentzen Group also utilises factoring lines. The total available financing amount on the basis of two factoring agreements is EUR 50,000 thousand (December 31, 2017: EUR 50,000 thousand). The Group can also access a formally unlimited factoring line based on three additional centralised settlement and factoring agreements which stipulate no maximum commitment; instead, the possible drawdown is limited only by the available amount of saleable receivables.

At June 30, 2018, trade receivables of EUR 55,593 thousand (December 31, 2017: EUR 55,988 thousand) had been sold and assigned to the respective factoring companies. Because almost all of the risks and rewards incident to ownership of the financial assets were transferred to the factor, the trade receivables sold were completely derecognised in accordance with IFRS 9.3.2.6 a). The late payment risk remaining with the Berentzen Group at the time of derecognition was recognised as an asset representing a continuing involvement of EUR 146 thousand at June 30, 2018 (December 31, 2017: EUR 188 thousand). A liability of the same amount was recognised at the same time.

The factor retained collateral amounting to EUR 7,709 thousand (December 31, 2017: EUR 9,594 thousand) to secure any deductions from the face value of receivables. This item is carried under Other current assets.

(2.3) Shareholders' equity

Profit utilisation / dividend

In accordance with the German Stock Corporation Act, the profit utilisation including the dividend distribution to shareholders is determined exclusively on the basis of the distributable profit presented in the separate financial statements of Berentzen-Gruppe Aktiengesellschaft prepared in accordance with commercial-law regulations.

A resolution was adopted at the annual general meeting on May 3, 2018 to utilise the distributable profit of around EUR 6,178 thousand for the 2017 financial year (previous year: EUR 5,522 thousand) presented in the annual financial statements of Berentzen-Gruppe Aktiengesellschaft to pay a dividend of EUR 0.22 (previous year: EUR 0.25) per share of common stock qualifying for dividends for the 2017 financial year and to carry forward to the remaining amount to new account. In consideration of the treasury stock not qualifying for dividends in accordance with Section 71b AktG held by the Company on the day of the annual general meeting, this corresponded to a total dividend payout of around EUR 2,067 thousand (previous year: EUR 2,348 thousand) and an amount of around EUR 4,111 thousand (previous year: EUR 3,173 thousand) carried forward to new account.

(2.4) Noncurrent provisions

	06/30/2018 EUR '000	12/31/2017 EUR '000
Pension provisions	9,815	10,509
Other non-current provisions	451	483
	10,266	**10,992**

Pension provisions

	06/30/2018 EUR '000	12/31/2017 EUR '000
Pension provisions	9,815	10,509
	9,815	**10,509**

The pension provisions based on defined benefit plans pertain to the post-employment benefit obligations (old age, disability, and survivor's pensions) of the companies included in the consolidated financial statements, which are governed by different pension codes. The amount of individual benefits depends on the length of service with the Company and the age and/or salary level of the employee. No defined benefit commitments are being made to newly hired employees at this time.

Pursuant to IAS 19, the provisions for pension and similar obligations are calculated in accordance with the projected unit credit method for defined benefit plans. The figures are determined on the basis of actuarial reports. The parameters for the actuarial interest rate, rate of increase in future compensation and imputed rate of increase on the pension obligation were retained unchanged in the first six months of the 2018 financial year compared with December 31, 2017.

The following table shows an analysis of the defined benefit obligation (DBO) at June 30, 2018:

	06/30/2018 EUR '000	12/31/2017 EUR '000
DBO at the start of the financial year	10,509	11,183
Interest expenses on the DBO	50	107
Revaluations		
Actuarial gains / losses due to experience adjustments	-301	96
Pension benefits paid	- 443	- 877
DBO at the end of the first half / financial year	**9,815**	**10,509**

The following table shows the breakdown of the pension expenses for the respective six-month period:

	01/01 to 06/30/2018 EUR '000	01/01 to 06/30/2017 EUR '000
Interest expenses on the DBO	50	52
Expenses recognised in the Consolidated Statement of Comprehensive Income	**50**	**52**
Actuarial gains (-) / losses (+)	-301	0
Expenses / income recognised in other comprehensive income	**-301**	**0**
Total pension expenses	**-251**	**52**

Other non-current provisions

	06/30/2018 EUR '000	12/31/2017 EUR '000
Performance-dependent components	237	269
Service anniversary awards	214	214
	451	**483**

Please refer to Note (4.7) "Related party disclosures" in the 2017 Annual Report of Berentzen-Gruppe Aktiengesellschaft for a detailed explanation of the performance-dependent components of Executive Board compensation.

(2.5) Alcohol tax liabilities

	06/30/2018 EUR'000	12/31/2017 EUR'000
Alcohol tax liabilities	34,700	43,312
	34,700	**43,312**

The amount disclosed at June 30, 2018 pertains to the domestic alcohol tax reported for the months of May and June 2018. The amount disclosed at December 31, 2017 contains the domestic alcohol tax reported for the months of November and December 2017 which, under the provisions of the German Alcohol Tax Act, fell due for payment in January and February of 2018 respectively.

(2.6) Current financial liabilities

	06/30/2018 EUR'000	12/31/2017 EUR'000
Liabilities due to banks	998	963
Liabilities due to non-consolidated affiliated companies	506	508
Continuing Involvement	146	188
Interest liability from continuing involvement	8	10
Liabilities from derivatives	4	0
	1,662	**1,669**

The liabilities of EUR 998 thousand (December 31, 2017: EUR 963 thousand) due to banks essentially relates to the overdraft on the current account of a foreign Group company.

(2.7) Financial Instruments

The cash and cash equivalents, trade receivables and other financial assets are mostly due within one year. Therefore, the carrying amounts at the reporting date are approximately equal to the fair values.

The fair values of long-term loans are equal to the present values of the payments related to the assets, taking into account the latest interest rate parameters. No stock exchange or market prices are available for financial instruments assigned to the category of "available-for-sale financial assets", including shares in affiliated companies, equity investments, and cooperative shares. The fair values of these assets cannot be measured reliably. It is not currently planned to sell these financial assets.

The fair values of current financial liabilities such as liabilities due to non-consolidated affiliated companies are equal to the respective carrying amounts because they are due within one year and the effects of discounting to present value would be immaterial. The market values of derivative financial instruments (foreign exchange futures) are determined by application of the present-value method. End-of-day interest rates are applied for this purpose, and ECB reference rates are applied for the last day of the month. The fair value is attributable to Level 2 of the fair value hierarchy of IFRS 13. The fair value valuation of these items gave rise to a negative net effect of EUR 70 thousand (first half of 2017: negative net effect of EUR 50 thousand). Trade payables and Other liabilities generally have shorter terms. The figures disclosed approximate the fair values.

The different levels of the fair value hierarchy defined in IFRS 13 are presented below:

- Level 1: The input factors are quoted (not adjusted) prices in active markets for identical assets or liabilities, which the company can access at the measurement date.
- Level 2: The input factors are inputs other than the quoted market prices applied in Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3: The input factors are unobservable inputs for the asset or liability.

On January 1, 2018 (the time of initial application of IFRS 9), management assessed which business models apply to the financial assets held by the Berentzen Group and assigned the financial instruments to the individually appropriate IFRS 9 valuation class. The effects of this reclassification are presented in the table below:

	Fair Value through Profit & Loss (FVPL) EUR '000	Fair Value through OCI (FVOCI) EUR '000	Amortised cost EUR '000
December 31, 2017 (IAS 39)	0	372	75,941
Reclassifications of the "available-for-sale financial assets" in FVPL	372	-372	
January 1, 2018 (IFRS 9)	**372**	**0**	**75,941**

(3) Explanatory notes to the Consolidated Statement of Comprehensive Income

(3.1) Revenues

Revenues are generated exclusively on the sale of goods. The Berentzen Group has applied accounting standard IFRS 15 “Revenue from Contracts with Customers” since the beginning of financial year 2018. This led to changes in accounting principles and adjustments to the amounts recorded in the financial statements. The values in the prior-year period were adjusted according to a fully retrospective presentation approach.

	01/01 to 06/30/2018 EUR‘000	01/01 to 06/30/2017 EUR‘000
Spirits segment	40,683	41,895
Non-alcoholic Beverages segment	24,124	23,470
Fresh Juice Systems segment	9,358	10,564
Other segment	4,211	4,092
Revenues	**78,376**	**80,021**

The reclassifications from Other operating expenses or Other operating income carried out within the framework of initial application of IFRS 15 are shown in the following table:

01/01 to 6/30/2017	Revenues (before IFRS 15) EUR'000	Marketing, including advertising EUR'000	Cost allocations / cost reimbursements EUR'000	Revenues (after IFRS 15) EUR'000
Spirits segment	44,449	- 2,554	0	41,895
Non-alcoholic Beverages segment	25,541	- 2,234	+ 163	23,470
Fresh Juice Systems segment	10,564	0	0	10,564
Other segments	4,783	- 691	0	4,092
Total	**85,337**	**- 5,479**	**+ 163**	**80,021**

(3.2) Other operating income

	01/01 to 06/30/ 2018 EUR'000	01/01 to 06/30/2017 EUR'000
Reversal of liabilities (accruals)	794	664
Cost allocations / cost reimbursements	333	356
Miscellaneous other operating income	896	679
	2,023	**1,699**

Due to the initial application of IFRS 15 “Revenue from Contracts With Customers”, income from cost allocations / cost reimbursements in the amount of EUR 163 thousand were reclassified in the previous year into revenues and the value in the previous year was adjusted accordingly.

(3.3) Other operating expenses

	01/01 to 06/30/ 2018 EUR'000	01/01 to 06/30/2017 EUR'000
Marketing, including advertising	2,874	2,360
Other selling costs	8,044	7,927
Maintenance	1,338	1,592
Miscellaneous other operating expenses	4,939	4,816
	17,195	**16,695**

Due to the initial application of IFRS 15 “Revenue from Contracts With Customers”, expenses for marketing and advertising in the amount of EUR 5,497 thousand were reclassified in the previous year as a direct reduction in revenues and the value in the previous year was adjusted accordingly.

(3.4) Asset impairments / reversals of impairments

	01/01 to 06/30/2018 EUR‘000	01/01 to 06/30/2017 EUR‘000
Impairments of property plant and equipment	0	635
Write-ups of property, plant and equipment	0	-208
	0	**427**

An ad-hoc impairment test was conducted for the Non-alcoholic Beverages segment at June 30, 2017. Despite a positive development in sales, revenues and segment earnings (contribution margin by budget) in comparison to the same reporting period of the previous year, there were indications that the segment’s total profit contribution to the consolidated operating result is not and will not be as strong as expected. This was primarily due, among other things, to unexpectedly high overheads in the areas of production and logistics (the supply chain). Furthermore, the sales successes, whether already realised or still anticipated, of products that are filled into reusable bottles for delivery require additional investment in empty bottle containers and crates. The resulting depreciation will adversely affect the segment’s total profit contribution. The test to be carried out at June 30, 2017 pursuant to the provisions of IAS 36 as a result led to the reversal of impairments recognised in prior years of EUR 208 thousand as well as additional impairments of EUR 635 thousand.

Of the total reversals of earlier impairments, an amount of EUR 191 thousand pertains to technical equipment, plant and machinery and EUR 17 thousand to other operational and office equipment. The additionally determined impairment loss pertains to technical equipment, plant and machinery in the amount of EUR 630 thousand and to other operational and office equipment in the amount of EUR 5 thousand. On balance, the impairments and reversals of impairments yielded a negative earnings effect of EUR 427 thousand, which was recorded under “Asset impairments / reversals of impairments” in the Consolidated Statement of Comprehensive Income for the period from January 1 to June 30, 2017 and was attributable exclusively to the *Non-alcoholic Beverages* reporting segment.

More detailed explanations and information on the impairment test applied are disclosed in Note (3.7) “Asset impairments / reversals of impairments” in the 2017 Annual Report of Berentzen-Gruppe Aktiengesellschaft.

(3.5) Income tax expenses

	01/01 to 06/30/2018 EUR'000	01/01 to 06/30/2017 EUR'000
Current income taxes	1,193	564
Deferred taxes	-86	- 77
	1,107	**487**

(4) Other explanatory notes

(4.1) Abridged Cash Flow Statement

The cash flows are explained together with the abridged Consolidated Cash Flow Statement in the Interim Group Management Report in Section 2.2.1 Economic report, Cash flows on pages 11 et seq. of these consolidated half-yearly financial statements. The abridged Consolidated Cash Flow Statement is shown separately on page 22 of these consolidated half-yearly financial statements.

(4.2) Segment reporting

Business segments

The segment report is prepared in accordance with IFRS 8 "Operating Segments". This requires the business segments to be identified on the basis of the internal management reports of the Company's divisions, the operating results of which are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

The segment reports accord with the internal reports presented to the chief operating decision maker, the Executive Board of Berentzen-Gruppe Aktiengesellschaft. The Executive Board uses the "contribution margin after marketing budgets" as the key performance indicator. The corporate group is mainly organised and managed on the basis of product groups and sales units. The internal reporting of Berentzen-Gruppe Aktiengesellschaft is generally based on the same recognition and measurement principles as the consolidated financial statements. The segment report is organised in the same way as the internal reports.

In the segment report, the main operating units of "Domestic Branded Spirits" and "Private Label Products" in the spirits activity are grouped together to form one reporting segment , due to their similar customer groups, products and similar long-term margins.

The corporate group operated in the following segments in the 2016 financial year and the first half of the 2017 financial year:

- *Spirits* (domestic branded spirits and private-label products): The marketing, distribution and sale of spirits in the above-mentioned sales divisions are combined in this segment.
- *Non-alcoholic Beverages*: The marketing, distribution and sale of non-alcoholic beverages are combined in this segment.
- *Fresh Juice Systems*: Depending on the system component, the development, manufacture, marketing, distribution and sale of juicers, oranges and filling containers are combined in this segment.
- *Other segments*: This segment primarily includes the foreign business with branded spirits (marketing and sales) as well as the tourist and event activities of the Berentzen Group.

Segment data

The revenues of the individual segments consist of the intersegment revenues between the segments together with revenues generated with customers outside of the corporate group. The sum total of the external revenues of the individual segments yields the consolidated revenues of the corporate group. The prices and terms for the products and services exchanged between the Group companies and segments are the same as those applied with third parties.

Expenses accruing directly in the units grouped together to form the respective segment are included in the segment result “contribution margin after marketing budgets”. It is possible to allocate the product-related purchased goods and services, other direct costs (shipping, packaging recycling and commissions) and marketing, including advertising, to the correct business segment. This means that the contribution margin after marketing budgets can be shown in full for the segments and is used as a key performance indicator in the corporate group.

In the internal reports presented to the chief operating decision maker, assets and liabilities are only presented at the Group level and are not allocated to the segments. This means that the Executive Board in its function as chief operating decision maker does not receive any information about segment assets.

Segment report for the period from January 1 to June 30, 2018

	01/01 to 06/30/2018					
	Spirits	**Non-alcoholic Beverages**	**Fresh Juice Systems**	**Other segments**	**Elimination of intersegment income/ expenses**	**Total**
	EUR‘000	**EUR‘000**	**EUR‘000**	**EUR‘000**	**EUR‘000**	**EUR‘000**
Revenues with third parties	**40,683**	**24,124**	**9,358**	**4,211**		**78,376**
Intersegment revenues	143	15	5	5	-168	
Total revenues	**40,826**	**24,139**	**9,363**	**4,216**	**-168**	**78,376**
Purchased goods and materials (product-related only)	-23,143	-10,744	-5,155	-1,846	168	-40,720
Other direct costs	-2,168	-2,210	-628	-125		-5,131
Marketing, including advertising	-1,490	-857	-143	-108		-2,598
Contribution margin after marketing budgets	**14,025**	**10,328**	**3,437**	**2,137**		**29,927**
Other operating income						2,023
Purchased goods and materials / change in inventories (if not included in contribution margin)						-1,760
Personnel expenses						-12,565
Depreciation and amortisation of assets						-3,603
Miscellaneous other operating expenses						-9,466
Consolidated operating profit, EBIT						**4,556**
Financial income						31
Financial expenses						-790
Consolidated profit before income taxes						**3,797**
Income tax expense						-1,107
Consolidated profit						**2,690**

Segment report for the period from January 1 to June 30, 2017

	01/01 to 06/30/2017					
	Spirits EUR'000	Non-alcoholic Beverages EUR'000	Fresh Juice Systems EUR'000	Other segments EUR'000	Elimination of intersegment income/ expenses EUR'000	Total EUR'000
Revenues with third parties	**41,895**	**23,470**	**10,564**	**4,092**		**80,021**
Intersegment revenues	174	14	18	12	-218	
Total revenues	**42,069**	**23,484**	**10,582**	**4,104**	**-218**	**80,021**
Purchased goods and materials (product-related only)	-23,689	-11,373	-5,822	-1,703	218	-42,369
Other direct costs	-2,262	-2,093	-647	-192		-5,194
Marketing, including advertising	-1,452	-383	-145	-131		-2,111
Contribution margin after marketing budgets	**14,666**	**9,635**	**3,968**	**2,078**		**30,347**
Other operating income						1,699
Purchased goods and materials / change in inventories (if not included in contribution margin)						-2,369
Personnel expenses						-12,691
Depreciation and amortisation of assets						-3,458
Miscellaneous other operating expenses						-9,390
Consolidated operating profit, EBIT						**4,138**
Exceptional earnings effects		-427				-427
Financial income						28
Financial expenses						-2,071
Consolidated profit before income taxes						**1,668**
Income tax expense						-487
Consolidated profit						**1,181**

(4.3) Contingent liabilities

	06/30/2018 EUR'000	12/31/2017 EUR'000
Liabilities from guarantees	2,193	2,193
Other contingent liabilities	340	336
	2,533	**2,529**

Furthermore, there are liability undertakings of EUR 776 thousand (December 31, 2017: EUR 776 thousand) under customs absolute maximum-liability guarantees. The current spirits tax liabilities secured by such guarantees amounted to EUR 34,700 thousand at year-end (December 31, 2016: EUR 43,312 thousand).

(4.4) Litigation

In connection with their ordinary business activities, the companies of the Berentzen Group are involved in legal disputes in different jurisdictions; moreover, existing legal disputes may be broadened or additional legal disputes may be initiated. These legal disputes could result in payment obligations for the companies of the Berentzen Group in the form of damages, punitive damages, or obligations to satisfy other claims, as well as penalties, fines, or disgorgements under criminal law or civil law. In isolated cases, moreover, legal disputes could lead to formal or informal exclusions from public tenders or the withdrawal or loss of government permits or approvals. Claims asserted in legal disputes bear interest, as a general rule.

In the context of an arbitration proceeding initiated by it in the U.S. at the beginning of August 2018, the American distributor working on behalf of the subsidiary T M P Technic-Marketing-Products GMBH, Linz, Austria, is asserting claims for damages particularly arising from alleged breaches of the distribution contract existing between the parties in the amount of the mid to high six figures of euros. The Berentzen Group and/or T M P Technic-Marketing-Products GMBH is currently of the opinion that it has good arguments in defense against the claims asserted in this matter and will defend itself in the framework of the proceeding with all legal means at its disposal.

At the present time, the Berentzen Group does not expect any material adverse effects on its financial position, cash flows and financial performance to result from legal disputes not described herein. Appropriate risk provisions have been formed for these proceedings insofar as the corresponding obligation is sufficiently concretised. However, because the risks of legal disputes can be estimated only to a limited extent, the occurrence of adverse effects not covered by the respective risk provisions cannot be ruled out, as a general rule.

(4.5) Related Party Disclosures

The disclosures prescribed by IAS 24 refer to dealings with related entities and persons, to the extent that they are not included in the consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft as reporting entities. Persons or entities related to the reporting entity within the meaning of IAS 24 specifically include companies that belong to the same corporate group as the reporting entity and persons who either control or have a significant influence over the reporting entity, or who are a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

Related persons

The members of the Executive Board and the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft are related persons.

Executive Board

The compensation granted to the members of the Executive Board within the meaning of IAS 24.17 is presented below:

Type of compensation	01/01 to 06/30/2018 EUR'000	01/01 to 06/30/2017 EUR'000
Short-term benefits	459	696
Other long-term benefits	158	128
	617	**824**

Post-employment benefits of EUR 53 thousand (first half of 2017: EUR 53 thousand) were granted to former managing directors of group companies to which Berentzen-Gruppe Aktiengesellschaft is the legal successor, and their surviving dependents, in the first half of the 2018 financial year.

As calculated in accordance with IAS 19, the present value of accrued pension obligations for this group of persons amounted to EUR 783 thousand at June 30, 2018 (December 31, 2017: EUR 876 thousand).

Supervisory Board

Short-term benefits within the meaning of IAS 24.17 in the total amount of EUR 123 thousand (first half of 2017: EUR 125 thousand) were granted to the members of the Supervisory Board in their function as members of the Supervisory Board.

The employee representatives on the Supervisory Board received short-term benefits in the total amount of EUR 72 thousand (first half of 2017: EUR 71 thousand) in the first half of the financial year for their activity outside their function as members of the Supervisory Board.

Additional related party disclosures

The outstanding balances due to or from related parties at the end of the first half of the financial year at June 30, 2018 are not secured and do not bear interest. No guarantees have been provided for amounts due to or from related parties.

There were no doubtful receivables related to outstanding balances due from related parties at June 30, 2018, and therefore no provisions have been recognised for this purpose. No expenses for uncollectible or doubtful receivables due from related parties were recognised in the first half of the 2018 financial year.

(4.6) Significant events after the reporting date

No reportable events occurred after the end of the first half of the financial year.

Haselünne, August 14, 2018

Berentzen-Gruppe Aktiengesellschaft

The Executive Board

Oliver Schwegmann — Ralf Brühöfner

Executive Board member — Executive Board member

D. Declarations and Other Information

Declaration by the legal representatives

We hereby declare that, to the best of our knowledge, and in accordance with the applicable accounting principles for half-year reporting, the consolidated half-yearly financial statements give a true and fair view of the Group's financial position, cash flows and financial performance and the Interim Group Management Report provides a true and fair view of the development and performance of the Group together with a description of the principal opportunities and risks associated with the probable development of the Group in the rest of the present financial year.

Haselünne, August 14, 2018

Berentzen-Gruppe Aktiengesellschaft

The Executive Board

Oliver Schwegmann	Ralf Brühöfner
Executive Board member	Executive Board member

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Financial Calendar 2018

January 11/12, 2018	ODDO BHF Forum in Lyon, France, Lyon Convention Center
February 1, 2018	Publication of preliminary business figures 2017
March 15, 2018	Publication of consolidated and separate financial statements and 2017 Annual Report
April 26, 2018	Publication of the Q1/2018 Interim Report
May 3, 2018	Annual general meeting in Hanover, Germany, Hannover Congress Centrum (HCC), Glashalle
May 15/16, 2018	Equity Forum Spring Conference 2018 in Frankfurt/Main, Germany, Marriott Hotel Frankfurt
August 14, 2018	Publication of the 2018 Group Semiannual Report
September 26/25, 2018	Berenberg & Goldman Sachs Seventh German Corporate Conference in Munich, Germany, INFINITY Hotel & Conference Resort Munich
October 25, 2018	Publication of the Q3/2018 Interim Report
November 26/27, 2018	Deutsches Eigenkapitalforum in Frankfurt/Main, Germany, Sheraton Frankfurt Airport Hotel & Conference Center

Rev.: August 14, 2018. The Financial Calendar is for information purposes only and is regularly updated. Subject to change without notice.

Disclaimer

This report also contains forward-looking statements. These are based on management assumptions, estimates and expectations at the time of this report's publication regarding future company-related developments. They therefore carry risks and uncertainties which are named and explained, particularly (but not exclusively) as part of the management report within the risk and opportunities report and the forecast report. Events and results that actually occur thereafter may therefore significantly differ from the forward-looking statements, both positively and negatively. Many uncertainties and resulting risks are characterised by circumstances that are beyond the control and influence of Berentzen-Gruppe Aktiengesellschaft and cannot be estimated with certainty. These include changing market conditions and their economic development and effect, changes in financial markets and exchange rates, the behaviour of other market actors and competitors and legal changes or political decisions by regulatory and governmental authorities. With regard to the forward-looking statements, unless otherwise required by law, Berentzen-Gruppe Aktiengesellschaft assumes no obligation to make any corrections or adjustments based on facts arising after the time of this report's publication. No guarantee or liability, neither expressed nor implied, is assumed for the currency, accuracy or completeness of the forward-looking statements. The trademarks and other brand names that are used in this report and may be protected by third parties are governed by the provisions of the applicable trademark law and the rights of the registered owners. The copyright and reproduction rights for trademarks and other brand names created by Berentzen-Gruppe Aktiengesellschaft itself remain with the company unless it expressly agrees otherwise.

This report is also available in English translation for information purposes. In case of discrepancies the German version alone is authoritative and takes precedence over the English.

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