ANNUAL REPORT 2015

OUR GLOBAL PRESENCE

COMPANY PROFILE

We are a leading manufacturer and supplier of pitched roof products, including both roof tiles and roofing components, in Europe, parts of Asia and South Africa.

We have been making pitched roof products for almost a century, and our expertise, developed over this extensive period of time, covers all steps of the manufacturing process and makes us a preeminent roofing manufacturer.

We are one of the few manufacturers to sell both a comprehensive range of concrete and clay tiles for pitched roofs and complementary roofing components designed to cover various functional aspects of roof constructions.

The product portfolio is complemented by ceramic and steel chimneys and energy system solutions.

GROUP KEY FIGURES

(EUR million)

Operating EBITDA 2015
(EUR million)

196.8

2014: 195.4

+ 0.7 %

Revenues 2015
(EUR million)

1,256.7

2014: 1,211.3

+3.8 %

Net Profit 2015
(EUR million)

55.1

2014: 39.8

+ 38.6 %

Employees (FTE)
DEC 2015

7,735

DEC 2014: 7,300

+ 435

Dividend 2015
(EUR per share)

0.40

2014: 0.30

+ 33.3 %

ROIC
2015

10.7 %

2014: 10.4 %

+30 bps

Operating
Cash Flow 2015
(EUR million)

121.9

DEC 2014: 65.4

+ 86.5 %

CONTENT

DEAR SHAREHOLDERS,

In 2015, we have grown revenues, Operating EBITDA and net income despite a challenging market development in Asia and uneven developments in the European countries. We think we have again proven our excellence, clearly visible in our development in the Group's largest markets. Our performance in a difficult German market has been outstanding. We recovered further market share and are also well prepared to further reinforce our position in 2016. In other key markets such as the United Kingdom, we profited from market growth, and continued to grow our revenue share. The same can be said about the Netherlands, Poland and parts of Scandinavia. France and Italy are still declining, but we are beginning to see signs of improvement and we are confident of a recovery in both countries in the short to medium term. In our first business year after the acquisition of Cobert, we have been able to significantly increase our components business in Spain and Portugal.

With our strong operating business, we have again generated strong operating cash flows and used them to further strengthen our daily operations and to invest in future growth, spending EUR 60 million this year on sustaining Capex and EUR 4 million on growth Capex. Organic growth projects included real product innovations such as the new tile with Aerlox technology and WrapTec. With our bolt-on acquisitions, we laid the foundation for profitable future growth, enabling us to further increase the value of our Company. Cobert in Spain and Portugal, Golden Clay Industries (GCI), in Malaysia, J.A. Plastindustri in Denmark and the acquisitions in Italy are expected to generate revenues of more than EUR 65 million next year, an Operating EBITDA of EUR 12 million to EUR 13 million and a Free Cash Flow of approximately EUR 6 million.

In 2016, we will continue to invest in profitable growth. Our product innovations have the potential to further enrich our product mix and we continue to actively search for and evaluate a sizeable number of potential targets in our M&A pipeline to further strengthen our operations, consolidate markets and thereby profit further from a future market recovery.

The strong operational performance, substantial free cash flow generation and our financial discipline led to a rating upgrade from S&P at the end of 2015, which may enhance our possibility to further improve our financing structure.

We thank our 7,735 employees for their hard work in the reporting year, their innovative ideas and their commitment. The Braas Monier team has proven its ability and willingness to quickly adapt to an ever-changing environment. The markets are hard to predict, however with the lead indicators in our industry being positive in the majority of our main countries, 2016 will clearly offer another opportunity to demonstrate the quality of our strategic and operational agenda.

Luxembourg, 31 March 2016

PIERRE-MARIE DE LEENER
Chief Executive Officer

GEORG HARRASSER
Chief Operating Officer

MATTHEW RUSSELL
Chief Financial Officer

Focus on customers' needs

Putting our customers in the focus of our daily work means more to us than tapping further growth potential. To us, our customers are valuable and reliable business partners. Together we strive to create value for end-consumers by continuously improving our products, solutions and services. To reach this goal, we foster an open and cooperative dialogue with all our partners. Only by understanding the challenges they are facing day in, day out, can we develop a custom-made offer and strengthen our long-term partnerships. We asked some of our partners to share with us what they consider to be their customers' major needs. The answers can be found on the following pages.

Health and Safety are key issues for any roofer

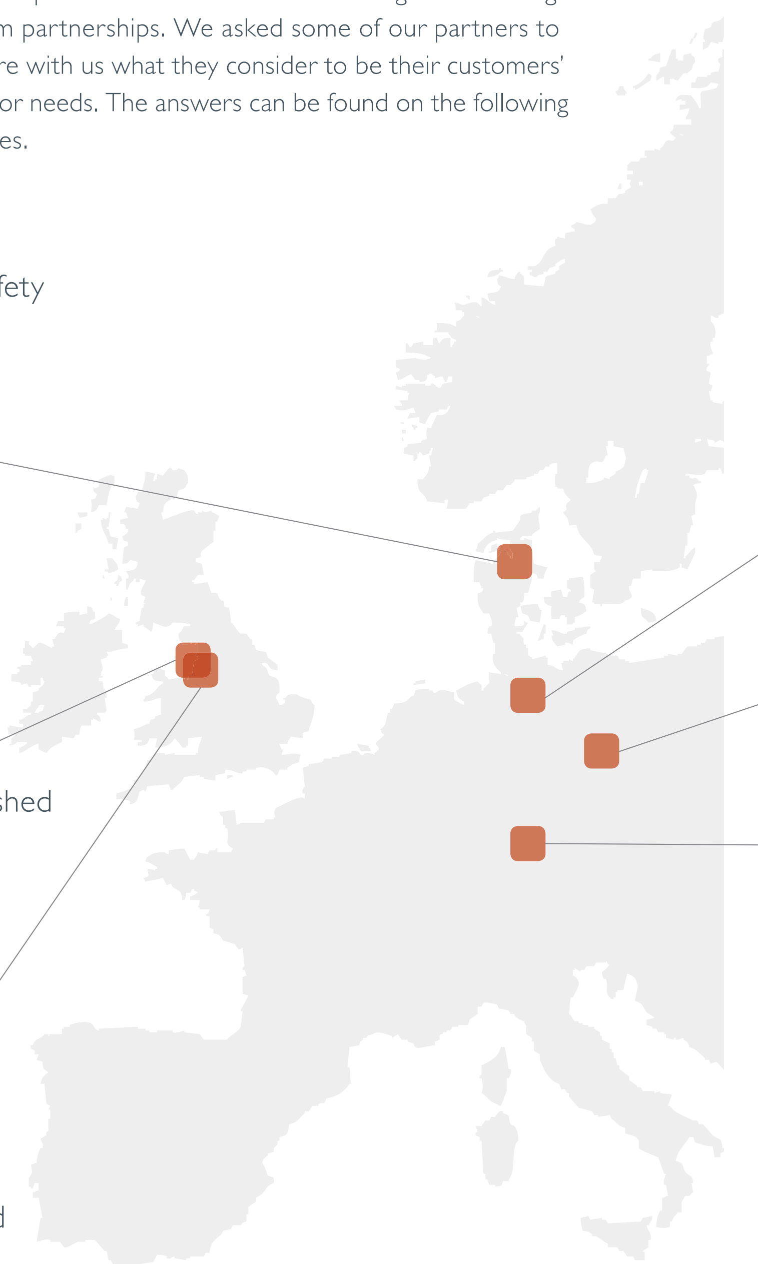
Martin Sørensen
Roofer, Møldrup Tømrer- og Snedkerforretning, Møldrup/Danmark

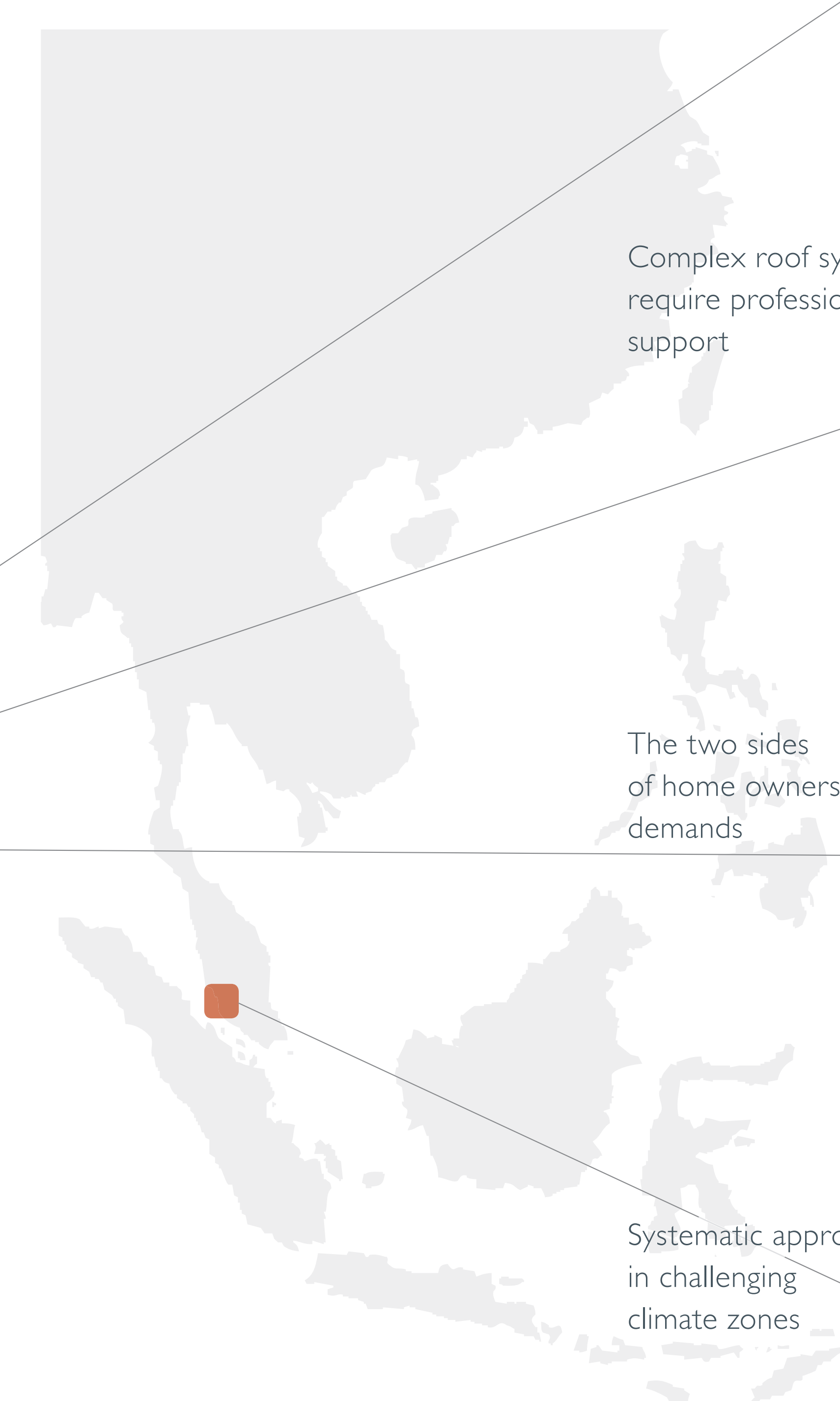
Putting trust in well-established brands

John Adams
Group Procurement Director, Barratt Developments PLC, Manchester/UK

A highly skilled workforce for professional solutions

Tony Burke
Group Managing Director, Avonside Group Services Ltd., Heywood/UK





Long-term partnerships in good times and in bad

Kai Dammers
Managing Director, Rolf Dammers OHG, Hamburg/Germany

Complex roof systems require professional support

Torsten Rotheudt
Managing Partner, Pause Dachdecker Maurer GmbH – Zimmerei und Holzbau, Berlin/Germany

The two sides of home owners' demands

Josef Haas
Managing Director, KAMPA GmbH, Aalen/Germany

Systematic approach in challenging climate zones

Razly Mohammad Rus
Senior Manager, I&P Group Sdn Berhad, Kuala Lumpur/Malaysia

Health and Safety are key issues for any roofer

Roofing is a craftsman job that does not only afford a strong skill set but also physical strength. A typical roof tile weighs around four kilogrammes while hundreds of tiles are needed for a single roof. In addition, the laying takes place at significant heights, sometimes under harsh weather conditions. Health and Safety as well as the ease of laying the tiles are key issues for any roofer.

"Det er velkendt blandt tømrere, at håndtering af ca. 7 tons tagsten på en dag giver smerter i ryggen. Det er vigtigt at planlægge arbejdet omhyggeligt, så ansatte skånes mest muligt, når der monteres tag."

« When lifting and moving around seven tons a day, pain in the lower back is well-known to roofers. I have to plan the daily workload carefully to ensure employees don't harm themselves doing roofs. »

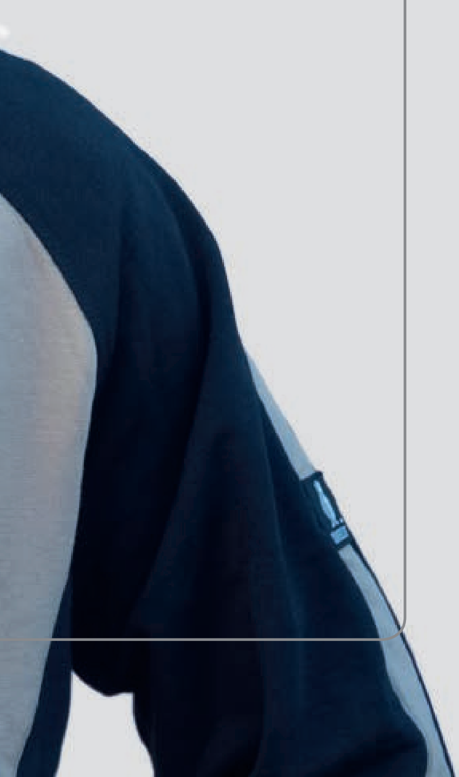
Martin Sørensen, Roofer,
Møldrup Tømrer- og Snedkerforretning,
Møldrup/Danmark

A break-through innovation brought to light

Based on our extensive experience, know-how and long-term R&D efforts, we have achieved an innovation, which we expect to be highly attractive to the markets: 'Aerlox', a concrete tile, up to 40% lighter than a traditional one, but with the same technical properties such as high strength, long-term aesthetics and frost resistance. Roofers strongly benefit from the lower weight of the tile as they have to carry and move significantly less weight per day. Working with the new tile with 'Aerlox' technology will thus be less tiring over the day, enabling the roofer to lay the tiles faster. The lower overall weight also has the potential to reduce typical health issues in the roofing business stemming from permanent weight lifting.

MONIER

Aerlox
LIGHT · STRONG · FAST



Long-term partnerships in good times and in bad

Builders merchants are expected by their customers to provide a wide assortment of products with a stable good quality level at fair prices and to ensure reliable on-time delivery of the goods. To fulfil those requirements is a given for any successful merchant.

Beyond that, customers also strongly rely on the merchants ability to make sensible preselections in his/her product range, to offer competent advice and in case needed, to react fast and flexibly.

“Für mich ist es von größter Bedeutung, einen entscheidungsfähigen Ansprechpartner vor Ort zu haben und einen verlässlichen, langfristigen Partner, der auch in schwierigen Situationen zu uns steht. Erst in problematischen Fällen erkennt man die wahren Partner, auf die man sich verlassen kann.“

« To me it’s key to have a contact person on the spot who’s capable of making decisions and to have a reliable, long-term partner standing by my side in difficult situations as well. Only in problematic cases you discover who’s a real partner you can count on. »

Kai Dammers,
Managing Director,
Rolf Dammers OHG,
Hamburg/Germany

Tailor-made solutions at the highest standards

With decades of experience, strong technical know-how and our ambitions of being a clear market leader in all our businesses we always strive for the highest quality standards. A commitment that goes far beyond the production of roof tiles, roofing components and chimneys. We have developed one of the most comprehensive service offers in the industry. Our strong team of sales representatives, technical advisers and service employees is taking care of customer needs long before an order has been placed and does not stop once the products are delivered. We provide customers with tailor-made trainings on a variety of technical and commercial topics, either in one of our own facilities, such as the Braas Academy near Frankfurt (Germany), or directly at the customer's site. We take pride in the fact that many of our business partners trust our competency in finding solutions customised to individual requirements already for decades.

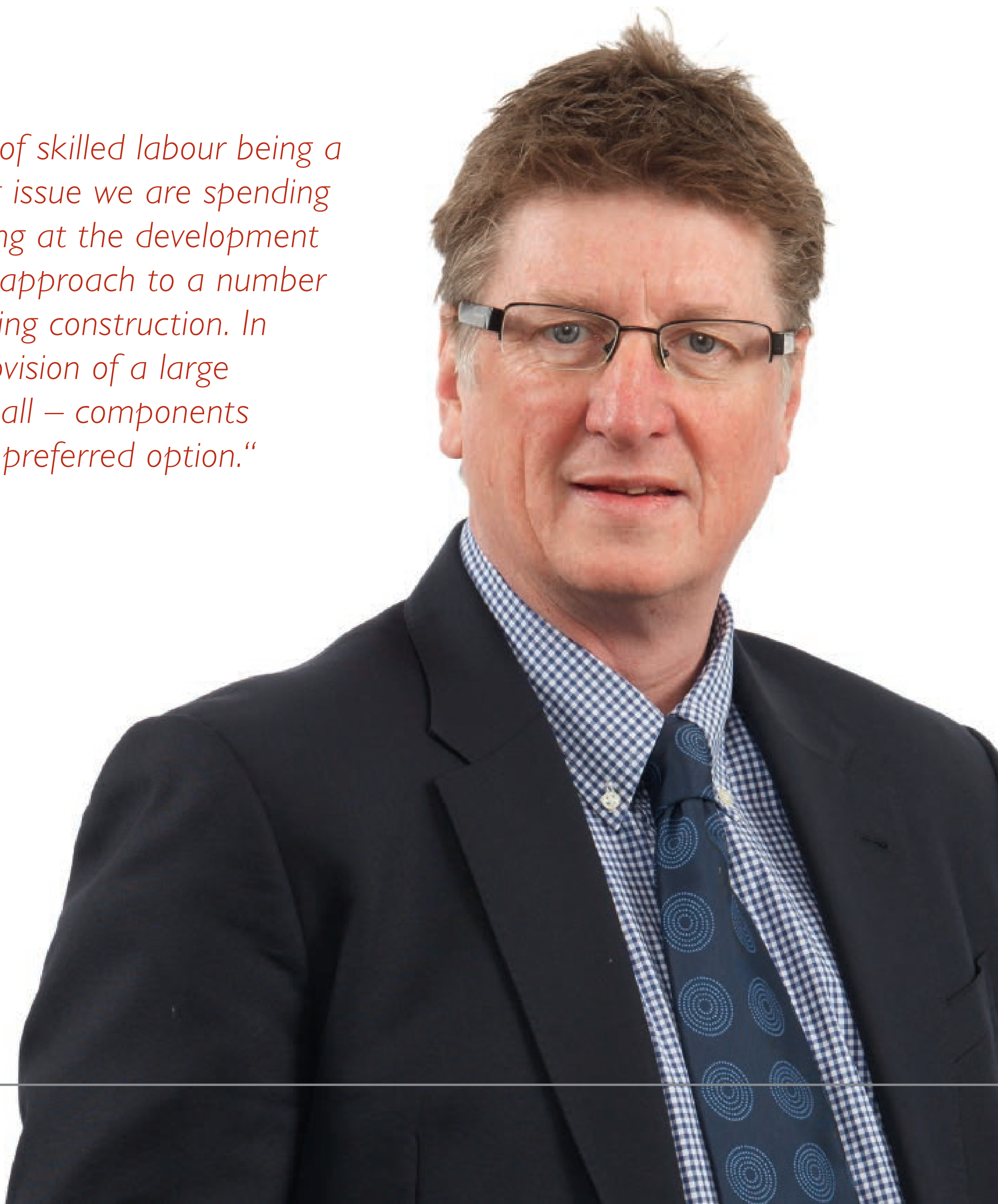
BRAAS

Putting trust in well-established brands

Customers, buying a new-build house from a developer, are expecting well designed homes, positioned in a pleasing development scheme. Quality plays a major role as well. They trust the developer to use good standard materials and trade skills to ensure the product they purchase is robust and functions efficiently over a long period of time. In this context brand can make a difference to the developer's sourcing decision, taking into account its respective reputation, quality standards and experienced supplier performance. Likewise, a comprehensive product offer is of high relevance.

"With shortage of skilled labour being a pressing ongoing issue we are spending more time looking at the development of a systemised approach to a number of areas of housing construction. In principal the provision of a large number – if not all – components in a system is a preferred option."

John Adams,
Group Procurement Director,
Barratt Developments PLC,
Manchester/UK



Ability to bundle roof tiles and components supports high brand reputation

The European roofing industry is characterised by high brand loyalty with established long-term customer relationships. Our high brand reputation is driven by factors such as high-quality standards, convenience and the range and diversity of our product range. To further strengthen our brand perception we constantly work on innovating our products and supplementing our offer with technical know-how and support. This comes together with the ability to understand the future challenges of our customer's business leading to solutions to meet medium and long-term requirements.

We believe that our strong market positions, combined with our ability to bundle our roof tiles and roofing components to offer integrated roofing systems support and increase our market visibility and brand recognition. This gives us a competitive advantage over lesser-known manufacturers and suppliers of pitched roof solutions. Our portfolio of industry-leading brands includes Redland, Braas, Monier, Bramac, Wierer, Cobert and Coverland for roof tiles and roofing components, Klöber for roofing components and Schiedel for chimneys and energy systems.

Redland

The two sides of home owners' demands

There are several factors driving the increasing need for energy-efficient building: rising energy prices, building standards that become ever stricter and the political will in most European countries to reduce the emission of greenhouse gases. Highly insulated walls, triple-glazed windows and solar collectors are meanwhile standard elements in a large number of new building projects. This is the more technical side of home owners' high expectations regarding their new building. The other side is an emotional one: A blazing fire in a stove with its body and soul relaxing warmth stand for living comfort and those are important motives for the way house builders like to plan their future homes.

"Alle unsere Industriepartner kennen unsere hohen Ansprüche, die in erster Linie auf Qualität und Design abzielen. Sie müssen optimal in unser Konzept und unser Verständnis für das Bauen der Zukunft passen – und zwar schon heute."

«All our industry partners know our premium standards, particularly regarding quality and design. They have to fit ideally into our concept and understanding of the building of tomorrow – already today.»

Josef Haas,
Managing Director,
KAMPA GmbH,
Aalen/Germany

Quality and modern design – combined in our products

Modern stove and chimney systems from Schiedel fulfill both aspects of the future home owners' high demands – the technical and the emotional one. They work airtight, do not inflict on the installed ventilation systems, have a high efficiency factor and very low dust emissions. As for the emotional aspect, our Schiedel stoves meet the highest design requirements and ensure well-being and comfort in the home. It is therefore no coincidence that we have won the 2016 Red Dot Design Award for our latest Schiedel Kingfire models (Lineare and Rondo) as well as the 2016 Plus X Award for the Schiedel Kingfire.

Energy efficiency is also a very important aspect when it comes to the roof. A modern roof system with an integrated approach, deep know-how and matching roofing components will ensure this. Braas Monier is one of the few manufacturers to sell both a comprehensive range of concrete and clay tiles for pitched roofs and complementary roofing components designed to cover various functional aspects of roof construction.

reddot award 2016
winner

SCHIEDEL
Heating. Venting. Living.

Systematic approach in challenging climate zones

Conditions in the Malaysian property market have been challenging for developers, particularly with the issues of rising material cost and the high expectations of the customers. More Malaysians are now preferring healthy lifestyle and value-added properties. Generally, quality roofing systems with tiles are these customers' first choice, as they offer many great benefits including durability, longevity, great curb appeal, low maintenance and overall superior performance.

"Gaya hidup yang selesa, sihat dan mampan adalah apa yang pelanggan kami harapkan apabila mereka membeli hartanah di salah satu pembangunan. Malaysia mempunyai ciri-ciri iklim tropika dengan suhu yang tinggi dan kelembapan yang tinggi sepanjang tahun. Pelanggan kami memilih rumah yang dilengkapi dengan bumbung yang mampu menahan keadaan cuaca tropika pada masa yang sama menikmati keselesaan di dalam rumah."

« A comfortable, healthy and sustainable lifestyle is what our customers expect when they buy property in one of our developments. Malaysia is characterised by a tropical climate with high temperatures and high humidity throughout the year. Our customers prefer a home topped by roofing tiles that withstand these weather conditions while keeping them cool on the inside. »

Razly Mohammad Rus,
Senior Manager,
I&P Group Sdn Berhad,
Kuala Lumpur/Malaysia

Roofing solutions for a better living comfort and a quality home

Monier Malaysia supports developers right from the project start. Apart from offering a big variety of roofing solutions and quality roofing products matching the project requirements, we also support with know-how and responsive solutions to upcoming needs before, during and after the project. We are a reliable partner thanks to the expertise of our local employees, with the backing of an international well-known Group. The 'CoolRoof' system, we have developed for high-class developments, is a very good example of how we picked up the need for a sustainable and beautiful home in a challenging climate zone. With the 'CoolRoof' we provide a great solution: It optimises the roof's thermal performance by using a combination of heat reflection, ventilation and insulation products, it minimises the solar gain of the roof and reduces the heat transmitted into the attic and living space.

MONIER

Complex roof systems require professional support

Being a successful roofer today needs much more than just a professional laying of roof tiles. Customers are getting more demanding, regulations are getting stricter, building standards are getting more complex. A high quality service offer is key for roofers to differentiate from competitors and to ensure that even hidden demands of home owners are fulfilled. This requires a positive attitude towards life-long-learning, reasonable product and system innovations as well as the commitment to dedicate a fair amount of time on understanding customers' needs.

"Hausbesitzer sind zunehmend gut über einzelne Elemente des Dachs informiert. Um das volle Potenzial eines modernen Dachsystems zu verstehen, braucht es aber fachmännische Beratung. So ein Erstgespräch dauert bei mir nie weniger als zwei Stunden."

«Home owners are increasingly well-informed on single elements of the roof. However, to understand the full potential of a modern roof system, professional advice is needed. With me, such a first consultation never takes less than two hours.»

Torsten Rotheudt,
Managing Partner,
Pause Dachdecker Maurer GmbH –
Zimmerei und Holzbau,
Berlin/Germany

Staying close to our customers and giving them a say

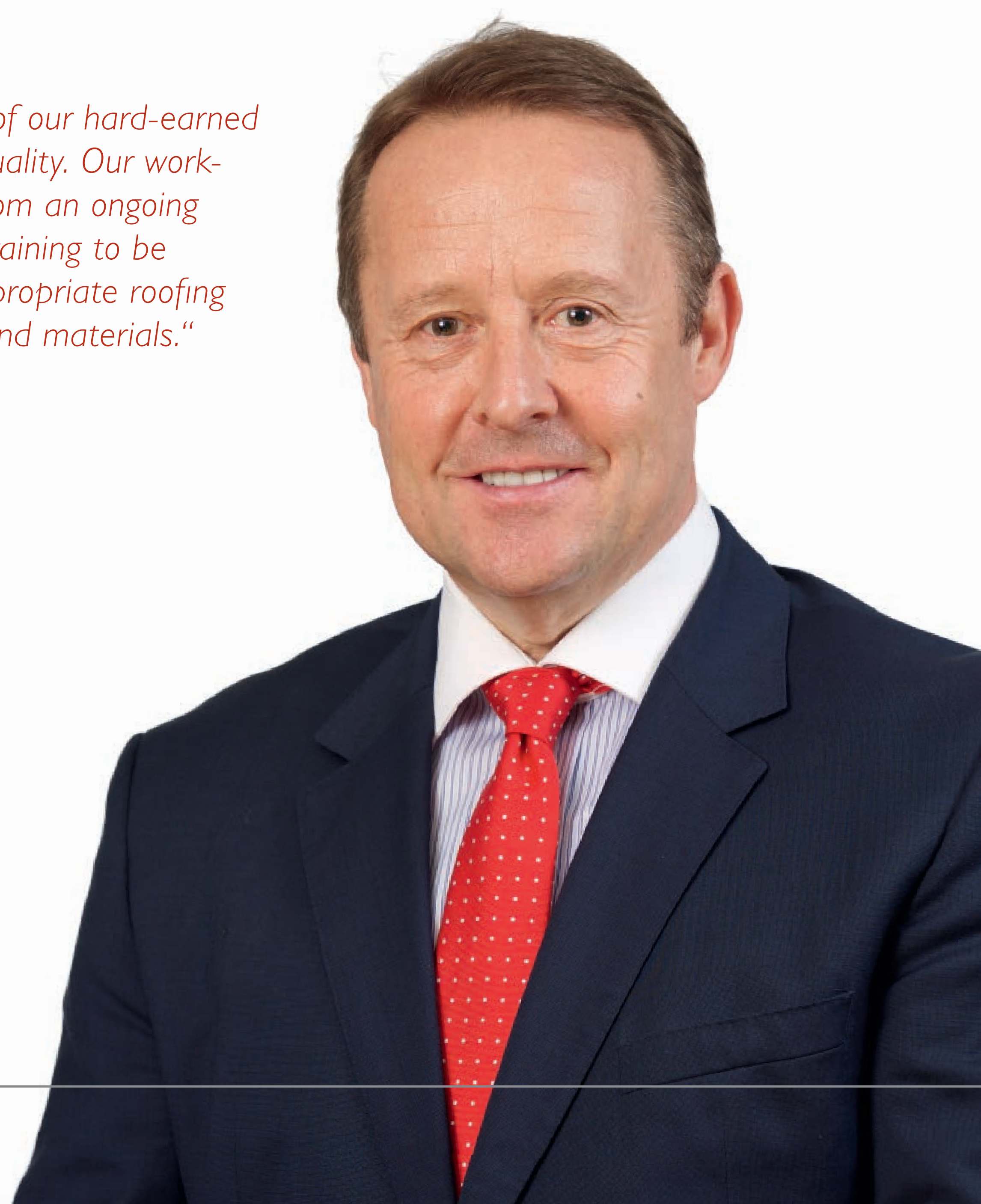
Braas supports roofers in their business challenges reliably and on a long-term basis. Our technical advisors always stay in close contact with the customers and attach great importance to an intensive personal exchange. We offer a full-service in any aspect of our relation, starting with technical trainings and ending with being partner to our customers when it comes to reclamations. Our unique technical expertise lie in the fact that we are one of the few roofing manufacturers offering the whole range of roofing components along with our clay and concrete roof tiles, together forming a complete roof system. In our Technical Centre, unique in the business, an in-house team of product designers, engineers and materials scientists works with dedication at the validation and testing of our products. Excellent performance and ease of use on the roof are vital to the success of our roofing systems. And we learn from our clients: In special customer programmes such as 'Watch & Learn' or our 'Client Council' we meet with our clients to hear and experience their views and expertise on the markets, the products and their craft.

A highly skilled workforce for professional solutions

Large roofing contractors are committed to being a preferred supplier and partner to house builders, construction companies, local authorities, housing associations and the public. Their clients expect a professional and well-organised approach together with a market leading resource both in volume and quality when production peaks occur. They also expect well trained personnel and a real positive attitude to safety.

"We are proud of our hard-earned reputation for quality. Our work-force benefits from an ongoing programme of training to be familiar with appropriate roofing methodologies and materials."

Tony Burke,
Group Managing Director,
Avonside Group Services Ltd.,
Heywood/UK



Quality services make the difference

Our comprehensive range of roofing tiles, combined with market-leading technical support services, enable us to deliver total pitched roofing systems our customers can rely on. It is our goal to deliver high-quality roofing solutions that perfectly meet the customers' expectations. In the UK, we have taken the opportunity provided by a positive market environment to make substantial investments in our manufacturing facilities and to focus even more resource on customer service and product quality.

We are seeing our Gloucestershire-based National Training Centre increasingly in demand, particularly our two-day introduction to roofing courses. To make this course more accessible, we have introduced a series of online training modules. While distance learning can never offer the same intense experience as practical hands-on tuition, this does remove some barriers for busy customers. In developing our technical support, warranties, training and online services, Redland is going far beyond the traditional scope of product manufacturer.

Redland

BRAAS MONIER BUILDING GROUP ON THE CAPITAL MARKETS

Transparency and openness in a continuous dialogue with the financial community are our guiding principles. In one-on-one or group meetings as well as during investor road shows in Europe and the United States and at capital markets conferences, Senior Management, Investor Relations and Group Treasury answered enquiries from institutional investors and analysts about Braas Monier's business strategy and performance. We also held telephone conferences and analyst meetings when we published our quarterly and full-year results. Those telephone conferences were webasted live on our Investor Relations website. Additional presentations at our second Capital Markets Day in Berlin and Karstädt (Germany) were important elements of our communication with the financial markets.

RESEARCH COVERAGE

In 2015, seven international institutions regularly issued equity research reports on Braas Monier and our performance within the Building Materials Sector. Further institutions are expected to take up coverage in 2016.

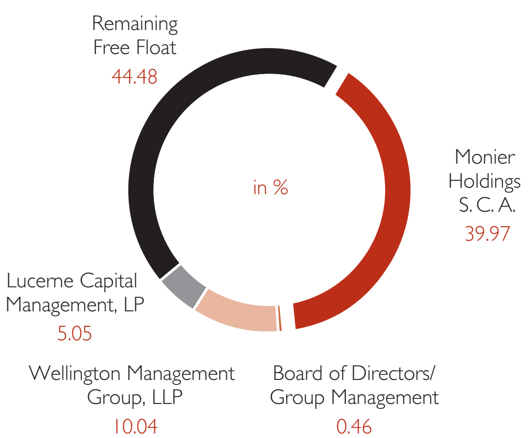
RESEARCH COVERAGE

Last update	Institution	Target Price (EUR)	Recommendation
March 2016	Berenberg	26.00	Buy
March 2016	Exane BNP Paribas	30.00	Outperform
March 2016	Goldman Sachs	31.00	Buy
March 2016	HSBC	25.00	Hold
March 2016	Jefferies	27.00	Buy
March 2016	J.P. Morgan	27.00	Overweight
March 2016	UBS	25.50	Buy

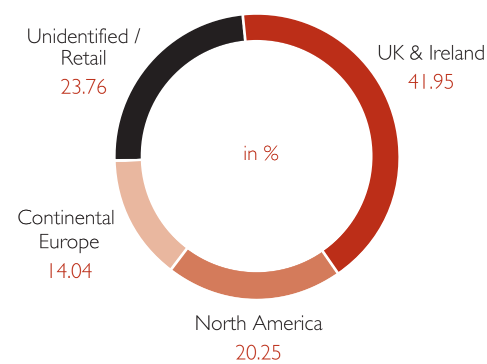
SHAREHOLDER STRUCTURE

Following a secondary placement by Monier Holdings S.C.A. in October 2015, our free float increased to 60%. In 2015, two institutional investors informed us that they have exceeded the 5% and 10% threshold, respectively.

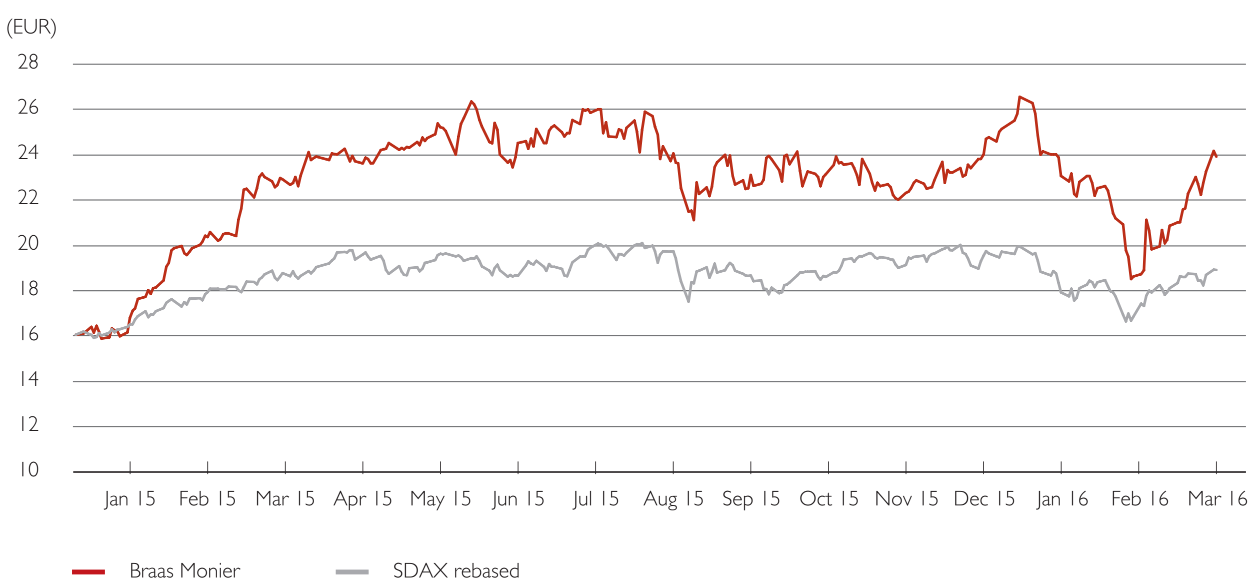
Shareholder Structure according to Voting Rights Announcements, Directors' Dealings and other public information, as of 1 March 2016



Regional split of Free Float (excl. Board of Directors / Senior Management) according to Shareholder Identification, performed in September 2015



SHARE PRICE DEVELOPMENT

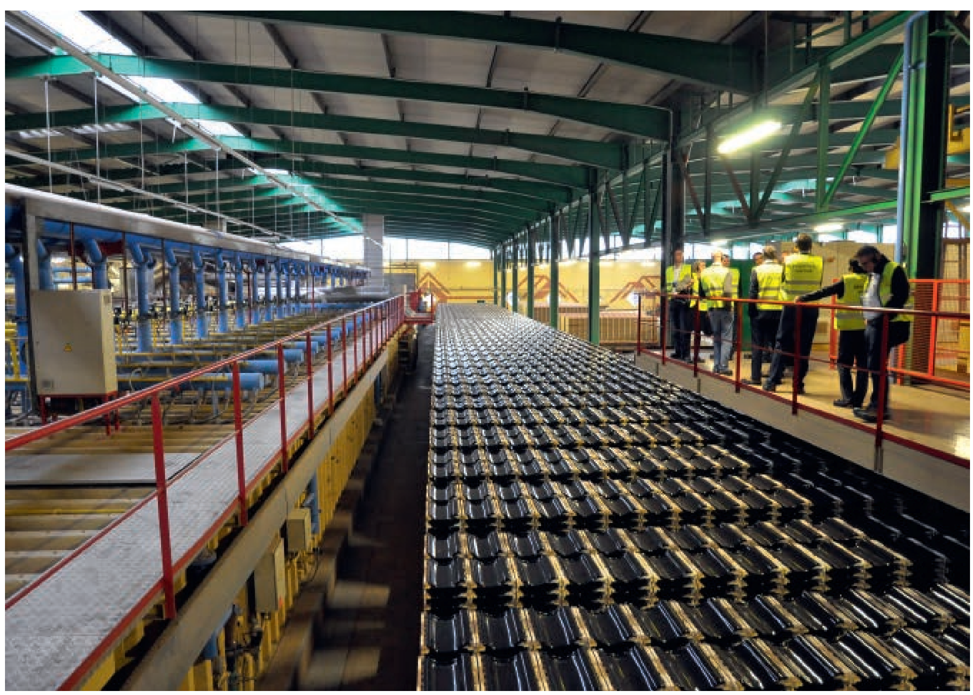


Source: broker data

INTENSIFIED COMMUNICATION WITH THE FINANCIAL MARKETS

Our Investor Relations activities in the past business year strongly focused on intensifying the relationship with existing shareholders as well as presenting the equity story to prospective long-term investors. Senior Management and the Investor Relations team spent more than 25 days meeting investors at roadshows and capital markets conferences in Amsterdam, Brussels, Copenhagen, The Hague, Dublin, Frankfurt, Geneva, Helsinki, London, Milan, Munich, Paris, Zurich as well as New York and Boston. Several meetings also took place at our corporate offices as well as at our Technical Centre near Frankfurt/Main in order to explain our highly capable R&D infrastructure, e.g. wind tunnel, system validation and durability testing, and to provide a deeper insight into the complexity of a modern roofing system. At our capital markets day in November 2015, visits to a clay tile factory and a components plant as well as focused presentations by Senior Management put our daily operational efforts into perspective with regards to our Group-wide growth strategy. This included presentations on our Factory Excellence Programme, organic growth projects, breakthrough innovations in the tile and components business as well as details on our financial strategy and performance.

Clay tile production, Braas plant Karstädt, Germany



IMPROVED CREDIT RATING

In the context of our efficiency initiatives, we reduced the credit rating agency coverage and terminated the rating agreement with Fitch Ratings with effect as of 31 July 2015.

In June 2015, Moody's Investor Service Ltd (Moody's) has upgraded Braas Monier Building Group S.A. corporate family rating (CFR) to B1 from B2, and the probability of default rating (PDR) to B1-PD from B2-PD. Concurrently, the rating agency has upgraded the instrument rating to Ba3 from B1 on the senior secured facilities, consisting of

(1) EUR 315 million Senior Secured Notes issued by BMBG Bond Finance S.C.A.,

(2) EUR 200 million Senior Secured Term Loan B facility borrowed by Monier Finance S.à r.l., and

(3) EUR 100 million Revolving Credit Facility (RCF) borrowed by Braas Monier Building Group Holding S.à r.l. and other Group companies.

The rating outlook is stable.

In November 2015, Standard & Poor's Ratings Services (S&P) raised its long-term corporate credit rating on Braas Monier Building Group S.A. to BB- from B+. The outlook is stable. At the same time, the short-term ratings on Braas Monier at B was affirmed. In addition, the issue ratings on the Senior Secured Notes, the Senior Secured Term Loan B facility and the RCF were raised to BB- from B+.

The table below outlines the corporate credit rating and the instrument ratings from Moody's and S&P:

CORPORATE CREDIT AND INSTRUMENT RATINGS

	Moody's	S&P
Long-term issuer default rating / corporate family rating / corporate credit rating	B1	BB-*
Outlook	Stable	Stable
EUR 315 million Senior Secured Floating Rate Notes	Ba3	BB-
EUR 200 million Term Loan B	Ba3	BB-
EUR 100 million Revolving Credit Facility	Ba3	BB-

* S&P short-term rating: B

KEY FINANCIAL INFORMATION

PROFIT AND LOSS (EUR MILLION)

	2011	2012	2013	2014	2015	Change
Revenues	**1,354.7**	**1,303.3**	**1,219.1**	**1,211.3**	**1,256.7**	**3.8%**
thereof Western Europe	331.4	304.5	289.8	304.1	320.8	5.5%
thereof Central, Northern & Eastern Europe	486.0	458.0	428.1	427.4	429.5	0.5%
thereof Southern Europe	199.7	206.1	198.4	184.5	215.5	16.8%
thereof Asia & Africa	132.3	145.5	135.3	136.2	130.9	-3.9%
thereof Chimneys & Energy Systems	200.7	192.2	181.4	173.0	170.4	-1.5%
thereof Central Products & Services	140.6	114.0	102.4	99.4	98.1	-1.2%
Reconciliation / inter-segment revenues	-136.0	-116.9	-116.3	-113.3	-108.5	2.6%
Gross Profit	**337.9**	**311.1**	**320.8**	**345.7**	**355.9**	**3.0%**
in % of revenues	*24.9%*	*23.9%*	*26.3%*	*28.5%*	*28.3%*	
Operating EBITDA(1)	**162.5**	**129.2**	**158.4**	**195.4**	**196.8**	**0.7%**
in % of revenues	*12.0%*	*9.9%*	*13.0%*	*16.1%*	*15.7%*	
thereof Western Europe	35.1	26.7	27.8	43.3	48.3	11.7%
thereof Central, Northern & Eastern Europe	60.7	54.4	59.2	72.2	72.2	0.0%
thereof Southern Europe	39.1	25.3	28.7	33.7	36.8	9.2%
thereof Asia & Africa	18.6	20.6	22.8	24.4	21.6	-11.6%
thereof Chimneys & Energy Systems	22.5	19.9	23.0	24.8	23.0	-7.1%
thereof Central Products & Services	-13.6	-17.7	-3.1	-3.0	-5.2	3.2%
Operating income(1)	**60.3**	**23.6**	**67.9**	**105.6**	**110.6**	**4.8%**
in % of revenues	*4.5%*	*1.8%*	*5.6%*	*8.7%*	*8.8%*	
Non-operating result(1)	-20.5	-194.0	-61.6	9.2	13.0	40.5%
EBIT	**39.8**	**-170.4**	**6.3**	**114.8**	**123.6**	**7.6%**
in % of revenues	*2.9%*	*-13.1%*	*0.5%*	*9.5%*	*9.8%*	
Net financial result	-69.4	-65.9	-84.9	-58.2	-41.6	31.4%
Income taxes	-5.5	22.6	9.6	-16.8	-26.8	59.7%
Profit (Loss) for the period	-35.1	-213.7	-69.1	39.8	55.1	38.6%
Net income per share in EUR(2)	**-0.90**	**-5.46**	**-1.76**	**1.02**	**1.41**	**38.6%**

OTHER KEY FINANCIAL FIGURES (EUR MILLION)

	Dec 31 2011	Dec 31 2012	Dec 31 2013	Dec 31 2014	Dec 31 2015	Change
Equity	340.2	90.9	16.2	92.9	147.0	58.3%
Invested Capital(1) / (3)	1,324.6	1,353.5	1,076.3	1,010.8	1,029.6	1.9%
Return on Invested Capital (ROIC)(4)	4.6%	1.7%	6.3%	10.4%	10.7%	
Net cash from operating activities	105.6	76.0	26.9	65.4	121.9	86.5%
Capital expenditure(1) / (5)	66.5	52.9	50.2	60.6	59.4	-1.9%
Cash and cash equivalents	231.8	273.5	207.5	180.9	183.4	1.4%
External financial debt(6)	692.5	705.7	656.9	518.4	518.2	0.0%
Net debt(7)	460.7	432.2	449.4	337.4	334.8	-0.8%
Net debt / operating EBITDA(1)	2.8 x	3.3 x	2.8 x	1.7 x	1.7 x	
Employees, full-year equivalents at end of period	9,210	8,507	7,307	7,300	7,735	6.0%

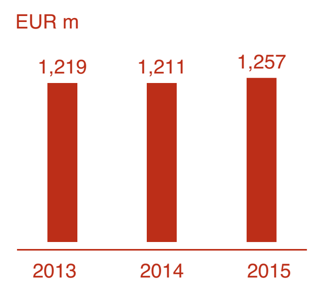
(1) Non-IFRS-GAAP figure
(2) Profit (Loss) for the period (attributable to equity holders of the parent company) divided by the number of shares outstanding 39,166,667 of 31 December 2015
(3) Defined as intangible assets plus tangible assets plus inventories plus trade and other receivables minus total payables
(4) Operating income divided by average of twelve months invested capital for the period
(5) Defined as additions to property, plant & equipment
(6) Defined as repayable amount of senior debt, other financial liabilities and short-term loans, excl. accrued interest and capitalised finance fees and liabilities related to earn-out clauses
(7) Calculated as external financial debt minus cash and cash equivalents
2011 – 2013 figures restated for IFRS 11. Due to rounding, slight discrepancies in totals and percentage figures may occur.

FISCAL 2015 AT A GLANCE

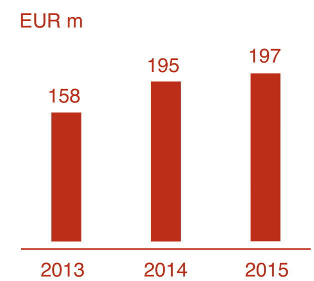
Value-accretive acquisitions

GCI
COBERT
PLAST
Muto & Tegolaia
ceprano coperture

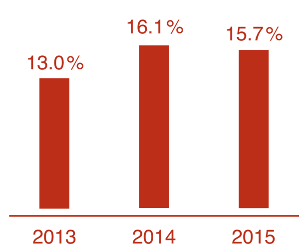
Moderate revenue increase



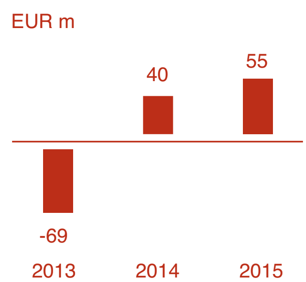
Strong Operating EBITDA



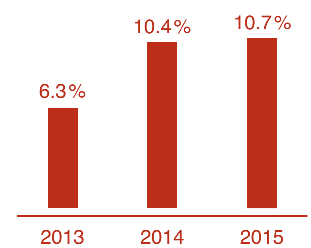
Solid Operating EBITDA margin



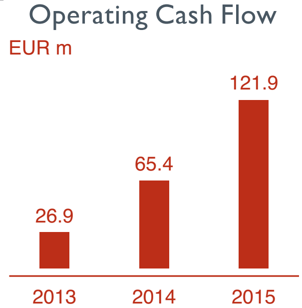
Further improvement in net result



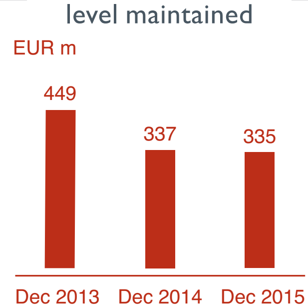
High Return on Invested Capital (ROIC)



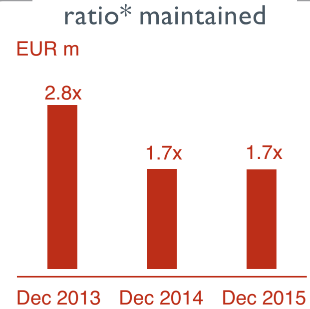
Strong increase in Operating Cash Flow



Improved net debt level maintained



Improved leverage ratio* maintained



* Net debt / Operating EBITDA

GROUP MANAGEMENT REPORT

Basic Information on the Braas Monier Building Group

DIRECTION AND SUPERVISION

Our Company's governance regime is led by a one-tier board structure, consisting of a Board of Directors which must be composed of a minimum of three members and a maximum of ten members, to be appointed by the general meeting of shareholders of our Company for a maximum term of six years. The directorships are revocable without prior notice (ad nutum). As of 31 December 2015, the Board of Directors was composed of nine members. From an operating perspective, the Group is managed and supervised by our Group Chief Executive Officer (CEO, also a member of the Board of Directors), our Group Chief Operating Officer (COO, newly appointed as of 15 January 2016) as well as our Group Chief Financial Officer (CFO) – the Senior Management.

BOARD OF DIRECTORS

Our Company is supervised by the Board of Directors. Our Board of Directors is, pursuant to article 17.2 of the Articles of Association, vested with the broadest powers to act in the name of the Company and to take any actions necessary and useful to fulfil our Company's corporate purpose, with the exception of the powers reserved by law or by the Articles of Association to the general meeting of shareholders.

Name	Member since	Appointed until	Responsibilities
Executive Director			
Pierre-Marie De Leener[1)]	2014	2017	Chairman of the Board of Directors, Member of the Nomination and Remuneration Committee, Chief Executive Officer (since January 2016)
Pepyn Dinandt[2)]	2014	2017	Chief Executive Officer (until January 2016)

1) With effect as of 15 January 2016, Pierre-Marie De Leener was appointed Group Chief Executive Officer and has been an Executive Director since then. He served as a Non-Executive Director on the Board of Directors since 2014.

2) With effect as of 15 January 2016, Pepyn Dinandt stepped down from all his duties as Group Chief Executive Officer and as Member of the Board of Directors.

Name	Member since	Appointed until	Responsibilities
Non-Executive Directors			
Francis Carpenter	2014	2017	Chairman of the Nomination and Remuneration Committee, Independent Director
Jean-Pierre Clavel	2014	2017	Independent Director
Guy Harles	2014	2017	Member of the Nomination and Remuneration Committee, Independent Director
Werner Paschke	2014	2017	Chairman of the Audit Committee, Independent Director
Winston Ginsberg	2014	2017	Member of the Audit Committee
Fabrice Nottin	2014	2017	
Torsten Murke	2015	2018	Member of the Audit Committee

SENIOR MANAGEMENT

The Senior Management is in charge of the day-to-day management of the Company as well as the management and supervision of the Group. The Group's governance regime provides for a detailed reporting schedule and further requires all Group companies to submit certain business transactions or other measures to the Senior Management, and, as the case may be, to the Board of Directors for approval prior to execution.

As of 1 March 2016, the Senior Management of our Company comprises three members:

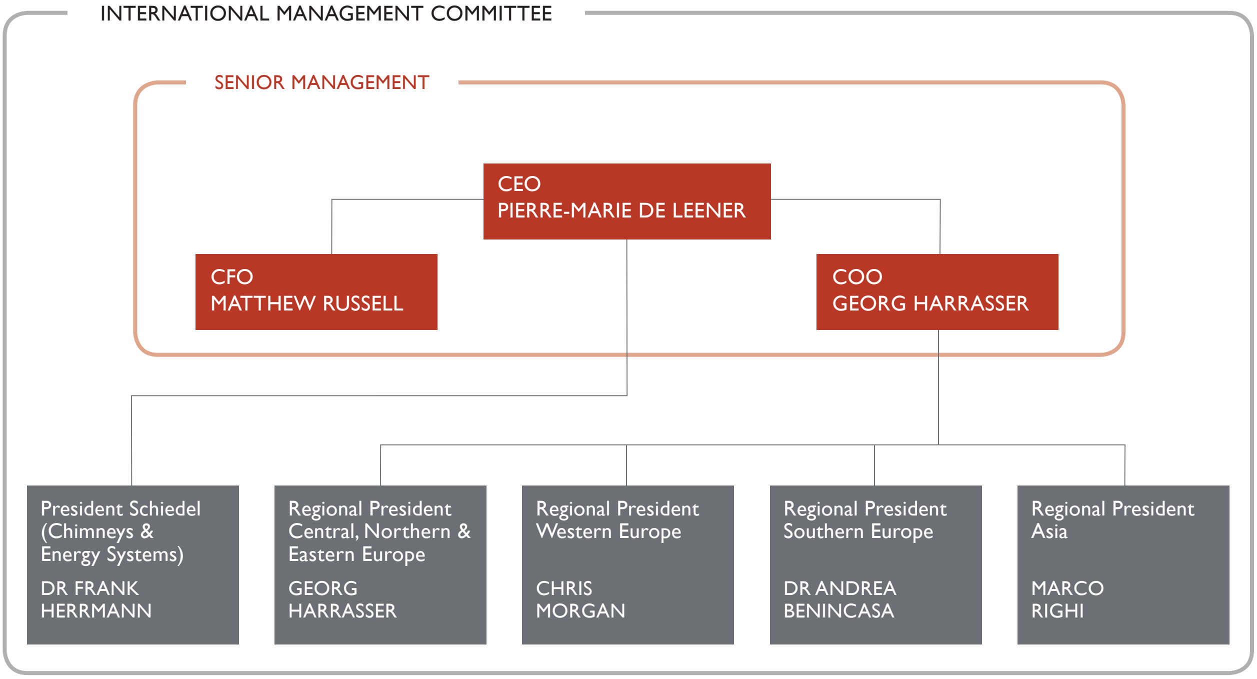
Pierre-Marie De Leener	
Chief Executive Officer (CEO)	Responsibilities:
	Strategy Chimneys & Energy Systems HR & Organisation

Georg Harrasser	
Chief Operating Officer (COO)	Responsibilities:
	Operational Roofing Business (Roof Tiles and Components) Sales & Marketing Industrial Platform Research & Development Quality

Matthew Russell	
Chief Financial Officer (CFO)	Responsibilities:
	Corporate Office / Compliance Communications / Investor Relations Controlling & Consolidation Purchasing Treasury & Corporate Finance Internal Audit Information Technology (IT) Legal, Tax & Insurance Mergers & Acquisitions

With effect as of 1 March 2016, Gerhard Mühlbeyer, Group Industrial Director, stepped down from all duties. His operational functions have mostly been taken over by Josef Fink, Chief Technology & Performance Officer, who does not form part of the Senior Management.

The Senior Management together with the regional presidents of Western Europe, Central, Northern & Eastern Europe, Southern Europe and Asia as well as the President of Schiedel (Chimneys & Energy Systems) forms the Group's International Management Committee.



DISCLOSURES PURSUANT TO ARTICLE 11(1) AND (3) OF THE LUXEMBOURG LAW ON TAKEOVERS OF 19 MAY 2006

a) For information concerning the structure of capital, reference is made to Note (30). The shareholders exercise their collective rights in the General Meeting of Shareholders. Each share entitles its holder to one vote. The right of a shareholder to participate in a General Meeting and to exercise the voting rights attached to its shares are determined with respect to the shares held by such shareholder on the 14th day before the respective General Meeting. Each shareholder can exercise its respective voting rights in person, through a proxyholder or in writing (the latter only if using voting forms provided by the Company).

b) The Articles of Association of the Company do not contain any restrictions on the transfer of shares.

c) The following table sets forth information as of 31 December 2015 with respect to the beneficial ownership and voting rights of Braas Monier's shares by each person who is known to be the beneficial owner of more than 5% of Braas Monier's issued share capital pursuant to corresponding voting right notifications (in accordance with the German Securities Trading Act "Wertpapierhandelsgesetz" and the Luxembourg law of 11 January 2008 on transparency requirements) as received by Braas Monier from time to time:

VOTING RIGHT NOTIFICATIONS

	Shares	% of issued shares	% of voting rights
Number of issued shares	39,166,667	100%	100%
Monier Holdings S.C.A.[A])	18,955,528[*)]	48.40%	48.40%
Wellington Management Company, LLP[B])	3,931,091	10.04%	10.04%
Lucerne Capital Management, LP[C])	1,978,439	5.05%	5.05%

*) *We understood from market sources that Monier Holdings S.C.A. had sold 3.3 million shares in October 2015. Therefore their actual shareholding in the Company has decreased to 39.97%.*

A) *According to a notification received on 30 June 2014 and according to an attestation for the record of share ownership as of 29 April 2015 to take part in the Annual General Meeting of shareholders on 13 May 2015*

Monier Holdings S.C.A. is controlled by its general partner Monier Holdings GP S.A. which is jointly controlled by Lily (Lux) S.à r.l.[1], TowerBrook Investors III, L.P., TowerBrook Investors III (Parallel), L.P., TowerBrook Investors III Executive Fund, L.P.[2] and York Global Finance 51 S.à r.l.[3]

1) *Lily (Lux) S.à r.l. owns 20.2% of the shares of Monier Holdings GP S.A. Lily (Lux) Holdings S.à r.l., is the sole shareholder of Lily (Lux) S.à r.l. Lily, L.P. is the sole shareholder of Lily (Lux) Holdings S.à r.l. Apollo Management VII, L.P. is the manager of Lily, L.P. AIF VII Management, LLC is the general partner of Apollo Management VII, L.P. Apollo Management L.P. is the sole member of AIF VII Management, LLC. Apollo Management GP, LLC is the general partner of Apollo Management L.P. Apollo Management Holdings, L.P. is the sole member of Apollo Management GP, LLC. Apollo Management Holdings GP, LLC is the general partner of Apollo Management Holdings, L.P. Leon Black, Joshua Harris and Marc Rowan are the managers of Apollo Management Holdings GP, LLC and as such they jointly control Apollo Management Holdings GP, LLC, with each of them having an equal vote (i.e., 33.33%).*

2) *TowerBrook Investors III, L.P. owns 14.2% of the shares of Monier Holdings GP S.A. TowerBrook Investors III Executive Fund, L.P. owns 0.4% of the shares of Monier Holdings GP S.A. TowerBrook Investors GP III, L.P. is the general partner of TowerBrook Investors III, L.P. and TowerBrook Investors III Executive Fund, L.P. TowerBrook Investors Ltd. is the general partner of TowerBrook Investors GP III, L.P. TowerBrook Investors III (Parallel), L.P. owns 6.5% of the shares of Monier Holdings GP S.A. TowerBrook Investors GP III (Parallel), L.P. is the general partner of TowerBrook Investors III (Parallel), L.P. TowerBrook Investors Ltd. is the general partner of TowerBrook Investors GP III (Parallel), L.P. Neal Moszkowski and Ramez Sousou jointly control TowerBrook Investors Ltd. They each hold approximately 50% of the voting rights in TowerBrook Investors Ltd.*

3) York Global Finance 51 S.à r.l. owns 22.1% of the shares of Monier Holdings GP S.A. York European Opportunities Investments Master Fund, L.P. owns 26.97% of York Global Finance 51 S.à r.l. York European Opportunities Domestic Holdings, LLC is the general partner of York European Opportunities Investments Master Fund, L.P. York Credit Opportunities Investments Master Fund, L.P. owns 26.76% of York Global Finance 51 S.à r.l. York Credit Opportunities Domestic Holdings, LLC is the general partner of York Credit Opportunities Investments Master Fund, L.P. York Credit Opportunities Fund, L.P. owns 16.26% of York Global Finance 51 S.à r.l. York Credit Opportunities Domestic Holdings, LLC is the general partner of York Credit Opportunities Fund, L.P. York Select Master Fund, L.P. owns 8.82% of York Global Finance 51 S.à r.l. York Select Domestic Holdings, LLC is the general partner of York Select Master Fund, L.P. York Select, L.P. owns 7.28% of York Global Finance 51 S.à r.l. York Select Domestic Holdings, LLC is the general partner of York Select, L.P. York Multi-Strategy Master Fund, L.P. owns 6.07% of York Global Finance 51 S.à r.l. Dinan Management, LLC is the general partner of York Multi-Strategy Master Fund, L.P. York Capital Management, L.P. owns 3.11% of York Global Finance 51 S.à r.l. Dinan Management, LLC is the general partner of York Capital Management, L.P. York European Focus Master Fund, L.P. owns 1.92% of York Global Finance 51 S.à r.l. York European Focus Domestic Holdings, LLC is the general partner of York European Focus Master Fund, L.P. York European Strategies Trading Limited owns 1.92% of York Global Finance 51 S.à r.l. York Managed Holdings, LLC is the investment manager of York European Strategies Trading Limited. Jorvik Multi-Strategy Master Fund, L.P. owns 0.69% of York Global Finance 51 S.à r.l. Dinan Management, LLC is the general partner of Jorvik Multi-Strategy Master Fund, L.P. Permal York, Ltd. owns 0.19% of York Global Finance 51 S.à r.l. York Managed Holdings, LLC is the investment manager of Permal York, Ltd. York Capital Management Global Advisors, LLC controls York European Opportunities Domestic Holdings, LLC, York Credit Opportunities Domestic Holdings, LLC, York Select Domestic Holdings, LLC, Dinan Management, LLC, York European Focus Domestic Holdings, LLC and York Managed Holdings, LLC. James Dinan controls 100% of the voting rights held by York Capital Management Global Advisors, LLC.

B) According to a notification received on 18 December 2015.

C) According to a notification received on 14 December 2015.

d) The Company has not issued any securities granting special control rights to their holders.

e) The control rights of any shares issued in connection with employee share plans are exercised directly by the respective employees.

f) The Articles of Association of the Company do not contain any restrictions on voting rights.

g) As of 31 December 2015, there are no agreements among the shareholders which are known to the Company that could result in restrictions on the transfer of shares or voting rights within the meaning of Directive 2004/109/EG (Transparency Directive).

h) The members of the Board of Directors are appointed and may be dismissed by the General Meeting of the Shareholders duly convened with a simple majority of the shareholders present and voting (meaning 50% of the voting rights present at the

General Meeting of the Shareholders plus one vote), in accordance with Article 13.1 and 13.2 in connection with Article 19.1 of the Articles of Association, as well as Article 67 (2) of the Luxembourg law of 10 August 1915 on commercial enterprises, as amended. There is no quorum requirement. Each shareholder who holds at least 25% of the shares in the Company has the right to propose to each general meeting a list of up to three candidates to be appointed as directors of the Company by the general meeting of shareholders, which shall proceed to a vote on any such proposal. Any vote of the general meeting of shareholders on an amendment of the Articles of Association requires a quorum of at least 50% of the share capital and a majority of two thirds of the share capital represented or present in the meeting.

i) The Board of Directors is vested with wide-ranging powers for the execution of all administrative tasks in the interests of the Company and to fulfill its corporate purpose.

j) There are no significant agreements to which the Company is a party which take effect, alter or terminate upon a change of control in the Company following a takeover bid.

k) There are no agreements between the Company and members of the Board of Directors or employees providing for compensation to members of the Board of Directors or employees in the case of a takeover bid if the employment relationship is terminated without valid reason or due to a takeover offer.

CORPORATE OBJECTIVES AND STRATEGY

We consider Braas Monier's core strengths to be customer centricity, product and service innovation and a continued focus on costs without compromising on quality. We maintain our competitive edge by adjusting and adding to our product portfolio, always focused on our customers' needs. In this way, we have established long-standing customer relationships. We achieved our highly competitive cost structure by simplifying our business model and streamlining our manufacturing operations.

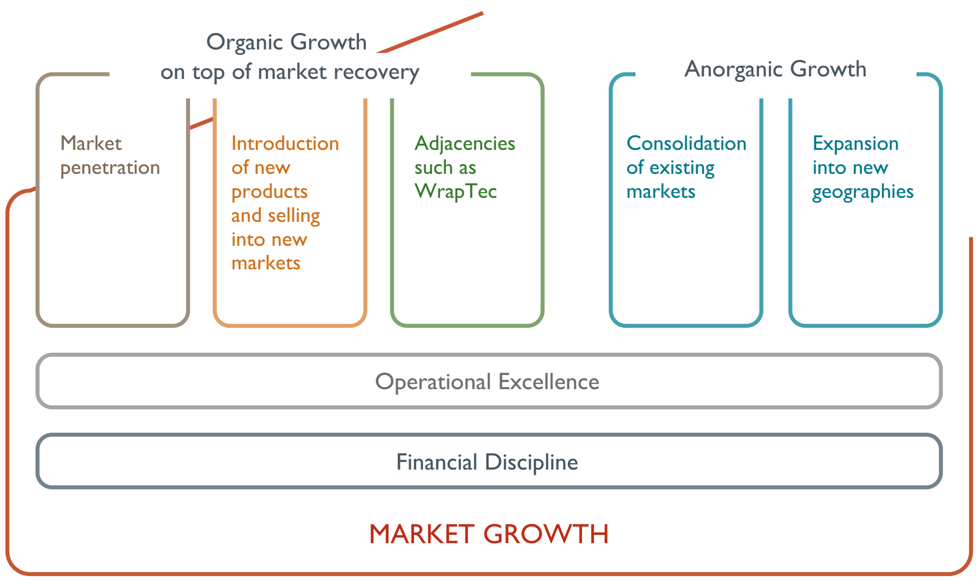
Benefitting from expected market recovery with high operational leverage

We intend to leverage our existing capacity in line with market recovery in order to capture market growth. Euroconstruct expects the European construction industry to return to moderate growth in 2016 (Source: Euroconstruct, December 2015). We are well positioned to utilise our spare production capacity to meet increasing market demand. Recent adjustments to our manufacturing footprint in core regions were implemented in a way that has preserved nearly all of our production plants, equipment and clay pits, as well as retained our key personnel. We believe that our manufacturing facilities in core geographic markets have the necessary capacity to resume production at full capacity once the markets recover. On average, the utilisation rate across the Group is well below production levels reached in former years. In addition, we intend to increase our capacity in selected markets while maintaining the competitive cost structure that we have achieved by simplifying our business model and streamlining our operations.

The production processes in our components business differ materially depending on the individual business line. Production levels are therefore typically measured in different categories, such as produced square metres, number of pieces or working hours. In general, the components business has sufficient capacity headroom to profit from the expected overall market recovery in Europe in the medium term, as well as from positive underlying trends in regards to energy efficiency and from further innovations into adjacencies (e.g. WrapTec).

Delivering above-market growth to drive profitability

Building on our core strengths, our strategy is geared towards delivering sustainable organic revenue growth on top of market recovery, consolidating existing markets and expanding into new ones via value-accretive bolt-on acquisitions. Those growth initiatives, part of our 'Top Line Growth' programme, are to be supported by further improvements in the efficiency of our production processes whilst applying strict financial discipline.



In 2015, we were able to achieve above-market growth in a large number of countries, which together account for more than 70% of Group revenues. We have recovered market share in almost all major European markets. Strict internal credit policies in countries such as Italy and the pull back from payment risky projects in China did not allow for market share gains but were important in protecting the earnings quality of the business.

MARKET PENETRATION

Our 'Top Line Growth' programme focuses on our product portfolio, further development of the services we provide to our customers and rolling out best practices in Sales & Marketing to further penetrate our markets. Currently, more than 150 individual initiatives across the Group are geared towards strengthening the relationship with all relevant customer groups, optimising the mix and number of visits and trainings for key decision makers such as roofers, architects and builders or improving our market position by selectively introducing new products, satisfying local demands for specific formats and aesthetics. Each project is systematically tracked and regularly reported to Senior Management. Some measures are expected to deliver a certain EBITDA contribution in order to offset underlying cost inflation of the business. Others serve as an enabler to ensure future growth, such as increasing sales efficiency, investing in digitalisation and offering technical advice to key customers.

INTRODUCTION OF NEW PRODUCTS AND SELLING INTO NEW MARKETS

Braas Monier's successful products are based on sophisticated product development, a well established production platform, a deep understanding of the markets and decades of experience. Based on the thorough knowledge of the markets' needs provided by our worldwide network, we continuously work on adapting our product portfolio and system offering to serve our customers best. Our highly effective R&D facility, the Braas Monier Technical Centre with locations in Heusenstamm (Germany) and Crawley (UK), plays a central role in this effort, where we constantly seek to improve the quality of our existing products and processes, as well as to introduce new offerings with focused investments in new technology. Close to 1,000 national patents and patent applications demonstrate our extensive know-how and technological expertise relating to our manufacturing processes and our product portfolio. In the 2015 fiscal year, we have spent EUR 13.2 million (2014: EUR 12.5 million) on our R&D activities.

Innovations in the tiles business can be evolutionary steps, e.g. by increasing the ease of use of existing products or adapting successful tile models to changing aesthetical trends and functional needs, as well as completely new product and process developments. As a leading international supplier of roofing components, we further leverage our strong track record of innovation to develop a broader product range to strengthen our market shares. Roofing components is a highly attractive segment of the roofing industry for a number of reasons. Firstly, most of our competitors acting on a global or international scale do not produce comprehensive ranges of roofing components comparable to our product portfolio. Secondly, roofing components also have a higher value-to-weight ratio than roof tiles, which makes central production and transportation over longer distances economically feasible. Therefore, this market segment currently offers higher gross profit and Operating EBITDA margins compared to roof tiles as well as attractive returns on invested capital.

BREAKTHROUGH INNOVATION: **AERLOX** LIGHT-STRONG-FAST

Based on our extensive experience, know-how and historical R&D efforts, we have achieved an innovation, which we expect to be highly attractive to our markets: Aerlox, a concrete tile, up to 40% lighter than a traditional tile, but with comparable technical capabilities such as high strength, long-term aesthetics and frost resistance.

Before

After

Aerlox offers numerous benefits to roofers, home owners and the Company allowing us to form a strong competitive advantage:

- Roofers strongly benefit from the lower weight of the tile as they have to carry and move significantly less weight per day. Working with the new tile with Aerlox technology will thus be less tiring over the day, enabling the roofer to lay the tiles faster and to save on personnel expenses. The lower overall weight also has the potential to reduce typical health issues in the roofing business stemming from permanent weight lifting.
- In regions with a low population density, transportation distances are often relatively high regarding the smaller overall volumes. The lower weight of the new tile increases the economically feasible transport radius as well as the attractiveness of those markets, where other building materials than roof tiles have been prevalent.
- Other building materials such as metal and fibre cement are also typically used on houses with a light building and roof structure, thus being unable to carry the weight of standard tiles. Also here the light tile with Aerlox technology enables entry into an additional market segment that had been out of reach for tile makers in the past.

Denmark is an example of this new potential, as many houses with light roof structures are currently covered with aesthetically less favourable fibre cement sheets, often containing asbestos. The willingness to renovate those roofs and to replace them with tiles is estimated to be significant. For this reason, we started the test production of Aerlox in our Danish concrete tile plant in 2015 and are now well prepared to introduce it to the market. Depending on experience and feedback gathered in this first market, we would consider further market entries in 2016 and 2017.

As a basic principle, the significant weight reduction we achieved with the new technology is only possible in the production of concrete tiles. Based on the research we have conducted with regard to this breakthrough, we do not consider it to be economically viable to to achieve a comparable weight reduction in our clay tile production due to the nature of the raw material.

INNOVATING INTO ADJACENCIES SUCH AS WRAPTEC

WrapTec is a new, innovative sealing application for typical insulated heating, ventilation and air-conditioning (HVAC) systems, based on our Wakaflex technology, a lead-free, flexible and adhesive flashing. It is a unique substitute for aluminium claddings. Among other advantages, it is much easier and faster to install, saving the insulation installer time and money due to its self-welding ability. With WrapTec, we demonstrate our strength to transfer our technical know-how and deep understanding of modern roofing systems into applications outside our traditional markets. This creates interesting growth opportunities for us, while simultaneously providing value-adding solutions for our customers. We intend to apply this very promising approach to further markets and products in the future.

Customer benefits of WrapTec:

- Unique self-welding abilities provide a watertight sealing
- Less time-consuming installation (no measuring or tailor-made cladding manufacturing)
- Due to easy handling, an insulation installer can do the job without special know-how in one step
- Reduced costs of labour
- Supply chain advantages due to sealing material on rolls
- Carbon footprint is more environmentally friendly than traditional aluminium claddings

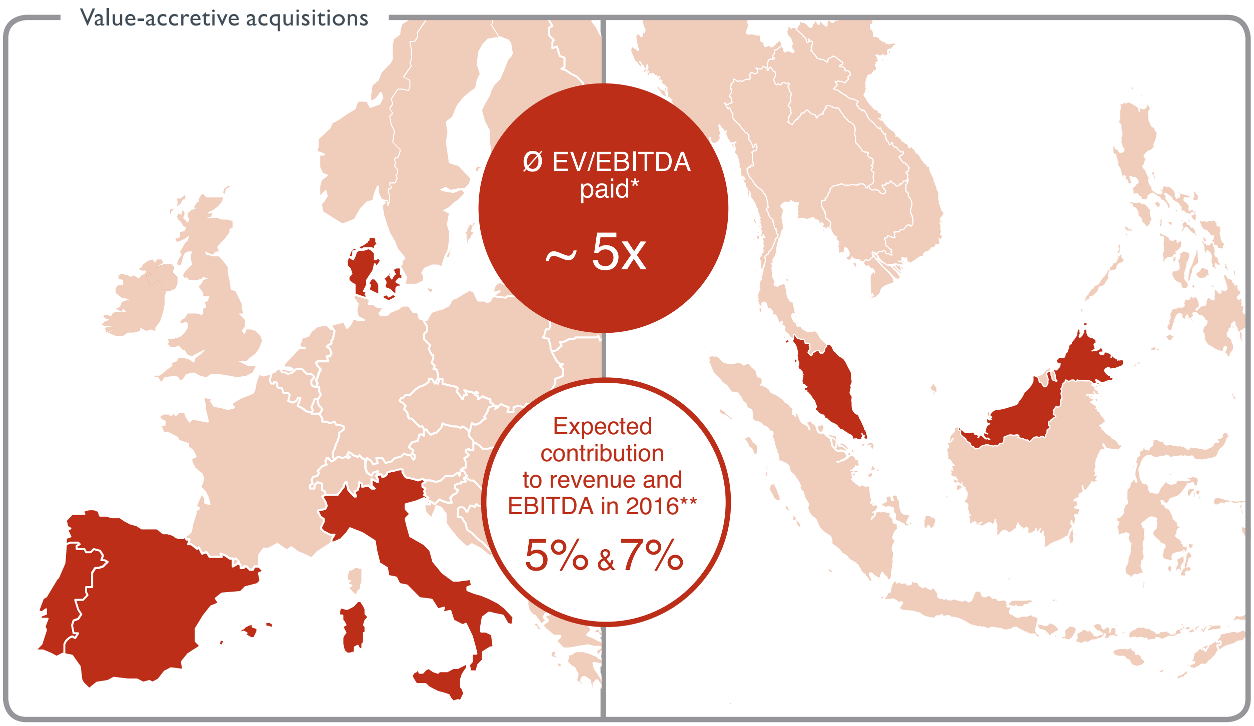
We estimate the relevant US and European markets (HVAC claddings and other sealants) at EUR 250 million and EUR 300 million respectively. Based on the advantages WrapTec has compared to traditional aluminium claddings, we consider a future market share potential of at least 10% to be realistic. Following the product launch in the pilot market

Denmark, further markets such as Sweden, Norway and the UK were entered into in the fourth quarter of 2015. Those markets are still in a ramp-up phase where especially sales and marketing expenses, necessary to introduce this new product to the market, cannot be fully compensated for by the still relatively low volumes sold. Other markets, such as the U.S. and Germany, are currently being evaluated and first customer meetings and fair attendence have shown very positive feedback. In 2017, WrapTec is expected to generate revenue in the low to mid single-digit million euro range and to contribute positively to Operating EBITDA.

CONSOLIDATION OF EXISTING MARKETS AND EXPANSION INTO NEW GEOGRAPHIES

Beyond initiatives to achieve organic growth above market, we intend to actively participate in the consolidation of the pitched roof industry in a disciplined manner, and we regularly evaluate acquisition opportunities. Our M&A strategy is based on strengthening our core businesses and we therefore apply the following stringent approach to M&A:

1. We only buy, what we understand and know – customers, markets, technologies.
2. Value-accretive transactions only, which create clear shareholder value through a combination of an attractive valuation and synergies.
3. We are mindful that we operate in a cyclical environment, which has a direct implication on the valuation multiples.
4. Stringent internal hurdle rate: any potential acquisition has to deliver a significant premium over our Weighted Average Cost of Capital (WACC).
5. Committed to deleveraging: any potential acquisition needs to have a strong cash flow profile. We stay within our stated target range, which is to be at or below 2.0 times on Net debt to Operating EBITDA on a pro-forma basis.



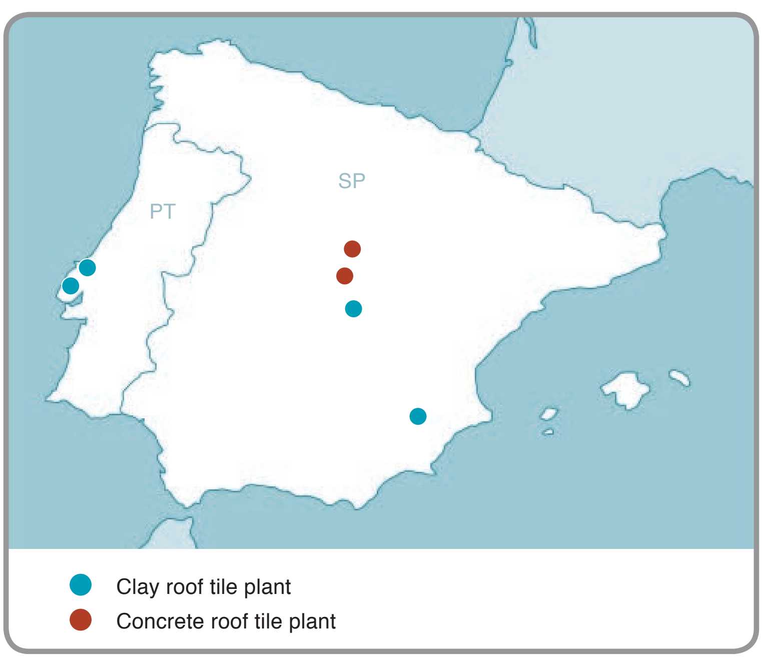
* average Enterprise Value divided by Operating EBITDA (incl. expected three year synergies)
** relative to FY 2015 numbers incl. Cobert

We executed five value-accretive acquisitions in 2015[1] which laid the foundation for profitable future growth and to further increase the value of our Company. Cobert in Spain and Portugal, GCI in Malaysia, J.A. Plastindustri in Denmark and the two acquisitions in Italy are expected to generate revenues of more than EUR 65 million in 2016, an Operating EBITDA of EUR 12 million to EUR 13 million and an Operating Cash Flow before integration costs of approximately EUR 6 million. We believe, that additional synergies and the expected market recovery in Europe will further contribute to the revenue and earnings progression of the acquired businesses in the near future. The overall Enterprise Value of these transactions amounted to roughly EUR 82 million, already including any potential future Earn-Outs (discounted) as well as potential needs for additional investments beyond sustaining Capex. While the five transactions differ materially in size, scope, strategic approach, geographic position and product group, they all have in common the clear commitment to increase shareholder value by further strengthening the Group's footprint in future areas of profitable growth and every single one of them followed our stringent approach to M&A.

1) incl. the acquisition of J.A. Plastindustri, which was signed in November 2015 and closed on 5 January 2016

COBERT TEJAS AND CT COBERT TELHAS (COBERT) – SPAIN / PORTUGAL

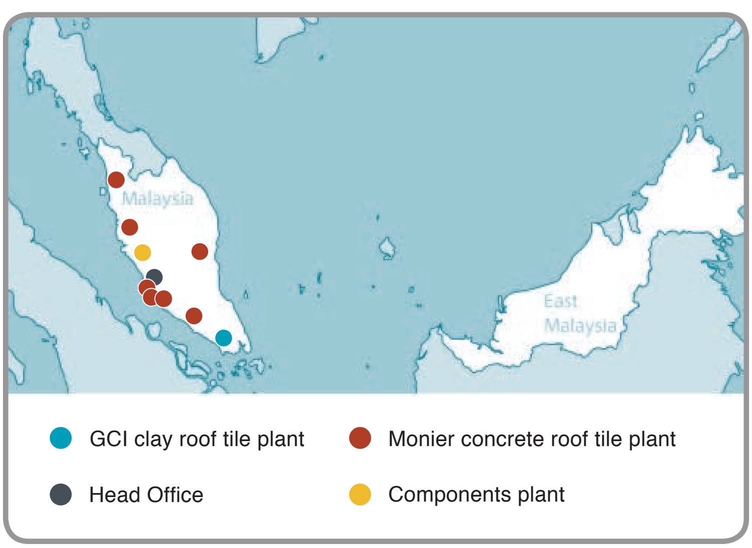
In January 2015, we completed the acquisition of Cobert, market leader on the Iberian Peninsula for manufacturing and supplying clay and concrete roof tiles and fittings. The Iberian residential construction market is the fifth largest single market in Europe. After several years of strong declines, leading research institutes expect this market to start growing again in the coming years. In addition to the Iberian markets, Cobert has generated significant growth via their well established export business, with a focus on high-quality clay tiles. Currently, clay tiles are sold to more than 50 countries on five continents. The companies have six production facilities in Spain and Portugal. Synergies are expected to be generated in particular by increasing the share of roofing components sold in the new businesses. From January to December 2015, the KPI for European Components, which measures the amount of component revenues[2)] per square metre of roofing tiles sold increased in Spain and Portugal by almost 20%. In 2015, Cobert contributed revenues of EUR 34.4 million and an Operating EBITDA of EUR 4.2 millon. Additional synergies resulted in particular from the strong increase in the local components KPI[3)] and from adding Spanish and Portugese clay tiles to the product offer of other Braas Monier countries. Cobert's Free Cash Flow excluding integration costs amounted to approximately EUR 3 million. The potential of Cobert in normalised markets is seen above EUR 50 million in revenues and an Operating EBITDA of approximately EUR 10 million. Cobert's total enterprise value, at the time of the transaction, amounted to EUR 29.6 million.



2) excluding the components-only brand Klöber
3) accounted for in the reporting segment 'Central Products & Services'

GOLDEN CLAY INDUSTRIES (GCI) – MALAYSIA

In October 2015, we acquired GCI, leader in Malaysia for manufacturing and supplying clay roof tiles and fittings and being one of only a few manufacturers in the Asia-Pacific-region using modern H-cassette technology. With overall revenues of EUR 52.3 million in 2015, Malaysia is the fifth largest single market for the Braas Monier Building Group and the largest outside Europe. Our Group has over 50 years of experience in the Malaysian roof tile market, which today is the Asia-Pacific hub for Braas Monier. With GCI we further extended our leadership position in Malaysia and acquired one of the premium H-cassette manufacturers in the Asia-Pacific-region, which we believe will deliver sizeable synergies. Amongst other things, this first clay tile plant in our Asian business will provide us with a strong strategic position to better supply clay tiles to other markets in the Asia-Pacific-region and to leverage our existing components business in the region. From October to December 2015, GCI contributed revenues of EUR 2.3 million and an Operating EBITDA of EUR 0.6 millon, equivalent to a pro-forma full-year contribution of EUR 9.0 million (MYR 39.0 million) in revenues and EUR 1.9 million (MYR 8.1 million) in Operating EBITDA. Including synergies, Management expects GCI to have mid-term potential of more than MYR 55 million in revenues and more than MYR 21 million in Operating EBITDA. CGI's total enterprise value amounted to MYR 90 million, equivalent to approximately EUR 19 million[4].



4) Based on an exchange rate of 1 EUR = 4.7462 MYR (as of closing date, 16 October 2015)

MUTO & TEGOLAIA (MUTO) – ITALY [ASSET DEAL]

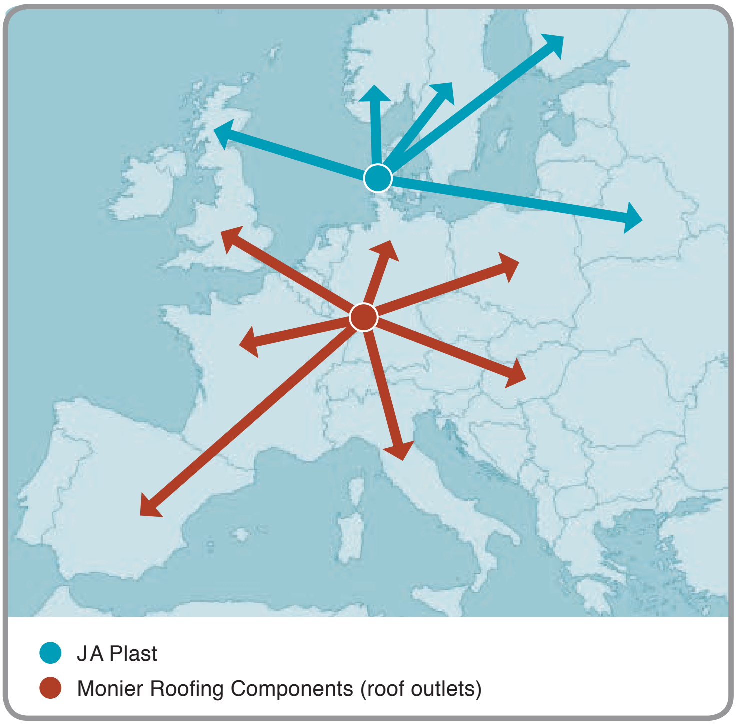
In November 2015, we acquired selected assets, most importantly a non-competition agreement and the customer base of Muto, a manufacturer of concrete roof tiles based in Cutro in Southern Italy, withdrawing from the roof tiles market. Through the acquisition, Monier Italy took an active step to consolidate the local market and to gain additional potential for selling roofing components to a wider customer base. Management expects an Operating EBITDA contribution of approximately EUR 0.6 million (including synergies). The total investment for the acquisition amounted to EUR 2.8 million, including the purchase price, the financing of additional working capital needs and transaction costs.

CEPRANO COPERTURE S.R.L. (CEPRANO) – ITALY

In December 2015, we acquired Ceprano, a manufacturer of clay roof tiles, which operates one plant in Central Italy. With this active step to consolidate the local clay tile market we also significantly improve the supply of Central and Southern Italy at lower transportation costs. Additional synergy potential stems from the cross-selling of roofing components to a wider customer base. In 2015, Ceprano generated revenues of approximately EUR 8 million and an Operating EBITDA of approximately EUR 1 million. Including synergies, management believes the acquisition of Ceprano will contribute revenues of approximately EUR 12 million and an Operating EBITDA of approximately EUR 2.5 million p. a. by 2018. Ceprano's total enterprise value amounted to EUR 10 million.

J.A. PLASTINDUSTRI (JA PLAST) – DENMARK

In January 2016, we acquired JA Plast, a Danish roofing components company. JA Plast's product range covers components for roofing materials such as tiles, metal, fibre cement and asphalt shingles. It focuses on sanitary and roof space ventilation, skylights and complementary accessories such as flashings, end pieces and special vents. As a pure original equipment manufacturer, JA Plast has more than 40 years of experience in the production of customised roofing accessories, providing premium product quality and offering a high degree of flexibility. Main business geographies are Northern Europe including the UK and Eastern Europe. JA Plast's total Enterprise Value amounted to DKK 156 million, equivalent to approximately EUR 21 million[5].



FURTHER POTENTIAL BOLT-ON ACQUISITIONS

We continue to actively search for and evaluate a sizeable number of potential targets in our M&A pipeline to further strengthen our operations, consolidate markets and thereby profit further from a future market recovery.

5) Based on an exchange rate of 1 EUR = 7.4613 DKK (as of closing date, 5 January 2016)

PROGRAMME LAUNCHED TO ENHANCE PROCESSES

In addition to our initiatives to grow revenues above market, we launched a multi-year 'Go4ProcessExcellence' to systematically enhance our Group's internal processes. The key module focuses on the production processes ('Factory Excellence') and started in the first quarter 2015.

Its objective is to further strengthen our continuous improvement culture with a strong customer focus at the heart of our production. This results in sustainable improvement of operational performance including health and safety measures, further quality improvements and lower unit variable costs. We want our customers to be as enthusiastic about our products as we are and thereby keep our company growing while also improving our efficiency to neutralise input cost inflation.

The programme has three foundations: customer satisfaction, people development and cost reduction.

To satisfy our customers we need to ensure high-quality products and on-time delivery. To develop our employees, we support the plants by providing individual on-the-job trainings at their own workplace. By means of reducing scrap, eliminating waste and decreasing energy consumption, we aim to further reduce costs.

To achieve all these goals, we have developed our Braas Monier production system which contains various methodologies and materials out of the Lean- / Six Sigma® toolbox. A training concept was created containing different training modules with focus on active learning and pragmatic shop floor exercises tailor-made for the Braas Monier production system.

The roll out of 'Factory Excellence' is reflected in an organisational set-up needed to make the achievements sustainable and a blueprint for the ideal future production process. A comprehensive KPI system steers and tracks the improvement initiatives with a clear guideline for tracking and analysis.

CONSISTENT FUTURE GROWTH

With the current set-up, existing and new initiatives under the 'Top Line Growth' programme and measures to improve our processes, we are well positioned to profit significantly from further growth in our markets in the short and medium term as well as from megatrends such as the ever-rising demand for energy-efficient building envelops through our components business. We are committed to achieving above-market growth complemented by strict cost management, profitability improvement and a clear focus on cash generation. While striving for above-market growth, we do not disregard the importance of strict cost discipline and our focus on capital allocation. We therefore concentrate on the optimisation of our asset base with a focus on key areas of excellence.

The strong cash flows generated by the operating business should allow us to achieve consistent and ambitious growth in the future, both organically and through acquisitions, with an unerring focus on return on invested capital while being ever mindful of the Group's Net debt ratio and its dividend policy.

VALUE-ORIENTED MANAGEMENT – KEY PERFORMANCE INDICATORS (KPI)

Our management uses a number of key financial and non-financial performance indicators in addition to our IFRS financial measures in order to evaluate, monitor and manage our business. These metrics allow us to review our operating activities, enabling us to evaluate relevant trends more meaningfully when considered in conjunction with (but not in lieu of) measures that are calculated in accordance with IFRS. The metrics may not be comparable to other similarly titled measures of other companies and Operating EBITDA and Net debt is not a measurement under IFRS or other generally accepted accounting principles. The key financial and non-financial performance indicators are Operating EBITDA, Adjusted Free Cash Flow (Group-level only), Capital Expenditure, Return on Invested Capital (ROIC)[6)], Net debt, headcount (FTEs) at the end of the period, number of employees (FTEs), volume of concrete and clay tiles sold (millions of square metres) and chimneys sold (millions of metres).

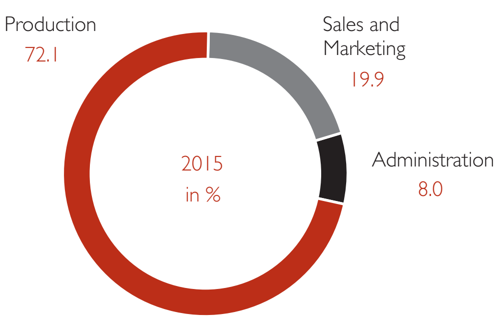
EMPLOYEES – PERSONNEL STRUCTURE & STRATEGY

Our employees, their expertise, experience and specific know-how are the most valuable assets we can build on. To achieve success and performance in every single job and team our sustainable performance management in Human Rescources focuses Group-wide on personal skills, knowledge, attitude and values as well as on learning opportunities and development activities as preparation for future roles. Strategic personnel planning is focused on our operating activities. Demographic changes, succession planning and personal development within the Group require a well-balanced portfolio of our measures taken and planned to compete for the right talents in the market and to be an attractive place

6) until 2014 Return on Capital Employed (ROCE)

to work. General measures such as Health & Safety trainings on all levels in the organisation or industrial training in technical skills through our Technical Centre are planned and executed Group-wide. Specific measures such as leadership skills for shift leaders, product and competence trainings in sales are taken and planned according to the local requirements. Our headcount levels fluctuate from period to period and impact our costs and profitability. As of 31 December 2015, we employed a total of 7,735 full-time equivalents (FTEs) compared to the previous year's figure of 7,300 FTEs (31 December 2014). The increase is related to the first-time inclusion of employees at Cobert (241 FTEs), GCI (285 FTEs) and Ceprano (43 FTEs). Our personnel expenses amounted to EUR 333.1 million in 2015, and EUR 318.1 million in 2014, respectively. The increase relates to the higher number of employees as well as to an overall increase in wages. Most of our production processes allow for flexible shift systems and enable us to increase or reduce the number of shifts and the use of temporary labour in our production plants in line with demand for our products.

EMPLOYEES ACCORDING TO FUNCTION



SUSTAINABILITY – ENVIRONMENT AND EMISSION

Based on decades of experience, we strive for the continuous development of pioneering innovations, and offer our customers a wide range of products and systems. Environmental performance is a crucial factor for our Group, as our tiles and chimneys are largely made from raw materials, such as sand and clay, derived from natural resources. Moreover, many of our products and systems are designed to improve the environmental footprint of buildings, such as energy-saving roofing systems, photovoltaic and solar thermal applications, insulation systems, and smog-eating tile surfaces.

Commitment

- We take our environmental responsibilities very seriously and regard environmental protection not only as a legal duty but as an integral part of our corporate policy and opportunity for achieving competitive advantages.
- We are committed to the conservation of the natural environment and the sustainable use of raw materials and energy.
- We continuously attempt to extend our range of environmentally friendly, energy-efficient and energy-generating products.

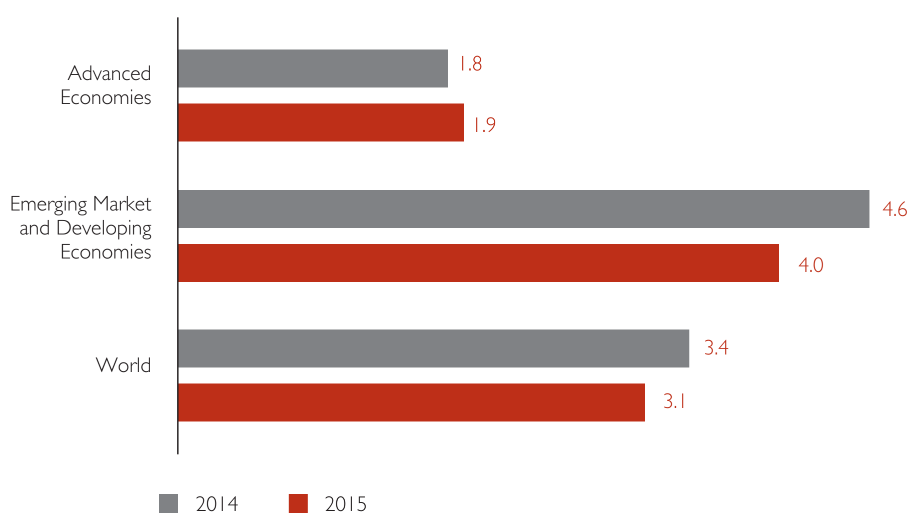
- We strive to keep the impact we have on our neighbours and communities to a minimum. As a consequence, we endeavour to integrate our plants into their natural or landscaped surroundings, and have regeneration plans in place for our extraction sites. We preserve or create ecological areas, during and after our activities.
- Environmental protection and energy efficiency are an integral part of leadership responsibility at Braas Monier. The sites are equipped with the necessary resources to enable them to meet their obligations in the areas of environmental protection, and raw material and energy efficiency.

Financial Condition and Results of Operations

UNDERLYING ECONOMIC AND SECTOR-SPECIFIC CONDITIONS

Growth in building material industries is typically correlated to the overall development of the Gross Domestic Product (GDP) in an economy. The global economy grew moderately by 3.1 % in 2015 – lower than the growth rate of 3.4 % in 2014 and the expected 3.5 % for 2015 – according to the latest update of the key world economic outlook projections of the International Monetary Fund (IMF) in January 2016. The year was influenced by several political conflicts which esculated into military conflicts – especially in the Middle East, Africa and Ukraine – and their negative economic implications. The lower growth rate of 4.0 % in Emerging Market and Developing Economies (4.6 % in 2014) impacted global growth as well.

GDP DEVELOPMENT 2014/2015, IN %



Source: IMF, World Economic Outlook UPDATE, 19 January 2016

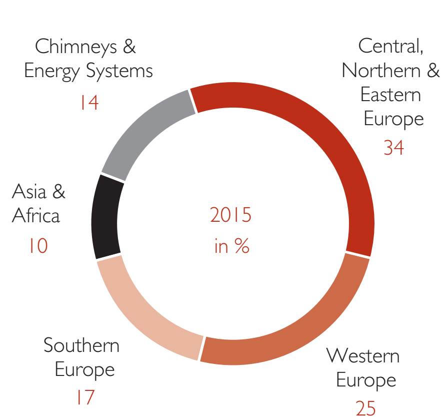
A modest recovery in advanced economies continued in 2015 while significant divergences of the economic situation still remained. The UK achieved 2.2% growth and also fell short of its expected growth rate of 2.7%, while economic performance in the eurozone with 1.5% growth exceeded expectations (1.2%). National economies of Italy (0.8%) and France (1.1%) returned to growth and increased their growth rates, respectively, in 2015 despite ongoing structural problems. Spain more than doubled its growth rate to 3.2%, based on a recovery path especially in the second half of 2015. The German economy continued to grow by 1.7% in 2015 after 1.6% the year before according to the German Federal Bureau of Statistics. Main growth drivers were consumption and industry capital expenditure, whereas Capex in buildings as well as the trade surplus contributed only a minor portion (0.2%) to the growth.

Growth in Emerging Markets and Developing Economies in 2015 was approximately 4.0 % after 4.6% the year before, with the rate declining for the fifth consecutive year. This included lower growth in China (6.9% in 2015 after 7.3% the year before), due to the ongoing rebalancing of economic activity away from investment and manufacturing and towards consumption and services. Economic output in Eastern Europe suffered again from the conflict in Ukraine and the sanctions caused by these geopolitical tensions. Russia's sharp downturn in 2015 of minus 3.7% compared to the 0.6% growth rate in 2014 is based on the economic impact of significantly lower oil prices and the depreciation of the rouble. This has also severely weakened the outlook for other economies in the Commonwealth of Independent States (CIS) group, both through direct and indirect confidence effects.

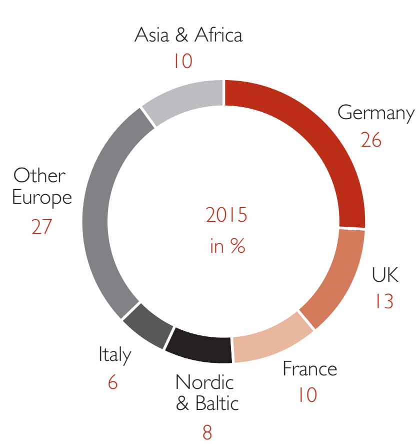
DEVELOPMENT OF KEY MARKETS

Due to our strong focus on European markets, the GDP development in major countries, such as Germany, the UK, France and Italy, is of high relevance to our business. Experience shows that, with a certain time lag, general trends in GDP development are followed by residential construction activity. In 2015, we generated approximately 90% of our revenues in Europe, with Germany (26% of revenues in 2015) being the most significant single market, followed by the UK (13%), France (10%), and Italy (6%). Our main single market outside Europe is Malaysia, accounting for 4% of Group revenues in 2015.

REVENUES BY REPORTING SEGMENT [7)]



REVENUES BY COUNTRY [8)]



7) by origin, excluding Central Products & Services
8) by origin

We generate no more than 2% of total revenues in China. The direct impact of the declining Chinese building industry on the Group's operating performance is therefore limited. The same is true with regard to the contracting Russian economy and the depreciation of the Rouble as Russia accounts for no more than 1% of total revenues. In many of the countries with strongly depreciating local currencies, our local production can result in a competitive advantage over importing competitors.

EXTERNAL REVENUES BY COUNTRY*

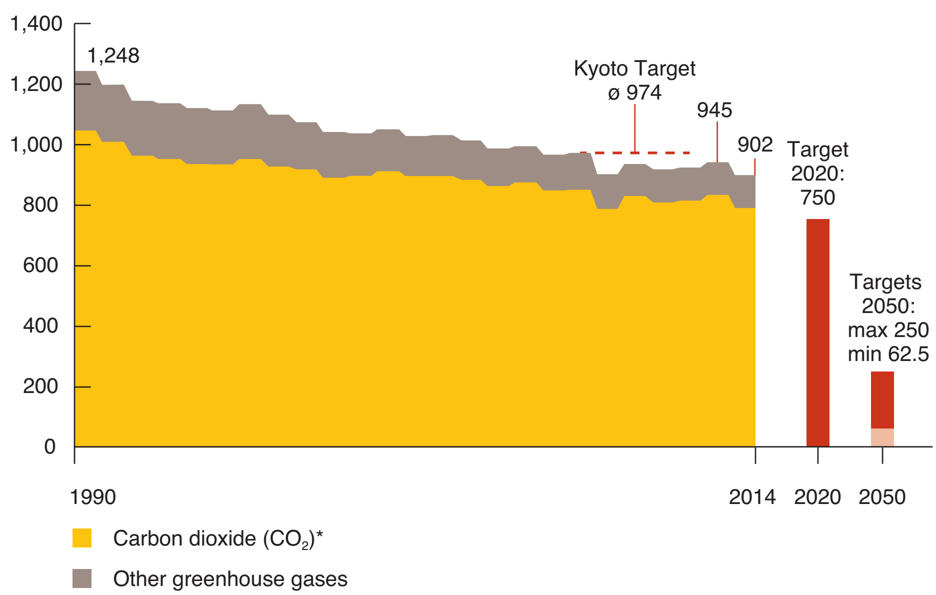
(EUR million)	2013	2014	2015	Change	Share of total revenues 2015
Germany	325.3	326.1	328.5	0.7%	26%
UK	115.5	139.7	166.8	19.4%	13%
France	148.1	137.5	129.1	-6.1%	10%
Italy	89.2	76.6	70.5	-8.0%	6%
Malaysia	55.9	52.6	52.3	-0.5%	4%
Poland	44.1	45.6	49.2	7.8%	4%
Austria	46.8	46.0	45.6	-0.9%	4%
South Africa	36.8	38.6	40.9	6.1%	3%
Norway	43.2	40.4	40.4	-0.1%	3%
Sweden	34.2	34.0	38.4	13.0%	3%
The Netherlands	32.9	35.4	36.9	4.4%	3%
Czech Republic	40.1	36.3	34.4	-5.1%	3%
China	28.7	31.6	24.0	-24.1%	2%
Spain	0.0	0.0	20.2	n.a	2%
Russia	24.6	22.1	18.5	-16.3%	1%
Portugal	0.0	0.0	14.2	n.a	1%
Other	153.5	148.9	146.8	-1.4%	12%
Total Revenues	**1,219.1**	**1,211.3**	**1,256.7**	**3.8%**	**100%**

*by origin

The development of the addressable markets in 2015 was very uneven in Europe and very difficult in Asia. In Europe, the activity levels at the start of the year in most countries were below previous year which had profited from favourable weather conditions in the past. In general, the trends in Europe improved thereafter, albeit at a relatively low pace.

In Germany, the addressable market declined in 2015, driven by a weaker renovation business, which was not compensated for by a better development in the new-build segment in general. While the demand for single-family houses has not eased but instead has rather been stimulated further by low interest rates, high employment and consumer confidence at a solid level, the sheer lack of available building land prevents building activity in this sector from picking up significantly. In connection with the increased number of refugees who arrived in Germany in 2015 and are expected to continue to arrive in the coming years, the government has discussed various measures to stimulate the residential building industry, including freeing up more building land. To reach its self-set targets to reduce greenhouse emissions by at least 40% compared to 1990, the German government is expected to introduce incentive schemes to stimulate energy efficient renovation in the residential building sector. In the renovation business, where pending projects can often be postponed, this expectation has led to a slowdown of activity with home owners preferring to wait for those expected incentive schemes to come into place. Currently, low energy costs for private households dampen the felt need for energy savings and thus energy efficiency measures as well.

EMISSION OF GREENHOUSE GASES IN GERMANY SINCE 1990
(TONNES MILLION)



* Excl. Carbon dioxide from Land Use, Land-Use Change and Forestry (LULUCF)
Source: German Federal Environmental Agency 2015, National Greenhouse Gas Inventory 1990 to 2014 (as of 01/2016)

The UK market continued to show robust growth in the business year under review. Following the substantial upswing of the market between 2013 and 2015, growth rates are naturally flattening and shifting to steady growth. Some uncertainties regarding the continuation of incentive programmes such as the 'help-to-buy scheme' ahead of the general elections had only a temporarily weakening effect on the markets. Lower- and mid-income classes are additionally profiting from the reform of stamp duties and new building land is consistently being unlocked. Strong market growth has also been observed in countries such as the Netherlands, Poland and Sweden. After several years of declines, the high growth rates in the Dutch market now indicate that a full market recovery has started. In Poland, the market share of roofing tiles versus other roofing materials such as metal appears to have increased. In Sweden, part of the increase relates to a less attractive incentive scheme for renovations in 2016 which created some pull-forward effects into 2015.

The French market continued to decline in 2015, especially the new-build sector. Trends in France improved throughout the year but not as fast as industry experts had originally forecasted at the end of 2014. A continuously rising number of housing reservations as well as the trend in building permits turning positive in the last couple of months in 2015 suggest a return to growth over the next quarters in one of Europe's largest roof tile markets. The market environment in Italy has remained challenging in 2015 and experienced a further weakening in the residential sector. To date, despite positive lead indicators such as an improving employment rate, car sales and mortgage lending, the visibility of a short-term recovery remains limited. While the economy in Spain has meanwhile stabilised and returned to growth, the recovery of the roofing market is expected to come with a certain time lag.

The market development in Malaysia was characterised by the introduction of VAT in April 2015 and political tensions especially during the second half of the year. Pull-forward effects ahead of the VAT introduction resulted in a strong start into the year while the remainder of 2015 clearly fell short of previous year's levels.

The trends in the European chimney markets have been declining overall, driven by weaker residential building markets, with a slight improvement towards the end of the year. Weak market developments have been observed in particular in Austria and the Czech Republic, Germany declined moderately.

PRICE DEVELOPMENT AND RAW MATERIALS

The average selling prices (ASP) for concrete and clay tiles showed a stable or slightly positive development on Group level. Compared to the previous year's level, ASPs for tiles were marginally up in Germany and slightly more positive in Italy. Driven by growth in the building industry, price level increases were more pronounced in the UK. In addtion to the positive overall market development, market share recovery and a better product mix also played a role in the increase of average sales prices. In France, prices had been rather stable during the first half of the year but came under pressure during the third quarter. While this pressure has substantially eased in the last three months of 2015, the full year ASP effect has nevertheless been negative. Despite the difficult market environment, we have been able to achieve ASP increases slightly ahead of the overall Group development. Input cost factors vary for the individual business lines. Cement, sand and pigments / emulsions are the biggest single cost items besides labour for concrete tiles while the production of clay tiles depends more on gas and clay. Plastics and aluminium are the key raw materials for the components business, which effectively contain a number of diverse products, such as underlays, roof outlets and eaves. The cost of production for steel chimneys is predominantly driven by stainless steel itself, ceramic chimneys depend on a much broader range of different raw materials, such as clay, cement and sand.

In 2015, input costs for labour, sand, pigments and aluminum increased, partially compensated for by an overall positive price development of gas, cement, plastics and steel.

Depending on the geographical location of our production sites, the trends for main input cost items may differ from one product line to the other. Besides the price development itself, costs are influenced by relative consumption and efficiency.

GROUP INCOME STATEMENT

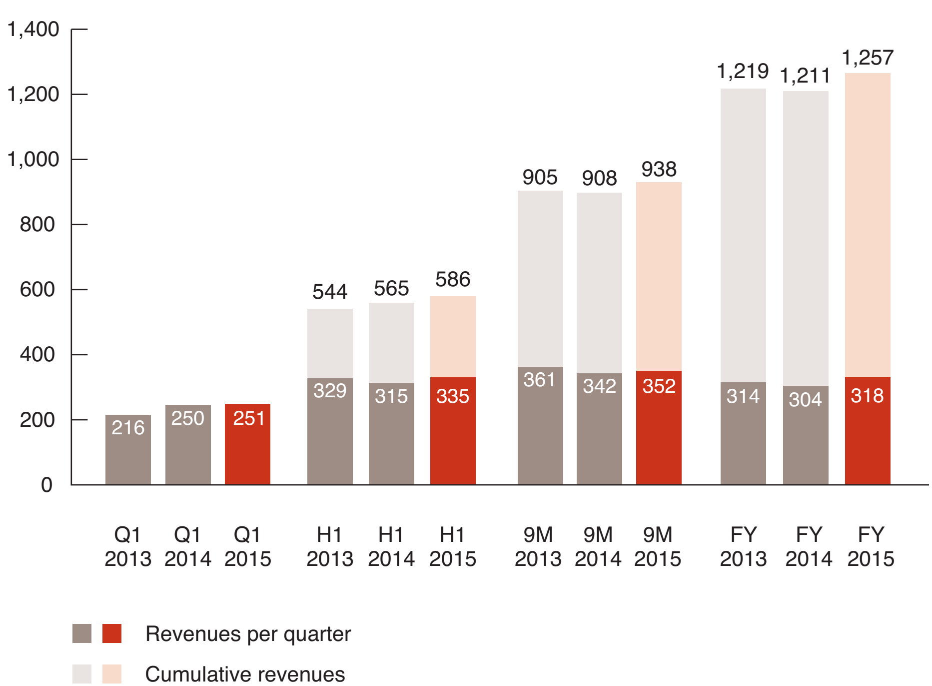
Development of Key Items of the Profit and Loss, the Cash Flow Statement and the Balance Sheet

- Full-year revenues 2015 grew by 3.8 % to EUR 1,256.7 million despite difficult markets
- Improvement in Operating EBITDA of 0.7 % to EUR 196.8 million
- Net Profit of EUR 55.1 million, an increase of 38.6 % against 2014
- Operating Cash Flow almost doubled to EUR 121.9 million (2014: EUR 65.4 million)
- Pro-forma Net leverage[9)] of 1.7 times (Net debt / Operating EBITDA) well within the leverage target of 2.0 times or below
- Proposed dividend to increase by 33 % to EUR 0.40 per share, underpinned by solid operational and financial performance

Earnings Situation

At EUR 1,256.7 million, full-year revenues 2015 were up 3.8 % (like-for-like[10)] -0.4 %) compared to last year's level of EUR 1,211.3 million. Revenues in the fourth quarter 2015 were up 4.9 % (like-for-like 1.1 %) to EUR 318.4 million from EUR 303.6 million in the fourth quarter of 2015.

REVENUES
(EUR MILLION)



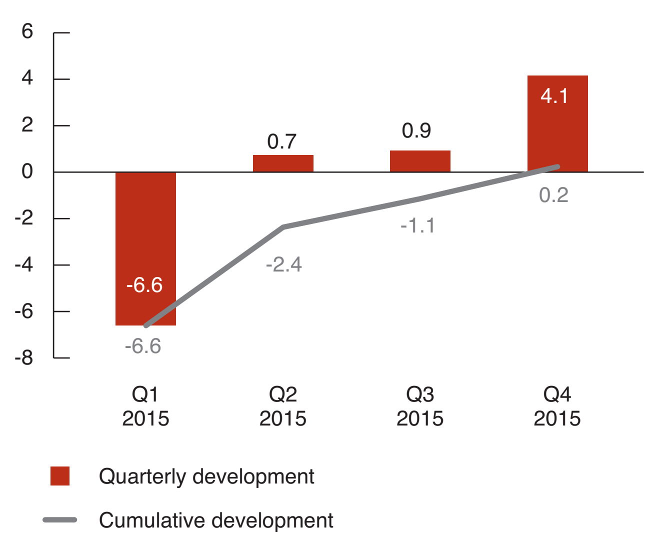
9) Pro-forma calculation including acquisitions closed in the business year under review on an LTM basis, including synergies
10) excluding acquisitions and foreign exchange effects

In 2015, the expected market recovery in Europe really materialised in a few countries only, such as the UK, the Netherlands and Poland. In this challenging environment, we achieved above-market growth in a large number of countries, which together account for more than 70% of Group revenues. We have improved our market share in almost all major European markets[11].

Most European markets had a slow start to the year, with building activity significantly below the levels of the first quarter of 2014, which benefited strongly from the mild winter 2013/2014. On a like-for-like basis, i.e. excluding the additional volumes resulting from recent acquisitions, particularly in Spain and Portugal, volumes in our European tile business consistently improved in the remaining quarters of 2015, with every single quarter coming in above the previous year's level. In the fourth quarter of 2015, when the weather patterns to those in the fourth quarter of 2014, European tile volumes even increased by 4.1% on a like-for-like basis, resulting in a marginal plus of 0.2% for the full-year 2015.

Tile volumes in Asia & Africa suffered significantly from the weak market environment in Malaysia and particularly in China. Other than in Europe, the volume trend in Asia & Africa deteriorated over the year. In the first quarter, pull-forward effects ahead of the VAT introduction in April led to growing volumes in Malaysia, compensating for declines in China. The remaining quarters showed strong volume declines. This trend only marginally improved during the last quarter of 2015 (compared to Q3 2015).

EUROPEAN TILE VOLUMES (LIKE-FOR-LIKE CHANGE) 2015 VERSUS 2014
(in %)



11) Clay tiles and concrete tiles measured in m², ceramic chimneys and steel chimneys measured in m

Average selling prices in the tiles business developed positively in all quarters. The level of price increases, which are deemed to compensate for increasing input costs, was below the previous year, as input cost inflation was also more moderate.

The strengthening of some currencies against the euro, most notably in the UK and China, positively impacted revenues while the weakening of the Russian Rouble and some Scandinavian currencies had a negative impact. Overall, foreign exchange effects had a positive effect on revenues of EUR 13.6 million or 1.1 %.

The acquired roofing business in Spain and Portugal (Cobert), which was consolidated as of January 2015, as well as GCI in Malaysia (consolidated as of October 2015) contributed revenues of EUR 36.7 million or 3.0 %. On a like-for-like basis, adjusted for currency effects and acquisitions, revenues declined slightly by 0.4 %.

The KPI for European Components, which measures the amount of component revenues[12] per square metre roofing tiles sold, increased on a comparable basis (i.e. excluding Cobert) in 2015 from EUR 2.37 per square metre to EUR 2.44 per square metre. Including Cobert, the KPI decreased to EUR 2.28 per square metre. The level of components per square metre roofing tiles sold in Spain and Portugal is currently very low and is a key focus area of our integration plans. In the medium term, increasing this KPI towards a level similar to the one we achieve in comparable markets will deliver sizeable synergies. In 2015, the Components KPI in Spain and Portugal already increased by approximately 20 %.

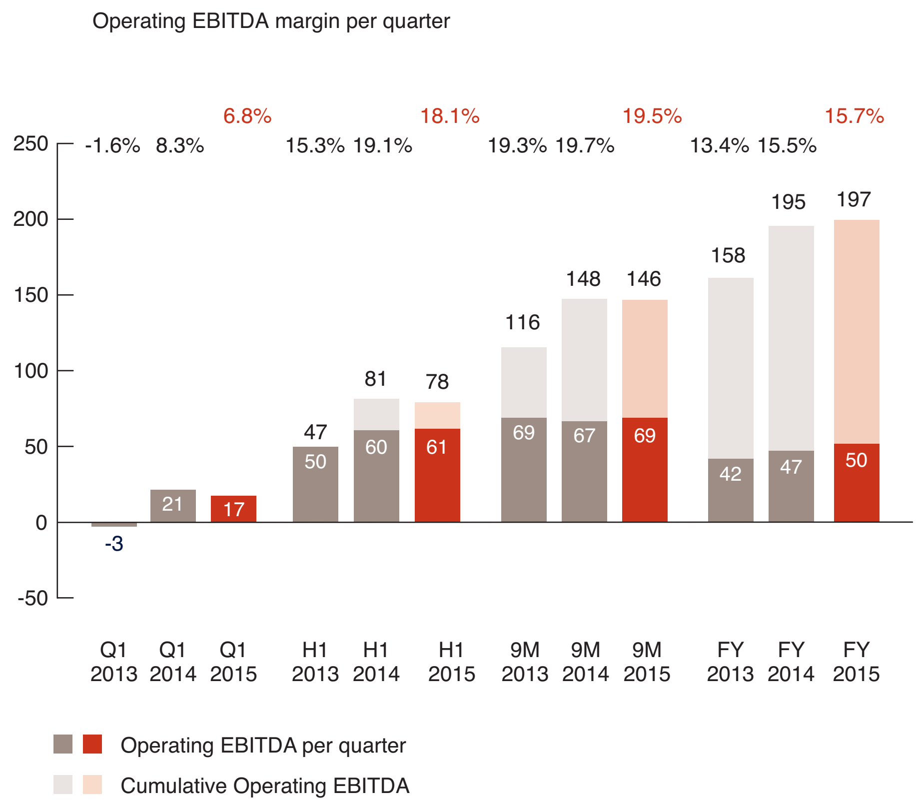
REVENUES BY PRODUCT GROUP

(EUR million)	2013	2014	2015	Change
Concrete roof tiles	495.1	490.8	499.7	1.8%
Clay roof tiles	259.3	264.8	296.6	12.0%
Components	269.2	264.7	269.3	1.7%
Chimneys & Energy Systems	182.3	175.0	173.5	-0.9%
Other	13.1	16.0	17.7	10.4%
Total net revenues	**1,219.1**	**1,211.3**	**1,256.7**	**3.8%**

Operating EBITDA in 2015 increased by 0.7 % (like-for-like -2.9 %) to EUR 196.8 million (2014: EUR 195.4 million) with an Operating EBITDA margin of 15.7 % (2014: 16.1 %). In the fourth quarter 2015, the Operating EBITDA margin increased by 20 basis points to 15.7 % and Operating EBITDA increased by 7.0 % (like-for-like 4.0 %) to EUR 50.3 million.

12) excluding the components-only brand Klöber

OPERATING EBITDA
(EUR MILLION)



Other operating income increased by EUR 16.2 million to EUR 31.6 million in 2015 (2014: EUR 15.3 million). The increase was driven by out-of-court arrangements of several legal claims which were negotiated in 2015 and insurance payments regarding insured warranty costs the Company paid in advance. It also partially related to the acquisition of Cobert in Spain and Portugal, the sale of idle assets in Germany, the UK and China as well as payments granted by the Chinese regional administration as a compensation for a plant that had to be shut down due to government efforts.

Other operating expenses grew from EUR 4.4 million last year to EUR 16.0 million in 2015. Other operating expenses included strategic growth and performance measures such as the set-up and implementation of the Group-wide 'Go4ProcessExcellence' programme, expenses related to M&A and post-merger integration, capacity adjustments, the envisaged product launch of WrapTec in further countries in Europe and the development of further component-based adjacent product innovations.

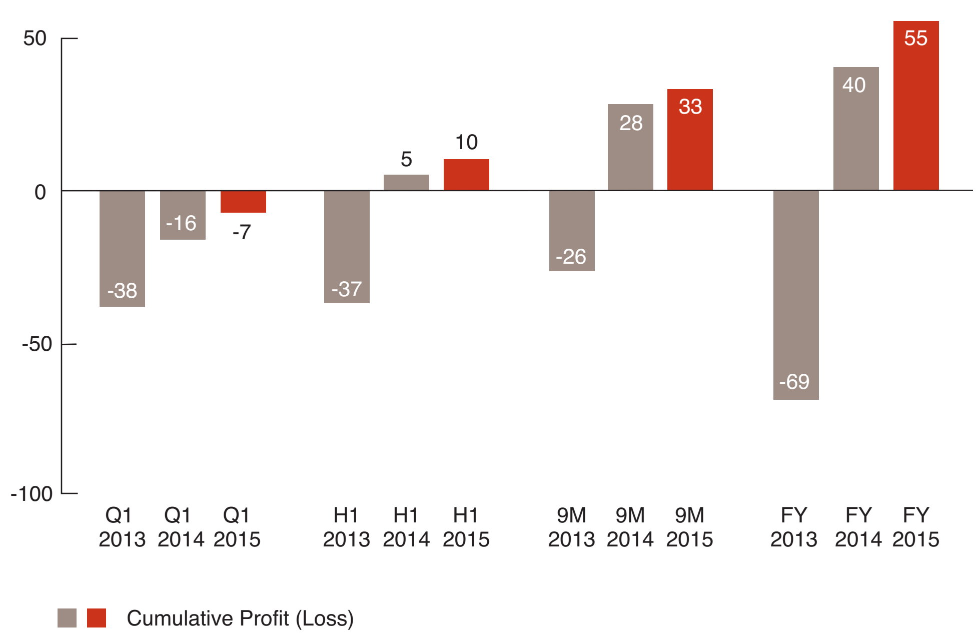
Depreciation and amortisation was EUR 87.3 million in 2015 (2014: EUR 90.7 million). Reported EBIT in 2015 rose from EUR 114.8 million in 2014 to EUR 123.6 million (an increase of EUR 8.8 million or 7.6%).

The net financial result improved by EUR 17.4 million to EUR -41.6 million (2014: EUR -58.2 million). The financial result in 2014 included a positive one-time non-cash income of EUR 12.9 million due to the extinguishment of the LIBOR floor of 1 % included in the financing structure ahead of the refinancing in April 2014. The remeasurement of the early redemption option included in the Senior Secured Floating Rate Notes resulted in an income of EUR 6.8 million (2014: expense of EUR 2.1 million). Finance related costs were significantly reduced in 2015, falling by EUR 15.9 million to EUR 24.0 million (2014: EUR 39.8 million). Lower interest expenses of EUR 28.4 million following the refinancing in April 2014 contributed EUR 7.7 million to this improvement (2014: EUR 36.1 million). Other finance-related costs declined in 2015 particularly due to the absence of fees and costs directly related to the IPO in June 2014 of which EUR 10.2 million were reported in the financial result 2014.

Based on strongly improved earnings before taxes (EBT), amounting to EUR 82.0 million in 2015 (2014: EUR 56.6 million), income taxes rose accordingly to EUR 26.8 million in 2015 (2014 EUR 16.8 million). The consolidated effective tax rate for our Group for the full year 2015 was 32.7 % (2014: 29.7 %).

Net income rose significantly by 38.6 % to EUR 55.1 million (2014: EUR 39.8 million). Divided by the number of shares currently outstanding (39,166,667), our net income per share for 2015 amounted to EUR 1.41 (2014: EUR 1.02).

PROFIT (LOSS) FOR THE PERIOD
(EUR MILLION)



SEGMENT REPORTING

Western Europe

Chris Morgan,
Regional President Western Europe

WESTERN EUROPE[1]

(EUR million)	2015	2014	Change	Change like-for-like
Revenues	**320.8**	**304.1**	**5.5%**	**1.3%**
Operating EBITDA[2]	**48.3**	**43.3**	**11.7%**	**7.1%**
in % of revenues	*15.1%*	*14.2%*		
Operating income[2]	**25.6**	**19.1**	**33.9%**	
in % of revenues	*8.0%*	*6.3%*		
Non-operating result[2]	1.1	4.5	-75.1%	
EBIT	**26.7**	**23.6**	**13.2%**	

	2015	2014	Change
Capital expenditure[3]	12.4	13.1	-5.3%
Invested Capital[2] / [4]	259.5	252.0	3.0%
Return on Invested Capital (ROIC)[2] / [5]	9.9%	7.6%	
Volumes sold tiles (in million m^2)	20.8	20.7	0.8%
Employees as of period ended	1,323	1,303	1.5%

(1) incl. France, the UK, the Netherlands, Belgium
(2) Non-IFRS-GAAP figure
(3) Represents additions to intangible assets and property, plant and equipment
(4) Defined as intangible assets plus tangible assets plus inventories plus trade and other receivables minus total payables
(5) Operating income divided by average of twelve months capital invested for the period

Business development in Western Europe was driven by two opposing trends in 2015. The UK and the Netherlands showed significant volume growth and increased components sales. In France, volumes continued to decline in 2015 but with a visibly improving trend throughout the year, which ended with a rather flat development in the fourth quarter 2015. As a result, the volume decline in France was more than offset by the growing businesses in the UK and the Netherlands. Pricing was positive in the UK, but below last year's level in France, reflecting increased pricing pressure from some competitors during the third quarter 2015. Revenues in Western Europe in 2015 grew by 5.5 % to EUR 320.8 million (2014: EUR 304.1 million), benefiting from a favourable foreign-exchange effect of the British pound against the euro of EUR 9.7 million (like-for-like growth 1.3 %).

The high operational leverage on volume growth in the UK and the Netherlands, improved price levels and higher component revenues substantially lifted the Operating EBITDA margin to 15.1 % compared to 14.2 % the year before. Operating EBITDA improved by EUR 5.0 million or 11.7 % (like-for-like 7.1 %) or to EUR 48.3 million (2014: EUR 43.3 million).

Central, Northern & Eastern Europe

Georg Harrasser,
Regional President Central, Northern & Eastern Europe

CENTRAL, NORTHERN & EASTERN EUROPE[1]

(EUR million)	2015	2014	Change	Change like-for-like
Revenues	**429.5**	**427.4**	**0.5%**	**1.9%**
Operating EBITDA[2]	**72.2**	**72.2**	**0.0%**	**0.8%**
in % of revenues	*16.8%*	*16.9%*		
Operating income[2]	**53.0**	**51.1**	**3.8%**	
in % of revenues	*12.3%*	*12.0%*		
Non-operating result[2]	1.0	-1.1	n.a.	
EBIT	**54.0**	**50.0**	**7.9%**	

	2015	2014	Change
Capital expenditure[3]	15.7	14.3	9.3%
Invested Capital[2] / [4]	315.7	315.2	0.2%
Return on Invested Capital (ROIC)[2] / [5]	16.8%	16.2%	
Volumes sold tiles (in million m^2)	28.2	27.7	1.7%
Employees as of period ended	1,505	1,513	-0.5%

(1) incl. Germany, Norway, Sweden, Denmark, Finland, Estonia, Latvia, Lithuania, Poland, Russia,

(2) Non-IFRS-GAAP figure

(3) Represents additions to intangible assets and property, plant and equipment

(4) Defined as intangible assets plus tangible assets plus inventories plus trade and other receivables minus total payables

(5) Operating income divided by average of twelve months capital invested for the period

Most countries in the reporting segment showed rather weak volume trends at the beginning of the year as volume levels in the comparable period in 2014 were strongly supported by a very mild winter. Following this softer start, volume trends improved throughout the year. In the fourth quarter 2015, the volume increase over Q4 2014 amounted to 7.5%. For the full year, the volume increase was more moderate at 1.7%. While volumes were flat in Germany despite an overall less favourable market environment, Poland and parts of Scandinavia showed strong increases. On a full-year basis, volume increases and marginally positive pricing more than compensated for the negative currency effects in the Nordic & Baltic region as well as in Russia which negatively impacted reported revenues by EUR 5.8 million. In total, segment revenues were slightly up (0.5%) reaching EUR 429.5 million (2014: EUR 427.4 million). Adjusted for currency effects, revenues would have grown by 1.9%.

Operating EBITDA was virtually stable at EUR 72.2 million for the full year (a like-for-like increase of 0.8%). Minimal overall price increases alone were not sufficient to compensate for inflating variable and fixed costs. Operating EBITDA margin declined marginally from 16.9% in 2014 to 16.8% in 2015.

Southern Europe

Dr Andrea Benincasa,
Regional President Southern Europe

SOUTHERN EUROPE[1]

(EUR million)	2015	2014	Change	Change like-for-like
Revenues	**215.5**	**184.5**	**16.8%**	**-1.7%**
Operating EBITDA[2]	**36.8**	**33.7**	**9.2%**	**-2.9%**
in % of revenues	*17.1%*	*18.3%*		
Operating income[2]	**15.0**	**14.2**	**5.7%**	
in % of revenues	*7.0%*	*7.7%*		
Non-operating result[2]	-3.5	-5.7	38.9%	
EBIT	**11.6**	**8.5**	**35.6%**	

	2015	2014	Change
Capital expenditure[3]	13.9	10.2	37.1%
Invested Capital[2] / [4]	232.3	212.9	9.1%
Return on Invested Capital (ROIC)[2] / [5]	6.5%	6.7%	
Volumes sold tiles (in million m^2)	22.1	16.8	31.6%
Employees as of period ended	1,267	994	27.5%

(1) incl. Spain and Portugal (included 2015 only) Italy, Austria, the Czech Republic, Slovakia, Hungary, Slovenia, Bosnia-Herzegowina, Croatia, Serbia, Romania, Bulgaria, Albania and Turkey

(2) Non-IFRS-GAAP figure

(3) Represents additions to intangible assets and property, plant and equipment

(4) Defined as intangible assets plus tangible assets plus inventories plus trade and other receivables minus total payables

(5) Operating income divided by average of twelve months capital invested for the period

Revenues in 2015 grew by 16.8% to EUR 215.5 million (2014: EUR 184.5 million). The strong increase resulted from the first-time inclusion of Cobert (Spain and Portugal). The acquisition was closed in January 2015 and led to additional revenues of EUR 34.4 million in 2015. The acquisition of Ceprano (Italy), closed in December 2015, had no impact on 2015 revenues and earnings as it has been consolidated since 31 December 2015. The development of like-for-like revenues in 2015 (-1.7%) were burdened by ongoing volume declines in Italy. Increased volumes in the remaining countries as well as stable to positive pricing in all key regions were not sufficient to fully counterbalance this development.

Operating EBITDA in 2015 increased by 9.2% or EUR 3.1 million from EUR 33.7 million to EUR 36.8 million due to the first-time inclusion of Cobert, which contributed EUR 4.2 million[13]. On a like-for-like basis, it fell by 2.9% as the negative volume effect was only partially compensated for by strict cost management, particularly in SG&A. Operating EBITDA margin was kept at a high level of 17.1% in 2015 (2014: 18.3%). As expected, the first time inclusion of Cobert had a dilutive effect on the Operating EBITDA margin as margin levels in Spain and Portugal have not yet recovered after the years of strong market decline.

An increase in depreciation as well as a higher number of employees at the end of the period were also directly related to the first-time inclusion of Cobert and to a lesser extent to Ceprano.

13) Further Operating EBITDA contribution resulting from overall higher components sales following the acquisition are included in the reporting segment 'Central Products & Services'

Asia & Africa

Marco Righi,
Regional President Asia

ASIA & AFRICA[1]

(EUR million)	2015	2014	Change	Change like-for-like
Revenues	**130.9**	**136.2**	**-3.9%**	**-10.3%**
Operating EBITDA[2]	**21.6**	**24.4**	**-11.6%**	**-17.8%**
in % of revenues	*16.5%*	*17.9%*		
Operating income[2]	**12.2**	**14.7**	**-17.1%**	
in % of revenues	*9.3%*	*10.8%*		
Non-operating result[2]	4.3	8.3	-47.8%	
EBIT	**16.5**	**22.9**	**-28.2%**	

	2015	2014	Change
Capital expenditure[3]	8.4	13.3	-37.0%
Invested Capital[2] / [4]	59.0	44.5	32.7%
Return on Invested Capital (ROIC)[2] / [5]	20.6%	33.0%	
Volumes sold tiles (in million m^2)	26.1	28.6	-8.9%
Employees as of period ended	2,050	1,906	7.6%

(1) incl. Malaysia, China, Indonesia, India and South Africa
(2) Non-IFRS-GAAP figure
(3) Represents additions to intangible assets and property, plant and equipment
(4) Defined as intangible assets plus tangible assets plus inventories plus trade and other receivables minus total payables
(5) Operating income divided by average of twelve months capital invested for the period

Revenues in Asia & Africa declined by 3.9 % from EUR 136.2 million in 2014 to EUR 130.9 million in 2015, driven by strong volume reductions in Malaysia and particularly in China. The Chinese market contracted strongly following the slowdown of the country's economic development. In Malaysia, pull-forward effects in the run-up to the VAT introduction in April 2015 and political instability in the country weighed on revenues during the remainder of the year. Positive volume development was reported only in South Africa. Together with overall lower tile volumes, components sales also declined. Average selling prices developed positively in 2015. Currency effects had a positive impact of EUR 7.2 million in 2015, the first-time inclusion of GCI (Malaysia) since October 2015 added EUR 2.3 million. Like-for-like revenues declined by 10.3 %.

Operating EBITDA decreased by 11.6 % (like-for-like -17.8 %) from EUR 24.4 million in 2014 to EUR 21.6 million in 2015. Positive pricing more than offset variable cost inflation in 2015. The volume driven Operating EBITDA decline was limited by additional cost savings, particularly in fixed costs in China, where besides other measures, two plants have been shut during the fourth quarter 2015, reducing the overall number of Chinese plants from 7 to 5 at the end of 2015.

Chimneys & Energy Systems

Dr Frank Herrmann,
President Chimneys & Energy Systems:

CHIMNEYS & ENERGY SYSTEMS

(EUR million)	2015	2014	Change	Change like-for-like
Revenues	**170.4**	**173.0**	**-1.5%**	**-1.4%**
Operating EBITDA[1]	**23.0**	**24.8**	**-7.1%**	**-7.5%**
in % of revenues	*13.5%*	*14.3%*		
Operating income[1]	**13.4**	**14.7**	**-8.7%**	
in % of revenues	*7.9%*	*8.5%*		
Non-operating result[1]	0.0	1.4	-100.0%	
EBIT	**13.4**	**16.1**	**-16.5%**	

	2015	2014	Change
Capital expenditure[2]	4.7	5.8	-19.0%
Invested Capital[1] / [3]	111.5	122.2	-8.7%
Return on Invested Capital (ROIC)[1] / [4]	12.0%	12.0%	
Chimneys sold (in million m)	2.2	2.3	-4.6%
Employees as of period ended	1,180	1,174	0.5%

(1) Non-IFRS-GAAP figure
(2) Represents additions to intangible assets and property, plant and equipment
(3) Defined as intangible assets plus tangible assets plus inventories plus trade and other receivables minus total payables
(4) Operating income divided by average of twelve months capital invested for the period

The market development in the Chimneys & Energy Systems business was generally not favourable across the various Schiedel countries in 2015. We estimate the relevant markets, measured in million metres, to have declined by a mid to high single-digit percentage figure.

Finalising the restructuring measures started in 2012, the remaining chimney operations in France were stopped. In 2014, those discontinued operations accounted for EUR 2.4 million or approx. 1 % of segment revenues.

Revenues in 2015 reached EUR 170.4 million, a decline of EUR 2.6 million or 1.5 % on prior year's figures (2014: EUR 173.0 million). Besides the closure in France, negative foreign exchange effects (EUR -0.2 million) contributed to this development. Volumes declined by 4.6 % which we believe was less than the overall markets, while pricing was generally positive.

Due to strong cost discipline and efficiency improvements, this positive pricing was sufficient to at least compensate for variable and fixed costs inflation. It limited the negative volume effect on Operating EBITDA, which declined in 2015 by 7.1 % (like-for-like: -7.5 %) to EUR 23.0 million (2014: EUR 24.8 million). In 2014, the sale of an idle asset resulted in income of EUR 1.1 million. A similarly high income did not reoccur in 2015. The decrease in the Operating EBITDA margin (from 14.3 % in 2014 to 13.5 % in 2015) also reflected the more pronounced reductions in the ceramic chimneys business, which has a higher Operating EBITDA margin than the steel chimneys business.

CENTRAL PRODUCTS & SERVICES

(EUR million)	2015	2014	Change	Change like-for-like
Revenues	**98.1**	**99.4**	**-1.2%**	**-1.4%**
Operating EBITDA[1]	**-5.2**	**-3.0**	**-76.0%**	**-67.7%**
in % of revenues	*-5.3%*	*-3.0%*		
Operating income[1]	**-8.7**	**-8.3**	**-5.2%**	
in % of revenues	*-8.9%*	*-8.3%*		
Non-operating result[1]	10.1	1.9	>100%	
EBIT	**1.4**	**-6.4**	**n.a.**	

	2015	2014	Change
Capital expenditure[2]	4.3	3.9	11.9%
Invested Capital[1] / [3]	35.2	47.8	-26.5%
Return on Invested Capital (ROIC)[1] / [4]	-24.7%	-17.3%	
Employees as of period ended	409	411	-0.5%

(1) Non-IFRS-GAAP figure

(2) Represents additions to intangible assets and property, plant and equipment

(3) Defined as intangible assets plus tangible assets plus inventories plus trade and other receivables minus total payables

(4) Operating income divided by average of twelve months capital invested for the period

Revenues in Central Products & Services, which mainly resulted from components centrally produced and sold to other segments, were down 1.2% to EUR 98.1 million in 2015 (2014: EUR 99.4 million). As this segment only includes part of the components business while the majority of components sales were accounted for in the other reporting segments, these numbers did not fully reflect the overall positive development of the components business which, on Group level, grew by 1.7% in the business year under review.

In 2015, the positive Operating EBITDA contribution of the components business within this reporting segment was not sufficient to fully compensate for holding and R&D costs that were also accounted for in this segment. Operating EBITDA fell by EUR 2.2 million to EUR -5.2 million in 2015. This development included costs associated with the ramp-up phase of WrapTec, particularly marketing and personnel expenses. Additional expenses in the Technical Centre were related to long-term succession planning necessary to protect the substantial know-how gathered in our central R&D facilities. The Group's Stock Option Programme resulted in an increase in personnel expenses of EUR 0.5 million.

From January to December 2015, the non-operating result amounted to EUR 10.1 million (2014: EUR 1.9 million). To a large extent, it related to income from legal settlements, prior year's warranties and others and is mainly due to out-of-court arrangements of several legal claims which were negotiated in 2015 and insurance payments regarding of insured warranty costs of the Company. It also partially related to the acquisition of Cobert in Spain and Portugal and split into the sale of a non-controlling interest and the gain from bargain purchase. It also includes expenses related to strategic growth and performance measures such as the set-up and implementation of the Group-wide 'Go4ProcessExcellence' programme, expenses related to M&A and post-merger integration, the envisaged product launch of WrapTec in further countries in Europe and the development of further component-based adjacent product innovations.

FINANCIAL POSITION

The Group's central financial entities are Braas Monier Building Group Services GmbH (mainly for long-term financing) and Monier Finance S.à r.l. for intra-year working capital financing. Both act as 'in-house banks', providing and receiving funding to / from Group entities on a matching maturities basis. Free cash is centralised at our in-house banks via manual and automatic cash pools, optimising internal and external money market transactions such as loans and deposits, and providing liquidity to the Group entities. Payments to external parties are executed mainly on a weekly basis, thus providing better control and higher transparency of outgoing payments. The treasury actively quantifies and monitors cash not available at a centralised level on a weekly basis with the target of reducing liquidity inefficiently held on a local level. With this centralised approach, our Group ensures the efficient allocation of liquidity. Furthermore, this approach helps us to strengthen our credit profile and negotiation capabilities with rating agencies, financial institutions and other financial stakeholders by presenting stringent and consistent financial management principles. (For more details on our Group's financial management please refer to Note 35 'Financial instruments').

FINANCING

On 17 April 2014, we successfully refinanced our debt positions and extended the maturity profile until October 2020. The following instruments are outstanding as of 31 December 2015:

- Senior Secured Floating Rate Notes in an aggregate principal amount of EUR 315 million, bearing interest at a rate of three-month EURIBOR plus 500 basis points (bps)per annum, with interest to be paid quarterly in arrears.
- Term Loan B Facility in the amount of EUR 200 million bearing interest at the rate of EURIBOR plus a margin of up to 450 bps depending on the Group's financial leverage.
- Revolving Credit Facility of EUR 100 million (undrawn at 31 December 2015) bearing interest at the rate of EURIBOR plus a margin of up to 400 bps depending on the Group's financial leverage, mainly used to cover the working capital swing and other seasonal finance needs.

Roughly two thirds of the Group's variable interest exposure is hedged using derivative instruments.

Net debt at the end of 2015 stood at EUR 334.8 million, maintaining the comfortable level from 2014 (EUR 337.4 million). Pension liabilities, accrued interest, earn-out clauses and capitalised fees are not part of the Company's Net debt definition. Operating EBITDA reached EUR 196.8 million in 2015. Hence, Net debt to Operating EBITDA remained stable at pro-forma 1.7 times compared to 2014. Operating EBITDA in relation to net interest expense improved to 6.8 times at the end of the year (5.2 times at year-end 2014). Both ratios show significant headroom to maintain covenants included in the financial documentation.

In 2015, we managed to optimise our factoring efficiency with regards to factored amounts and associated costs for our French receivable factoring programme by introducing a new factoring provider. In addition, similar programmes were newly introduced and rolled out in the UK, Spain and Portugal.

In the context of our M&A post-merger integration efforts, the treasury focus was to streamline bank relations and costs associated with them, to include the acquired companies in our central cash pool, to introduce new factoring schemes and to repay less cost efficient external bank debts.

Treasury Ratios

	2015	2014	2013
Pro-forma Net debt / Operating EBITDA	1.7x	1.7x	2.8x
Operating EBITDA / Net interest expense	6.8x	5.2x	5.6x

Debt simplification

In 2015, we improved our financial profile by means of further streamlining the Group's intercompany debt relations. We have eliminated substantial amounts of intercompany debt originating from the Group's financial restructuring in 2009, and have strengthened selected local balance sheets, improving such entities' ability to pay dividends within our Group. Moreover, a tax efficient re-arrangement of intercompany debt was achieved, further emphasising Monier Finance S.à r.l as the 'central in-house bank'. These transactions will also enable us to further reduce the complexity of the Group's legal structure, as certain legal entities have become redundant and can be eliminated.

STATEMENT OF CASH FLOW AND LIQUIDITY ANALYSIS

Net cash from operating activities almost doubled in 2015, reaching EUR 121.9 million in 2015 after EUR 65.4 million in the previous year. In addition to the improved profitability and the aforementioned factors, higher sustaining Capex and cash tax payments in 2015 were more than compensated for by additional proceeds from receivable factoring, fewer outflows from legacy provisions, mainly related to the completed operational restructuring undertaken in 2012/2013 and a strongly improved financial result. Interest and finance fees paid declined from EUR 70.4 million in 2014 to EUR 34.3 million in 2015 based on lower interest payments and the absence of payments related to the refinancing in April 2014 (EUR 20.6 million) and the IPO in June 2014 (EUR 12.7 million). Compared to the previous year's period, change in provisions were less negative in 2015 (EUR -25.4 million instead of EUR -56.5 million in 2014) as most legacy provisions built at the end of 2013 in relation to the successful restructuring have been paid for in the meantime. Working capital consumed in 2015 amounted to EUR 2.3 million (added in 2014: EUR 1.5 million). Net income tax paid amounted to EUR 21.1 million. In the previous year, EUR 9.5 million of net income taxes were paid. The increase was driven by the strong increase in taxable income.

Cash outflows for investments in intangible assets and property, plant and equipment increased by EUR 11.3 million compared to the prior year and reached EUR 63.5 million (2014: EUR 52.2 million). The increase mainly relates to a timing effect as some capital expenditure, decided on at the end of 2014, only became cash effective at the beginning of 2015. Apart from this effect, the underlying development had been stable. Acquisitions closed in 2015, including Cobert, GCI, Ceprano and Muto, resulted in a cash outflow of EUR 51.9 million. No acquisitions were completed in 2014. Net cash used in investing activities therefore increased in 2015 (EUR -108.4 million compared to EUR -45.8 million in 2014).

Net cash from and used in financing activities amounted to EUR -10.2 million in 2015 and was primarily driven by the first dividend payment in May (EUR -11.8 million). In 2014, the financing activtities were strongly impacted by the repayment of debt (EUR 146.8 million) that was only partially compensated for by the proceeds from the primary offering of approximately EUR 100 million.

Adjusted free cash flow in 2015 reached EUR 78.4 million, before one-time effects of EUR 64.9 million, which foremost related to bolt-on acquisitions (EUR 51.9 million). The free cash flow was further adjusted for minor effects from the refinancing and the IPO in 2014 as well as reduced cash-outs in relation to the restructuring, completed in 2013. Other adjustments included post-merger integration costs and strategic growth projects such as WrapTec. An opposing effect resulted from income from legal settlements, prior year's warranties and others and is mainly due to out-of-court arrangements of several legal claims which were negotiated in 2015 and insurance payments regarding insured warranty costs the Company paid in advance. In 2014, we generated an adjusted free cash flow of EUR 89.0 million before one-time effects of EUR 69.4 million. Costs attached to the refinancing of the then existing debt in April 2014 and the IPO in June 2014 led to non-recurring cash outflows of EUR 20.6 million and EUR 12.6 million, respectively. In addition, EUR 36.2 million was paid for other non-recurring items, mainly in relation to restructuring measures in 2014.

CASH FLOW AND ADJUSTED FREE CASH FLOW

(EUR million)	2015	2014	Change
Net cash from operating activities	121.9	64.5	89.0%
Net cash used in investing activities	-108.4	-45.8	>-100%
Free Cash Flow	**13.5**	**19.6**	**-31.0%**
Net cash used in financing activities	-10.2	-45.5	77.6%
Net Cash Flow	**3.3**	**-25.9**	**n.a.**
Cash and cash equivalents at the beginning of the period	180.9	207.5	-12.8%
Effect of exchange rate fluctuations on cash and cash equivalents	-0.9	-0.7	-21.9%
Cash and cash equivalents at the end of the period	**183.4**	**180.9**	**1.4%**
Adjustments on Free Cash Flow (above):			
Acquisitions and dispositions	51.9	-0.3	n.a.
Refinancing / IPO	1.3	33.3	-96.1%
Operational restructuring	9.5	30.0	-68.3%
Warranty	3.4	4.7	-26.7%
Litigation / Legal settlements	-9.8	0.0	n.a.
Other	8.6	1.7	>100%
Adjusted Free Cash Flow	**78.4**	**89.0**	**-11.8%**

The cash position in the balance sheet amounted to EUR 183.4 million (December 2014: EUR 180.9 million). Based on the long-term maturity profile of financial liabilities and the expected cash inflows from operating activities – together with the EUR 100 million Revolving Credit Facility – we have a comfortable liquidity position. Nevertheless, Group Treasury is constantly monitoring the market to evaluate potential cost-efficient refinancing options, as well as identifying additional funding sources.

BALANCE SHEET TOTAL AND SELECTED BALANCE SHEET ITEMS

The balance sheet total increased by 3.7% compared to the end of 2014 to EUR 1,517.5 million. Non-current assets increased from EUR 948.6 million at the end of 2014 to EUR 982.5 million at the end of 2015. Depreciation and amortisation in 2015 amounted to EUR 87.3 million (previous year: EUR 90.7 million), EUR 73.3 million of which related to property, plant and equipment and EUR 14.0 million related to intangible assets (2014: EUR 76.4 million and EUR 14.3 million, respectively). In 2015, we added property, plant and equipment in the amount of EUR 53.7 million as well as intangible assets in the amount of EUR 5.7 million (2014: EUR 57.6 million and EUR 2.9 million respectively). In total, the Group added assets in the amount of EUR 59.4 million in 2015 (2014: EUR 60.5 million).

Current assets increased by EUR 19.7 million to EUR 535.0 million, mainly driven by higher inventories and slightly higher cash and cash equivalents, that were only partially offset by lower trade accounts receivables. The increase in inventories (from EUR 200.9 million at the end of 2014 to EUR 222.1 million at the end of 2015) was mainly related to the first-time inclusion of Cobert and GCI.

As a result of the strong net profit achieved in 2015, total equity rose from EUR 92.9 million at 31 December 2014 to EUR 147.0 million at 31 December 2015. The equity ratio thus increased from 6.3 % in 2014 to 9.7 % in 2015.

Provisions for pension liabilities declined by EUR 10.7 million to EUR 385.1 million at the end of 2015 (EUR 395.8 million at the end of 2014) on the back of slightly higher discount rates. Long- and short-term provisions for other risks declined by EUR 12.3 million with additions being below utilisation and a positive impact of EUR 9.6 million from reversals. Trade accounts payable increased by 8.6 % from EUR 116.8 million at 31 December 2014 to EUR 127.0 million at 31 December 2015.

DIVIDEND PROPOSAL

The Board of Directors decided to propose a dividend payment of EUR 0.40 per ordinary share to its shareholders at the second ordinary Annual General Shareholders Meeting (AGM) to be held in Luxembourg on 11 May 2016. This proposal represents an increase of 33 % over 2014 (EUR 0.30 per ordinary share).

Subject to the approval of the AGM, this would result in a cash dividend payment in the total amount of EUR 15.7 million, representing a payout ratio of 28.4 % of net profit attributable to ordinary shareholders. Based on a share price of EUR 26.56 at year-end 2015 the dividend yield would be 1.5 %.

Risks and Opportunities

Principles

In conducting its business throughout the world, is exposed to numerous potential risks. The goal of corporate management is to minimise risks and take advantage of opportunities in order to systematically and continuously improve shareholder value and achieve its targets.

RISK MANAGEMENT SYSTEM

The Group constantly and systematically identifies external and internal risks in all business areas and subsidiaries and evaluates them consistently throughout the Group with respect to their potential level of damage and the likelihood of the events occurring. Appropriate provisions are recognised in the balance sheet. Opportunity and risk management at Braas Monier Building Group is closely linked by Group-wide planning and monitoring systems. During the budget periods, in the context of continuous business reviews and the annual closing and pre-closing process, risks and opportunities are identified by the local Management Boards. A documented process is in place to report and evaluate ad hoc risks as they may occur in the course of the year. The principal risks that could have a material impact on the Group are summarised below.

Risks in Detail

MARKET AND BUSINESS RELATED RISKS

Our business, results of operations and financial condition are materially affected by changes in the macroeconomic environment. We are subject to the cyclicality of the building materials industry and operate in a seasonal industry, which may cause significant fluctuations in our results of operations. On the supply side, volatility in raw material prices and energy cost as well supply shortages or disruptions in the supply form a typical business risk in our industry. This also applies to the availability of transportation and the development of transportation costs.

We are dependent on market and customer acceptance of our new product innovations to produce sufficient sales to recoup our investment and grow our revenues and earnings. Our strong brands and intellectual property are of utmost importance to our ongoing success. We particularly rely on trade secret protection and confidentiality agreements with our employees for the protection of our products, technologies, recipes and other material know-how.

We are dependent on qualified personnel in key positions and employees having special technical knowledge. A good relationship with our employees, unions and employee representatives is essential to avoid business interruptions, implement change and amend existing collective bargaining agreements.

CORPORATE STRATEGY-RELATED RISKS

Focused allocation of capital, including bolt-on acquisitions and further scope expansions by opening new plants, are core to our company strategy. As a matter of fact, business risks associated with the acquisitions or divestments of businesses or with the establishment of greenfield operations cannot be avoided.

FINANCIAL RISKS

The Group is exposed to the following risks in connection with our financial instruments, which mainly comprise financial assets, other assets and liabilities:

Exchange rate risks
In light of the Group's international operations, the Group is exposed to exchange rate risks. Further information is provided in the Financial instrument section (Note 35). The Group reduces the risks associated with the volatility of key currencies and the resulting economic exchange rate risks by having production facilities for tiles in all countries where substantial volumes are sold. Roofing components, however, are largely produced in Germany and sold throughout the world.

Interest rate risks
The Group's exposure to market risk for changes in interest rates relates primarily to the debt obligations. The Senior Secured Notes, the Revolving Credit Facility and the Term Loan B are bearing interests on a floating rate basis. Roughly two thirds of the Group's variable interest exposure is hedged using derivative instruments. Further information on interest rate risks and hedging is provided in the Financial instrument section (Note 35).

Credit risks
The Group is exposed to credit risks from the Group's operating and financing activities. Further information regarding the monitoring instruments and the resulting neglectible credit risk are provided in the Financial instrument section (Note 35).

Commodity risks
The Group is subject to commodity risks with respect to price changes mainly in the energy (electricity and gas), sand and cement markets. To eliminate or reduce the risk of market fluctuations in commodity prices for better calculation purposes, the entities of the Group use to a certain extent fixed-term supply contracts with fixed prices. Further information regarding the commodity risks and the fixed-term supply contracts are provided in the Financial instrument section (Note 35).

Rating risks
The Group has public external ratings from Moody's and S&P. Any potential change in the ratings may have a positive or negative impact on our refinancing options and cost of capital.

PERSONNEL RISKS

We are subject to demographic changes, especially in the Western hemisphere. Due to the structure of independent and regional-based units, we have to ensure the attractiveness of career paths within the Group. Technical specialists and engineers, especially production engineers with their specific know-how and experience have to be educated and trained in-house. The Group therefore needs to attract talented young people and those with high potential.

REGULATORY AND LEGAL RISKS

We are subject to stringent environmental and health and safety laws, regulations and standards which result in costs related to compliance and remediation. These include obligations resulting from environmental conditions, such as reclamation and recultivation obligations in connection with clay and sand pits.

Changes to building, manufacturing and zoning laws, regulations, ordinances and standards could have a material adverse effect on our business. Changes to the European Union emissions trade certificate regulations and other local emissions allowance systems could lead to reduced free emission right allocations and limited free transferability of emissions allowances and would increase our production costs.

We are subject to certain competition and antitrust laws, and we are currently subject to investigations for alleged antitrust violations in Brazil. We are subject to risks from legal proceedings, including a pending class action suit in California. We may incur material cost as a result of warranty and product liability claims.

IT RISKS

The operation of our production facilities as well as our sales and service activities depend on the efficient and uninterrupted operation of complex and sophisticated computer, telecommunication and data processing systems. Information and communication technology-related risks are mainly linked to the areas where proprietary software IT solutions are in place. These IT solutions often depend on individual know-how and expertise which may lead to inefficiencies, such as problems with interoperability, malfunctions and higher costs. However, the key business processes in the main regions are based on standard software operated on centrally-managed platforms according to industry standards including related license and maintenance agreements. Our computer and data processing systems and related infrastructure (data center, hardware as well as Group-wide and local area networks) are generally exposed to the risk of disturbances, damage, electricity failures, computer viruses, fire, cyber-attacks and similar events. Conversely the majority of our infrastructure IT components have been standardized and outsourced underpinned by respective Service Level Agreements. Innovation opportunities in the business and realisation of synergies will be supported at all levels with the implementation of the Global IT Guidelines and related processes.

Overall Evaluation of the Group's Risk Situation

The occurrence of any of the events or circumstances described in these risks, individually or together with other circumstances, could have a material adverse effect on our business, results of operations and financial condition.

The risk factors are based on assumptions that may turn out to be incorrect. Furthermore, other risks, facts or circumstances not presently known to us, or that we currently deem to be immaterial could, individually or cumulatively, prove to be important and could have a material adverse effect on our business, results of operations and financial condition.

Risks to the Group as a going concern are not in sight.

Material Opportunities in Detail

Market and business risks described above largely relate to the volatility of demand and input cost. While these factors can have material negative effects on the business development, they can likewise positively impact the business. A stronger than expected recovery in key markets in Europe, such as France and Italy, could have a significantly positive effect on sold volumes as well as on the development of the average selling price in the corresponding countries. Governmental measures such as the 'Affordable Houses' programme or the 'Help-to-Buy' scheme in the UK can act as a catalyst for a rapid pick-up in local demand. Several governments, such as the one in France, have taken active steps to stimulate the building industry in 2015. In Germany, a number of stimulus measures are currently part of the political debate. To cope with the structural undersupply of the new build market, measures such as the relaxation of building regulations and the creation of new building land are discussed. To further reduce the CO_2 emissions of residential buildings and to reach the self-set CO_2 reduction targets, tax incentives for energy- efficient renovation measures are discussed by the German government.

Our development of innovative products and solutions provides further opportunities to gain additional revenues and earnings by strengthening our position in existing markets or by adding adjacencies. In the pitched roof business, we have developed an innovative system that allows the lowering of the roof pitch to seven degrees and therefore reduces the surface area of a building and limits energy losses. In addition, we manufacture a comprehensive range of products designed to improve airtightness of a building, including airtight membranes, glues, tapes and underlays. With WrapTec, we have launched a promising product outside traditional markets in January 2015. With Aerlox, we have introduced a breakthrough innovation in concrete tiles during the first quarter of 2016 in Denmark. We intend to produce and market this significantly lighter tile in further markets across the Group in the coming years.

We believe that some European building markets are near or at their cyclical trough levels. Especially in those markets that have shown a multi-year decline, interesting opportunities for additional value-accretive bolt-on acquisitions may arise.

The currently low energy prices might have the potential to dampen variable cost inflation if they were to stay at these levels throughout the year.

Refinancing the Group's external debt could result in lower interest costs and improve flexibility in the Group's financial structure.

Internal Control and Risk Management System (ICS)

Principles and Objectives of the ICS

The Internal Control System at Braas Monier Building Group was established as part of an internal control programme in 2011 and forms an essential element of the corporate governance system of the Group. The primary objectives of the ICS are to prevent the risk of significant errors in accounting reporting, uncover substantially incorrect valuations and ensure compliance with applicable regulations. It also helps to ensure that the Group is not exposed to excessive financial risks and that internal and external financial reporting is reliable.

The principles, processes and measures introduced are regularly checked and enhanced. The Consolidation and Controlling department performs an annual Control Self Assessment with all major subsidiaries to verify the effectiveness of the ICS and to identify areas of further improvement. The results of this assessment are regularly presented at year end to the Audit Committee of the Braas Monier Building Group. However, no absolute guarantee can be provided that an ICS will be able to achieve this goal, irrespective of its form or structure.

Organisation and Processes of the ICS

The Consolidaton and Controlling Department has overall responsibility for the consolidation process, the preparation of the financial statements and the internal and external

Group reporting. Information is obtained from other departments and central functions such as Legal, Tax and Treasury. Indiviudal items are accounted for based on the input of external specialists and appraisers, such as actuaries for pension valuation.

Each business unit has to sign and to present at fiscal year end a compliance certificate, declaring that in its respective area of responsibility all rules and regulations are adhered to, the financial reporting of the respective entity gives a true and fair view of its financial situation and no fraudulent activities have been observed in the course of the fiscal year.

Report of Significant Events Occurring After the End of the Period Under Review

Braas Monier closed acquisition of J.A. Plastindustri A/S

Braas Monier closed the acquisition of Danish J.A. Plastindustri A/S (JA Plast) on 5 January 2016. JA Plast's product range covers components for roofing materials such as tiles, metal, fibre cement and asphalt shingles. It focuses on sanitary and roof space ventilation, skylights and complementary accessories such as flashings, end pieces and special vents. As a pure OEM producer, JA Plast has more than 40 years of experience in the production of customised roofing accessories, providing premium product quality and offering a high degree of flexibility.

Board of Directors of Braas Monier decided on internal solution for CEO succession

The Board of Directors of Braas Monier Building Group S.A. appointed Pierre-Marie De Leener, Chairman of the Board of Directors, as interim Chief Executive Officer (CEO) of Braas Monier Building Group S.A., and Georg Harrasser, Regional President Central, Northern & Eastern Europe, as new Chief Operating Officer (COO) of Braas Monier Building Group S.A. on 12 January 2016. Both appointments were effective as of 15 January 2016.

The personnel changes follow the announcement of 10 August 2015 by Pepyn Dinandt that he did not intend to seek a renewal of his appointment as Group CEO, expiring 30 June 2016. Pepyn Dinandt stepped down from all duties with effect as of 15 January 2016.

With effect as of 1 March 2016, Gerhard Mühlbeyer, Group Industrial Director, stepped down from all duties. His operational functions have mostly been taken over by Josef Fink, Chief Technology & Performance Officer, who does not form part of the Group's Senior Management.

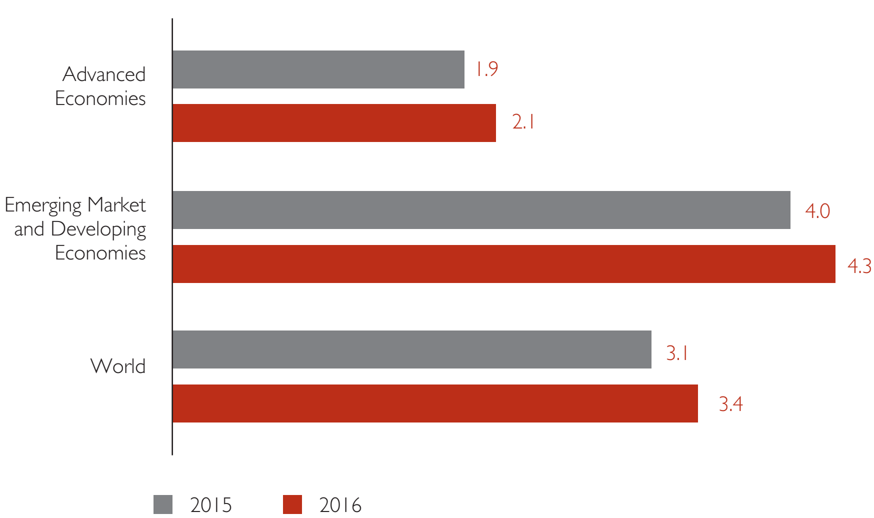
Outlook

Expected Underlying Economic Conditions

Global growth is projected at 3.4 % in 2016 by the IMF – higher than the currently estimated growth rate of 3.1 % in 2015. A significant component relates to a faster-than-expected slowdown in imports and exports, in part reflecting weaker investments and manufacturing activity, and rebalancing of the Chinese economy will continue to weigh on growth perspectives, which is projected to slow down to 6.3 % in 2016. Economic performance in Russia is forecasted to decline by 1.0 %, a gradual improvement for this distressed economy. Growth in the United States continued to stabilise at 2.6 %, followed by the UK with an expected growth rate of 2.2 %. Projections for the eurozone show increasing growth of 1.7 % in 2016 (regardless of any potential impact from ongoing Quantitative Easing Programmes started by the ECB in March 2015).

Sizeable uncertainty about the oil price trajectory and other commodities in the future as well as the underlying drivers of the price decline added a new risk dimension to the global growth outlook. Several geopolitical tensions and risks related to them remain and the eurozone faces new challenges based on the continuing debt crises of some countries.

EXPECTED GDP DEVELOPMENT 2015/2016, IN %



Source: IMF, World Economic Outlook UPDATE, 19 January 2016

Expected Business Performance of the Group – Outlook for 2016

Besides continuing growth in the UK, also a number of other, smaller markets showed positive trends in 2015, especially the Netherlands, Poland and parts of Scandinavia. Others, such as France and Italy, have not yet recovered and declined further. In the German market, the shortage of building land and a lack of incentives for energy-efficient renovation dampened the market performance in 2015.

Lead indicators for the European new-build and renovation business, such as building permits or consumer confidence, are generally positive for the majority of countries. Research institutes correspondingly expect the construction activity in Europe to further pick up in the current business year. For Asia, the expectations are less positive, particularly regarding the Chinese market.

We are positive overall with regard to the residential market development in 2016 for our businesses and expect volume growth in the key markets we are active in, barring any extraneous events driven by major geopolitical instability.

Further market growth is expected for the UK and a number of other European countries, such as Spain, the Netherlands, Poland and selected south-eastern European markets. The German market is expected to be stable with positive momentum on the new build side dampened by a less favourable development of the renovation market. Based on positive lead indicators, the French market is expected to return to slight growth during 2016 and the Italian market should at least stabilise. The Chinese market will most likely show a further contraction. Malaysia is expected to stabilise. The components business is expected to show an improvement in performance supported by rising national and international building standards, especially with regard to energy efficiency and safety. With regard to the Chimneys & Energy Systems business, expectations are for a similar development to the roofing business in the respective markets.

We will continue to strive for above-market growth. Management is confident to achieve this goal in the coming years through the Group-wide 'Top Line Growth' programme, focussing on customer oriented sales and marketing initiatives, value-adding services, the development of innovative products and solutions, such as WrapTec and the recently launched tile with Aerlox technology, and further opportunistic bolt-on acquisitions.

In 2016, we will continue to invest in profitable growth. Our product innovations have the potential to further enrich our product mix and we continue to actively search for and evaluate further potential M&A targets to strengthen our operations, consolidate markets and thereby profit further from a future market recovery.

Based on these assumptions, we expect like-for-like revenues to increase by 2% to 3 %, driven by growth in European tile volumes. Average selling prices are expected to increase slightly to cover increasing input costs. On top, the first-time inclusion in full of acquisitions in Malaysia, Denmark and Italy is expected to provide another 2% to 3% of revenue growth and approximately 4% in Operating EBITDA growth.

From a cost perspective, we expect slight increases in input costs (raw materials and wage inflation). The currently low energy prices should have the potential to ease some variable cost inflation if they were to stay at these levels throughout the year. Average selling price increases together with efficiency improvements, mainly in the production area, are expected to offset variable and fixed cost inflation. Revenue growth together with the high operating leverage of Braas Monier and an ongoing focus on strict cost control at all levels is expected to drive further growth in the Company's profits.

Sustaining Capex is expected to be at a level of around EUR 65 million, including Capex in acquired companies. In addition, approximately EUR 5 million will be invested in future growth projects in 2016.

The strong cash flow potential of the operating business allows the Group to strive for consistent and ambitious growth, both organically and through acquisitions, with an unerring focus on return on invested capital while being ever mindful of the Group's Net debt ratio and its dividend policy.

GROUP CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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CONSOLIDATED INCOME STATEMENT FOR FINANCIAL YEAR 2015

(EUR thousand)	Note	2015	2014
Revenues	(8)	1,256,729	1,211,280
Cost of sales	(9)	-900,784	-865,558
Gross profit		**355,945**	**345,722**
Selling expenses	(10)	-154,603	-149,454
Administrative expenses	(10)	-96,845	-95,830
Other operating income	(11)	31,561	15,348
Other operating expenses	(12)	-16,014	-4,390
Impairments	(13)	-874	-7,076
Reversal of impairments	(13)	3,254	9,597
Result from associates and joint ventures	(14)	1,133	880
Earnings before interest and taxes (EBIT)		**123,557**	**114,797**
Finance income	(15)	10,764	17,771
Finance costs	(15)	-52,328	-75,966
Earnings before taxes (EBT)		**81,993**	**56,602**
Income taxes	(16)	-26,848	-16,811
Profit for the year		**55,145**	**39,791**
Thereof attributable to:			
Equity holders of the parent company		55,094	39,911
Non-controlling interests	(19)	51	-120
Basic earnings per share (in EUR)	(18)	1.41	1.07
Diluted earnings per share (in EUR)	(18)	1.41	1.07

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR FINANCIAL YEAR 2015

(EUR thousand)	Note	2015	2014
Profit for the year		**55,145**	**39,791**
Other comprehensive income			
Items that will never be reclassified to profit or loss:			
Actuarial gains and losses on pension plans	(31)	12,195	-77,837
Income tax effect	(16)	-3,216	22,265
Items that are or may be reclassified to profit or loss:			
Foreign exchange differences		2,202	-2,420
Foreign exchange differences from at-equity accounted investments		-1,108	305
Income tax effect foreign exchange differences		17	-1,087
Cash flow hedges – effective portion of changes in fair value		123	-8,077
Income tax effect cash flow hedges		-35	2,360
Other comprehensive income for the year, net of tax		**10,179**	**-64,491**
Total comprehensive income for the year, net of tax		**65,324**	**-24,700**
Thereof attributable to:			
Equity holders of the parent company		65,466	-23,651
Non-controlling interests		-142	-1,049

CONSOLIDATED CASH FLOW STATEMENT FOR FINANCIAL YEAR 2015

(EUR thousand)	Note	2015	2014
Profit (loss) for the year		**55,145**	**39,791**
Income taxes	(16)	26,848	16,811
Financial result	(15)	41,564	58,195
EBIT		**123,557**	**114,797**
Adjustments for:			
Amortisation, depreciation	(21, 22)	87,320	90,716
(Reversal of) Impairment losses on non-current assets, net	(13)	-2,380	-2,521
(Gains) / losses on the disposal of non-current assets	(11, 12)	-2,666	-2,389
(Gains) / losses on the sale of equity investments	(11, 12)	-814	0
Result from associates and joint ventures	(14)	-1,133	-880
Dividends received	(23)	570	0
Interest and finance fees paid	(17)	-34,274	-70,446
Interest received	(17)	554	636
Net income tax paid	(16, 17)	-21,103	-9,534
Change in provisions	(17)	-25,387	-56,507
Change in working capital	(17)		
Change in inventories	(25)	-5,646	-6,962
Change in trade and other receivables	(26)	7,850	9,117
Change in trade and other payables	(33)	-4,526	-640
Net cash from operating activities		**121,922**	**65,387**
Investments in intangible assets and property, plant and equipment	(17, 21, 22)	-63,458	-52,193
Acquisition of consolidated companies less cash received	(4, 17)	-51,940	0
Acquisition of other financial assets		11	-24
Proceeds from the disposal of property, plant and equipment and intangible assets		5,303	6,123
Proceeds from the disposal of subsidiaries and other financial assets		1,677	273
Net cash used in investing activities		**-108,407**	**-45,821**
Net cash from operating and investing activities		**13,515**	**19,566**
Repayment of borrowings		0	-751,770
Proceeds from loans and borrowings		1,543	605,000
Proceeds from capital increases		0	103,919
Dividends paid	(17)	-11,750	-2,625
Net cash used in financing activities		**-10,207**	**-45,476**
Change in cash and cash equivalents		**3,308**	**-25,910**
Cash and cash equivalents at the beginning of the year		**180,940**	**207,481**
Effect of exchange rate fluctuations on cash and cash equivalents		-853	-631
Cash and cash equivalents at the end of the year	**(29)**	**183,395**	**180,940**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2015

(EUR thousand)	Note	31 Dec 2015	31 Dec 2014
Non-current assets			
Goodwill	(21)	45,219	42,528
Other intangible assets	(21)	240,126	234,719
Property, plant and equipment	(22)	639,731	617,416
Investments accounted for using the equity method	(23)	8,077	8,557
Other financial assets	(24)	11,516	5,283
Other non-current assets	(27)	4,780	2,551
Deferred tax assets	(16)	33,047	37,522
Total non-current assets		**982,496**	**948,576**
Current assets			
Inventories	(25)	222,076	200,890
Trade accounts receivables	(26)	94,078	100,684
Other current assets	(27)	31,050	30,753
Cash and cash equivalents	(29)	183,395	180,940
Assets held for sale	(28)	4,407	2,085
Total current assets		**535,006**	**515,352**
Total assets		**1,517,502**	**1,463,928**
Equity			
Subscribed capital	(30)	392	392
Additional paid-in capital	(30)	391,270	403,020
Reserves	(30)	-28,708	-30,101
Retained earnings	(30)	-217,391	-282,010
Total equity attributable to the shareholders of the parent		**145,563**	**91,301**
Non-controlling interests	(19)	1,483	1,625
Total equity	**(30)**	**147,046**	**92,926**
Non-current liabilities			
Long-term provisions for pension liabilities and similar obligations	(31)	385,100	395,848
Deferred tax liabilities	(16)	15,152	8,741
Long-term portion of provisions for other risks	(32)	84,564	89,405
Long-term financial liabilities	(33)	511,716	501,033
Long-term tax liabilities	(33)	12,090	24,274
Other long-term liabilities	(33)	10,278	11,516
Total non-current liabilities		**1,018,900**	**1,030,817**
Current liabilities			
Trade accounts payable	(33)	126,955	116,849
Short-term tax liabilities	(33)	41,240	28,549
Short-term portion of provisions for other risks	(32)	34,464	41,911
Short-term financial liabilities	(33)	6,949	12.442
Other short-term liabilities	(33)	141,948	140,434
Total current liabilities		**351,556**	**340,185**
Total equity and liabilities		**1,517,502**	**1,463,928**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR FINANCIAL YEAR 2015

(EUR thousand)	Notes	Sub-scribed capital	Addi-tional paid-in capital	Hedging reserve	Foreign currency trans-lation reserve	Retained earnings	Total	Non-con-trolling interests	Total equity
		Attributable to equity holders of the parent							
Balance as of 1 Jan 2015		**392**	**403,020**	**-5,717**	**-24,384**	**-282,010**	**91,301**	**1,625**	**92,926**
Actuarial gains and losses	(30)	0	0	0	0	8,979	**8,979**	0	**8,979**
Cash flow hedges – effective portion of changes in fair value		0	0	88	0	0	**88**	0	**88**
Foreign exchange effects		0	0	0	1,305	0	**1,305**	-193	**1,112**
Other comprehensive income		**0**	**0**	**88**	**1,305**	**8,979**	**10,372**	**-193**	**10,179**
Consolidated income for the year		0	0	0	0	55,094	**55,094**	51	**55,145**
Total comprehensive income		**0**	**0**	**88**	**1,305**	**64,073**	**65,466**	**-142**	**65,324**
Equity-settled share-based compensation	(20)	0	0	0	0	546	**546**	0	**546**
Dividends	(30)	0	-11,750	0	0	0	**-11,750**	0	**-11,750**
Balance as of 31 Dec 2015		**392**	**391,270**	**-5,629**	**-23,079**	**-217,391**	**145,563**	**1,483**	**147,046**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR FINANCIAL YEAR 2014

(EUR thousand)	Notes	Sub-scribed capital	Addi-tional paid-in capital	Hedging reserve	Foreign currency trans-lation reserve	Retained earnings	Total	Non-con-trolling interests	Total equity
		Attributable to equity holders of the parent							
Balance as of 1 Jan 2014		**13**	**302,015**	**0**	**-22,111**	**-266,391**	**13,526**	**2,674**	**16,200**
Actuarial gains and losses	(30)	0	0	0	0	-55,572	**-55,572**	0	**-55,572**
Cash flow hedges – effective portion of changes in fair value		0	0	-5,717	0	0	**-5,717**	0	**-5,717**
Foreign exchange effects		0	0	0	-2,273	0	**-2,273**	-929	**-3,202**
Other comprehensive income		**0**	**0**	**-5,717**	**-2,273**	**-55,572**	**-63,562**	**-929**	**-64,491**
Consolidated income for the year		0	0	0	0	39,911	**39,911**	-120	**39,791**
Total comprehensive income		**0**	**0**	**-5,717**	**-2,273**	**-15,661**	**-23,651**	**-1,049**	**-24,700**
Prior IPO transactions		337	7,782	0	0	0	**8,119**	0	**8,119**
Issue of ordinary shares		42	99,958	0	0	0	**100,000**	0	**100,000**
IPO costs directly recognised in equity		0	-4,110	0	0	0	**-4,110**	0	**-4,110**
Equity-settled share-based compensation	(20)	0	0	0	0	42	**42**	0	**42**
Dividends	(30)	0	-2,625	0	0	0	**-2,625**	0	**-2,625**
Balance as of 31 Dec 2014		**392**	**403,020**	**-5,717**	**-24,384**	**-282,010**	**91,301**	**1,625**	**92,926**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(1) Background and nature of the business

Braas Monier Building Group S.A., Luxembourg, (hereinafter the 'Company' or 'Braas Monier') is a public limited liability company (société anonyme) incorporated in Luxembourg on 7 October 2009 under the name 'Monier Participations S.à r.l.' as a private limited company (société à responsabilité limitée) for an unlimited period subject to Luxembourg law. The Company's registered office is located at 4, rue Lou Hemmer, L-1748 Senningerberg (until 13 May 2015, 5, rue Guillaume Kroll, L-1882 Luxembourg), Grand Duchy of Luxembourg and it is registered with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés Luxembourg) under registration number B148558. The subscribed capital corresponds to the amount disclosed by Braas Monier Building Group S.A., Luxembourg, in its annual accounts.

The Company successfully completed an initial public offering in 2014. The shares have been trading on the regulated market (Prime Standard) of the Frankfurt Stock Exchange since 25 June 2014.

The main activity of the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies') involves the production of concrete and clay roof tiles as well as roof components and their global distribution. In addition, the Group develops, produces and sells chimney systems and trades in solar and insulation components.

The Company's accounting period begins on 1 January and ends on 31 December of each year. The consolidated financial statements of the Company for the financial year ending 31 December 2015 comprise the Group and the Group's interests in associates and jointly controlled entities. The Company is the holding company of the Group.

The consolidated financial statements of Braas Monier Building Group S.A. for the financial year ended 31 December 2015 were authorised for issue by the Board of Directors of the Company on 23 March 2016.

As a result of its shareholding as of 31 December 2015, Monier Holdings S.C.A., based in Luxembourg, is considered as ultimate parent within the meaning of IFRS 10 para 6-7 and IAS 1.138.c.

(2) Basis of preparation of the consolidated financial statements

The consolidated financial statements of the Group were prepared in accordance with the International Financial Reporting Standards (IFRS) as set forth by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as adopted for use in the European Union.

The consolidated financial statements are presented in euros. All values are rounded to the nearest thousand (EUR), except where indicated otherwise. Differences of EUR 1 thousand may occur due to rounding.

The Board of Directors has prepared these consolidated financial statements on a going concern basis.

(3) Principles of consolidation

The consolidated financial statements comprise the financial statements of Braas Monier Building Group S.A. and its subsidiaries as of 31 December 2015. The financial statements of the Group companies were prepared using uniform accounting principles as of the reporting date of the consolidated financial statements.

BUSINESS COMBINATIONS

The Group accounts for business combinations using the acquisition method pursuant to IFRS 3 when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. Details on goodwill, intangible assets and the impairment test are presented in the notes to the statement of financial position under Note (21).

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (aquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

SUBSIDIARIES

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

NON-CONTROLLING INTERESTS

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group. Non-controlling interests are presented under equity in the consolidated statement of financial position separately from the parent's equity. The profit (loss) of the year attributable to non-controlling interests is presented separately in the income statement. Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

LOSS OF CONTROL

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

INTERESTS IN EQUITY-ACCOUNTED INVESTEES

The Group's interest in equity-accounted investees comprises interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in joint venture companies and in associates of the Group are accounted for using the equity method pursuant to IAS 28. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

TRANSACTIONS ELIMINATED ON CONSOLIDATION

Intra-Group balances and transactions, and any unrealised income and expenses arising from intra-Group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounting investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(4) Acquisitions and disposals

Companies sold in 2015

The Group sold and deconsolidated its controlling interest of 100% in Monier TOV, Kiev, Ukraine, along with the indirect shareholding in Monier Development Projects TOV, Kiev, Ukraine, during the year.

The cumulated loss resulting from these disposals amounts to EUR 869 thousand; proceeds contain EUR 15 thousand purchase price received and EUR 15 thousand received cash.

The non-controlling interest of 47% in Tejas Cobert S.A., Toledo, Spain, (Segment Central Products & Services) classified as an asset held for sale with a carrying amount of EUR 0 was sold for EUR 1,700 thousand in 2015 to Uralita S.A., Spain.

Companies sold in 2014

The investment of 25% in CPAC Monier (Cambodia) Co. Ltd., Phnom Penh, Cambodia was sold to SCG Building Materials Co. Ltd., Bangkok, Thailand within the year. Moreover, the Group sold and deconsolidated its controlling interest of 100% in Braas Ukraine TOV, Lviv, Ukraine. Neither of these disposals had material effects on profit and loss or on the Group's cash flow.

Companies acquired in 2015

On 15 January 2015, Braas Monier consummated the acquisition of 100% of the shares in the Spanish and Portuguese roof tile companies Cobert Tejas Iberica, S.L.U., Toledo, Spain (hereinafter Cobert Spain) and CT Cobert Telhas, S.A., Outeiro da Cabeça, Portugal (hereinafter Cobert Portugal). Both companies were consolidated at 1 January 2015, the effect of the 15 days between the date on which control is obtained and the start of the reporting period is immaterial.

On 16 October 2015, Braas Monier consummated the acquisition of 100% of the shares in the Malaysian roof tile company Golden Clay Industries Sdn Bhd, Kuala Lumpur, Malaysia, (hereinafter Golden Clay). This acqusition was completed by the immaterial Holding Company Monier Asia Pacific Holdings Sdn. Bhd., an entity that had been acquired for that purpose, and includes the Golden Clay subsidiary GCI Marketing Sdn. Bhd. The company was consolidated as of 16 October 2015.

On 21 December 2015, Braas Monier consummated the acquisition of 100% in the shares of the roof tile company Ceprano Coperture S.r.l., Castel Bolognese, Italy (hereinafter Ceprano). The company was consolidated as of 31 December 2015, the effect of the 10 days between the date on which control was obtained and the year end is immaterial.

The acquisition of Cobert Spain and Cobert Portugal sets an important milestone to further strengthen the European market. With the acquisition of Golden Clay, the Group extends its leadership position in Malaysia and acquired one of the premium H-cassette manufacturers in the Asia-Pacific-region. The acquisition will provide the Group with a strong strategic position to better supply clay tiles to other markets in the Asia-Pacific-region, such as China, India and Indonesia, and to leverage the existing components business in the region. The acquisition of Ceprano is an active step to consolidate the local market and to gain additional potential for selling roofing components to a wider customer base. It also significantly improves the regional footprint, enabling the Group to better service Central and Southern Italy at lower transport costs.

The businesses of Cobert Spain, Cobert Portugal and Ceprano are included in the reporting segment Southern Europe and the business of Golden Clay is included in the reporting segment Asia & Africa.

In the twelve months to 31 December 2015, Cobert Spain contributed revenue of EUR 20,234 thousand and a loss of EUR 136 thousand and Cobert Portugal contributed revenue of EUR 14,164 thousand and a loss of EUR 650 thousand. In the period between 16 October 2015 and 31 December 2015, Golden Clay contributed revenue of EUR 2,264 thousand and a gain of EUR 271 thousand.

CONSIDERATION TRANSFERRED

The following table summarises the acquisition-date fair value of each major class of consideration transferred:

(EUR thousand)	Cobert Spain	Cobert Portugal	Golden Clay	Ceprano
Cash	2,300	8,750	14,119	7,800
Purchase price deferral	0	0	438	454
Settlement of acquired intercompany loans	9,200	7,950	3,311	0
Contingent consideration	0	0	2,747	1,468
Assumed indemnification assets	0	0	0	-1,500
Total consideration transferred	**11,500**	**16,700**	**20,617**	**8,222**

SETTLEMENT OF ACQUIRED INTERCOMPANY LOANS

Related to the acquisition of both Iberian companies, the Group also acquired two intercompany loans from Uralita S.A., Spain (former owner and seller). The intercompany loans amount to EUR 9,200 thousand (Cobert Spain) and EUR 7,950 thousand (Cobert Portugal). Related to the acquisition of Golden Clay, the Group repaid a bank loan of Golden Clay in the amount of EUR 3,311 thousand.

CONTINGENT CONSIDERATION

The Group has agreed to pay to the selling shareholders of Golden Clay additional consideration of MYR 12,000 thousand if the acquiree's EBITDA exceeds at one point in any financial year MYR 15,000 thousand and an additional amount of MYR 11,000 thousand if the acquiree's EBITDA exceeds in any financial year MYR 21,000 thousand. The Group has included MYR 13,000 thousand (EUR 2,747 thousand) as contingent consideration related to the additional consideration, which represent its fair value at the date of acquisition.

Furthermore, the Group has agreed additional consideration of EUR 1,500 thousand to the selling shareholders of Ceprano if the production volume is equal to at least 21 million units of product in an overall production period related to the Ceprano facility not exceeding 12 months. The Group has included EUR 1,468 thousand as contingent consideration related to the additional consideration, which represent its fair value at the date of acquisition. At 31 December 2015, no material change of the contingent consideration has occurred.

ASSUMED INDEMNIFICATION ASSET

The Group has reduced the consideration transferred for Ceprano by an assumed indemnification asset of EUR 1,500 thousand. The reduction is related to an assumed contingent liability caused by a tax litigation of EUR 1,500 thousand with a claim for reimbursement against the selling shareholders. The final result of the tax litigation is uncertain.

ACQUISITION-RELATED COSTS

The Group incurred acquisition-related costs of EUR 1,485 thousand in financial year 2015 relating to external legal fees and due diligence costs. These costs have been included in 'administrative expenses' in the 2015 annual consolidated statement of profit or loss.

PURCHASE PRICE DEFERRAL

The purchase price deferral related to a distribution right of facing bricks in Italy in the next five years.

IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition stated at fair value:

(EUR thousand)	Cobert Spain	Cobert Portugal	Golden Clay	Ceprano
Other Intangible assets	2,586	1,517	7,190	820
Property, plant and equipment	10,529	19,651	10,174	3,375
Other financial assets	10	115	0	3
Deferred tax assets	0	0	0	3,402
Inventories	5,240	4,137	3,695	3,465
Trade accounts receivables and other current assets	2,880	2,920	1,112	610
Cash and cash equivalents	810	404	118	1
Long-term provisions for pension liabilities	0	0	0	-286
Deferred tax liabilities	-804	-531	-2,860	0
Long-term liabilities to banks	-1,267	0	0	0
Long-term provisions for other risks	-1,085	-788	0	-2,459
Trade accounts payable and other short-term liabilities	-7,422	-6,903	-1,057	-909
Total identifiable net assets acquired	**11,477**	**20,522**	**18,371**	**8,022**

Trade and other receivables comprised gross contractual amounts due of EUR 10,719 thousand (Cobert Spain EUR 4,809 thousand, Cobert Portugal EUR 4,107 thousand, Golden Clay EUR 1,193 thousand, Ceprano EUR 610 thousand), of which EUR 3,198 thousand (Cobert Spain EUR 1,929 thousand, Cobert Portugal EUR 1,187 thousand and Golden Clay EUR 82 thousand) were expected to be uncollectible at the date of acquisition.

GOODWILL AND GAIN FROM BARGAIN PURCHASE

Goodwill and gain from bargain purchase arose from the acquisitions recognised as follows:

(EUR thousand)	Cobert Spain	Cobert Portugal	Golden Clay	Ceprano
Total consideration transferred	11,500	16,700	20,617	8,222
Fair value of identifiable net assets	11,477	20,522	18,371	8,022
Goodwill / Gain from Bargain Purchase (+/-)	**23**	**-3,822**	**2,246**	**200**

The bargain purchase in Portugal resulted from the economic situation of the former owner and seller Uralita as well as the economic situation in Portugal, as reflected in the higher measurement of assets (mainly PPE) compared to the consideration transferred. The plants in Portugal, especially the plant in Outiero, represent the state of the art in the clay tile industry. The gain from bargain purchase was recognised in the other operating income.

The Goodwill resulting from the acquisition of Golden Clay is mainly caused by the synergies expected to be achieved from integrating the company into the Group's existing business. The first clay tile plant of Braas Monier in Asia will provide a better supply of clay tiles to other markets in the Asia-Pacific-Region and will leverage the existing components business in the region. None of the goodwill recognised is expected to be deductible for tax purposes.

Due to the complexity of the acquisitions of Golden Clay and Ceprano, the purchase price allocations – and consequently any potential goodwill – has not been finalised as of today.

Companies acquired in 2014
No acquisitions were completed in 2014.

(5) Consolidated Group

In addition to the parent Company, the consolidated financial statements include 117 (2014: 124) domestic and foreign companies.

Consolidated Group: number of companies	Consolidated subsidiaries	At-equity investments in Associates and Joint Ventures	Subsidiaries and financial investments at cost
As of 1 Jan 2015	**114**	**6**	**4**
Established this year	0	0	0
Acquired this year	6	0	0
Sold in this year	-2	-1	0
New founded	0	0	0
Merged	0	0	0
Liquidated or squeezed out	-6	-3	-1
As of 31 Dec 2015	**112**	**2**	**3**

A detailed list of all companies included in the consolidated financial statements is shown in Note (37).

A total of 3 (2014: 4) companies with minimal business volumes or no business operations were not included in the consolidation. These unconsolidated subsidiaries, associates and joint ventures not accounted for using the equity method are of minor importance to the presentation of the financial position and financial performance of the Group, both individually and as a whole.

Companies established in 2015
No companies were established in 2015

Companies liquidated in 2015
Six consolidated subsidiaries, three at equity investments in Associates and one subsidiary and financial investment at cost were liquidated in 2015. None of them had any material effect. For more details see Note (37).

(6) Summary of significant accounting policies

REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will accrue to the Group and the revenue can be reliably measured. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership associated with the goods have passed to the buyer, usually on delivery of the goods. Revenue is measured at the fair value of the consideration received excluding cash discounts, rebates and VAT or other charges.

INTEREST INCOME

Interest income is recognised as the interest accrued (using the effective interest method, i.e., the rate used to discount estimated future cash flows over the expected life of the financial instrument to the net carrying amount of the financial asset).

DIVIDENDS

Dividend income is recognised at the time when the legal claim for payment arises.

INTANGIBLE ASSETS OTHER THAN GOODWILL

Intangible assets acquired separately are recognised at cost upon initial recognition. The cost of an intangible asset acquired in a business combination is its fair value at acquisition date. Following initial recognition, the intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. With the exception of capitalisable development costs which, however, have not been incurred to date, costs for internally generated intangible assets are expensed in the period in which they are incurred.

A distinction is made between intangible assets with limited useful lifes and those with indefinite useful lifes.

- Intangible assets with limited useful lifes are amortised over their useful economic lifes on a straight-line basis (unless otherwise indicated) and assessed for impairment if there are any indications that the assets may be impaired. Amortisation of such assets is recognised in the income statement in the expense category consistent with the function of the intangible asset.

- Intangible assets with indefinite useful lifes are not amortised but tested for impairment at least annually at the level of the cash-generating units. The assumption is reviewed annually to determine whether the indefinite life assessment continues to be plausible and adapted if necessary. The Group recognises acquired trademarks mainly as intangible assets with indefinite useful lifes because trademarks are legally protected and independent of the technical useful lifes of the Group's products. Furthermore, the production of roof tiles is a stable industry and it is unreasonable that the products will become obsolete at some point in the future.

The Group uses the following expected useful lifes for its intangible assets:

EXPECTED USEFUL LIFES OF INTANGIBLE ASSETS

	Years
Goodwill	indefinite
Trademarks	indefinite
Customer relationships	10 to 15
Technologies	2 to 5
Software	3

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. Goodwill resulting from a business combination is initially recognised at cost, and calculated as the excess amount of the cost of the business combination less the Group's share in the net fair value of the identifiable assets, liabilities and contingent assets / liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Where goodwill forms part of a cash-generating unit and part of the unit's operation is disposed, the goodwill associated with such operation is included in the carrying amount of the operation when determining the gain or loss on its disposal. The portion of goodwill disposed is measured on the basis of the relative values of the disposed operation and the retained portion of the cash-generating unit. For the sale of a subsidiary, the difference between the selling-price and the net assets plus the accumulated foreign currency translation differences and non-amortised goodwill is recognised in the consolidated income statement.

Goodwill is not amortised, but is tested annually for impairment. The impairment test is carried out more frequently if events or changes in circumstances indicate possible impairment.

The Group performs its annual impairment test of goodwill in the fourth quarter of the year.

For the purpose of impairment testing pursuant to IAS 36, goodwill acquired in a business combination is, from the acquisition date, allocated to the cash-generating units which benefit from the synergy effects of the business combination. In accordance with this requirement, the Group identified the affected strategic business units. The Group has strategic business units represented by the respective Group entities in those countries in which the Group operates. For impairment purposes, the carrying amount of the relevant cash-generating unit has to be compared with the recoverable amount, which is the higher of the two values: air value less costs of disposal and value in use. The Group generally applies the value in use of the relevant cash-generating unit to determine the recoverable amount of goodwill and indefinite-life intangible assets.

In such cases where the carrying amount of the cash-generating unit is higher than its recoverable amount, the difference constitutes an impairment loss. Impairment losses on the goodwill of the respective strategic business unit are recognised in the line item 'Impairments' in the consolidated income statement, with the impairment charge being determined as set out above. Impairment losses recognised for goodwill may not be reversed in a subsequent period.

PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Government grants are deducted from the purchase price of the related asset. Business premises, factories and residential buildings, machines and technical equipment as well as furniture and fixtures and IT hardware are depreciated on a straight-line basis over their expected useful lifes as follows:

EXPECTED USEFUL LIFES OF PROPERTY, PLANT AND EQUIPMENT

	Years
Land	No depreciation except on land with raw material reserves
Buildings	20 to 50
Machines and technical equipment	15 to 20
Furniture and fixtures	3 to 7
IT hardware	3

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits are expected from their continued use or sale. Any gain or loss arising from the disposal of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement in the year the asset is derecognised as other operating income or expense.

Raw material reserves such as clay and sand, which are included in the class 'land' of property, plant and equipment, are valued at cost and are depreciated based on the unit-of-production method over their estimated commercial lifes.

The residual values, useful lifes and depreciation methods are reviewed and adjusted as necessary at the end of each financial year and in case of an indication. The adjustments of the useful life caused a depreciation of EUR 500 thousand in 2015.

IMPAIRMENT OF NON-FINANCIAL ASSETS

On each FY reporting date, the Group assesses whether there are any indications that an asset may be impaired. If any such indications exist or annual impairment testing is required for an asset, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of the fair value less cost to sell and value in use, and is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value-in-use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An appropriate valuation model is used to determine the fair value less cost to sell. If an impairment loss is identified, it is firstly allocated to goodwill. Any remaining impairment loss is allocated pro rata to the other assets in the cash-generating unit unless the impairment loss would reduce an individual asset's carrying amount below its recoverable amount or zero. Impairment losses charged on continuing operations are recognised in a separate line in the income statement.

With the exception of goodwill, assets are assessed on each reporting date as to whether there are any indications that any impairment losses previously recognised no longer exist or have decreased. Where indications exist, the Group estimates the recoverable amount. An impairment loss which has been recognised previously is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable amount. However, this amount may not exceed the carrying amount which would have been determined (net of amortisation and depreciation) had no impairment loss been recognised for the asset in a prior year. Such reversals are recognised in the income statement.

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Investments in associates and the Group's joint ventures are accounted for using the equity method pursuant to IAS 28 (see Note (3)). These investments are carried at cost in the consolidated statement of financial position plus post-acquisition changes in the Group's share of their net assets. Goodwill is included in the carrying amount of the investment and is not amortised or separately tested for impairment. The line item 'Result from associates and joint ventures' reflects the Group's share in the profit or loss of the associates and joint ventures.

Profits and losses from transactions within the Group are eliminated up to the amount of the investment. The reporting dates are identical with the Group.

After applying the equity method, the Group determines whether it is necessary to recognise additional impairment losses on these investments. On each reporting date, the Group determines whether there is any objective evidence for an impairment of these investments. If this is the case, an impairment test is performed. If the carrying value of the investment is higher than its recoverable amount, the Group recognises the impairment loss in the consolidated income statement.

Upon loss of significant influence, the Group measures and recognises any retaining investment at fair value. Any differences between the carrying amount upon loss of significant influence, the fair value of the retained investment and proceeds from disposal are recognised in the consolidated income statement.

INVENTORIES

Raw materials, consumables and supplies as well as merchandise and replacement parts are measured at the lower of acquisition cost and net realisable value. Work in process and finished goods are measured at the lower of cost of conversion and net realisable value. In addition to direct material and labour costs, the cost of conversion also includes a proportion of the required materials, labour overheads and production-based depreciation. The net realisable value is the estimated selling price in the course of ordinary business operations less the estimated cost of completion and estimated cost to sell. Raw materials, consumables, supplies, merchandise and replacement parts are valued in accordance with the FIFO or the weighted average cost method.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, bank balances and short-term investments which can be readily converted to cash with a maximum remaining term – calculated from the acquisition date – of three months or less, such as overnight deposits.

INVESTMENTS AND OTHER FINANCIAL ASSETS

The Group classifies its financial assets within the scope of IAS 39 in the following categories: at fair value through profit or loss or loans and receivables. The classification depends on the purpose for which the financial assets were acquired. The Group determines the classification of its financial assets at initial recognition and, when permitted and appropriate, re-evaluates this designation at the end of each financial year. As at the balance sheet date, the Group did not categorise any financial assets as held-to-maturity or available-for-sale in the reporting year.

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flow from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Regular purchases and sales of financial assets are recognised on the settlement date, which is the date on which the Group receives or delivers the asset. Regular purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or designated as such (fair value option) on initial recognition. Financial assets are classified as held-for-trading when they were acquired for the purpose of selling them in the short term. Derivatives are also categorised as held-for-trading unless they are designated as hedges. Gains or losses on financial assets at fair value through profit or loss are recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any allowance for impairment. Gains and losses are recognised in the consolidated income statement if the loans and receivables are derecognised or impaired. These values generally correspond to the nominal value. Recognisable credit risks are accounted for by appropriate allowances. As for all financial assets, a valuation allowance is recognised if the carrying amount of receivables exceeds the recoverable amount or a bad debt loss is probable. Objective criteria for such write-downs are missed payments, high probability of bankruptcy or the debtor being in significant financial difficulty.

Non-current, non-interest bearing receivables are stated at present value. Foreign currency receivables are translated at the closing rate on the reporting date, with any foreign currency gains or losses being recorded in the consolidated income statement.

Held-to-maturity financial assets

Held-to-maturity financial assets have fixed or determinable payments at the date of initial recognition as well as a fixed maturity and are intended to be held until that maturity. These assets are recognised at amortised cost using the effective interest method. No financial assets are classified as held-to-maturity at present.

Available-for-sale financial assets

Available-for-sale financial assets are either designated in this category or are not classified as (a) financial assets at fair value through profit or loss, (b) loans and receivables or (c) held-to-maturity investments. These assets are subsequently measured at fair value and changes therein, other than impairment losses and foreign currency differences, are recognised in other comprehensive income (including related deferred taxes). When an available-for-sale financial asset is derecognised, the cumulative gain or loss previously recognised in accumulated other comprehensive income is reclassified to profit or loss. No financial assets are classified as available-for-sale at present.

FAIR VALUE

The fair value of investments actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments with no active market, the fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument, which is largely the same, a discounted cash flow analysis or other valuation models.

AMORTISED COST

Loans and receivables are measured at amortised cost. This is computed using the effective interest method less any allowance for impairment. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

PENSIONS

The Group's pension schemes are both defined benefit and defined contribution in nature. Under defined contribution plans, the entity pays contributions to public or private pension insurance schemes on the basis of statutory or contractual requirements, or voluntarily. No further payment obligations arise for the entity from the payment of contributions. The current contribution payments are disclosed as an expense in the relevant year under the functional cost areas and, therefore, in the operating result. All other pension schemes are defined benefit plans and comprise plans financed by provisions and funds. Early retirement benefits and other termination benefits, which have the character of an obligation similar to a pension, are also accounted for in the pension provisions.

The pension obligations are calculated pursuant to IAS 19 (revised 2011) using the projected unit credit method. The future obligations are calculated using actuarial principles taking changes and fluctuations into account. The relevant additions to provisions for the expected benefits upon reaching pensionable age are distributed over the entire period of employment. Pension obligations are reduced by the fair value of the plan assets used to cover the Group's benefit obligations. Plan assets are measured at fair value.

Actuarial gains and losses based on experience-related adjustments to actuarial assumptions are recognised in the other comprehensive income (OCI) in equity in the period in which they occur.

The discount rate assumptions increased from 2.14% in 2014 to 2.31% in 2015 with a positive net effect of EUR 9.0 million. This reflects the market yields at the balance sheet date of high-quality fixed income investments corresponding to the currency and duration of the liabilities.

Further details are provided in Note (31).

TAXES

Current tax assets and liabilities

Current tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities and calculated based on the applicable tax rates and tax laws as of the reporting date. Current tax relating to items which are recognised directly in equity is recognised in equity and not in the consolidated income statement.

Deferred taxes

Deferred taxes are recognised using the liability method for temporary differences as of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences with the exception of deferred tax liabilities resulting from the initial recognition of goodwill, or an asset or a liability in a transaction which is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Furthermore, deferred tax liabilities are not recognised if they result from taxable temporary differences relating to investments in subsidiaries, associates and interests in joint ventures if the entity controls the timing of the reversal of the temporary differences and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses carried forward and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses carried forward and unused tax credits can be utilised. Deferred tax assets are not recognised if they result from deductible temporary differences which arise from the initial recognition of an asset or a liability in a transaction which is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. They are similarly not recognised if they result from taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures to the extent that it is probable that the temporary differences will be reversed within three to five years and no sufficient tax profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which at least part of the deferred tax assets can be utilised. Unrecognised deferred tax assets are reviewed at each reporting date and recognised to the extent to which it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the asset is realised or the liability settled. They are calculated based on the tax rates (and applicable tax laws) as of the reporting date.

Deferred tax assets and deferred tax liabilities are offset against each other when the Group has an enforceable right to offset the current tax assets against the current tax liabilities and these assets and liabilities relate to income taxes levied by the same tax authority for the same taxable entity.

Uncertain tax position

Braas Monier evaluates its uncertain tax positions by using a two-step process. In a first step, it is determined whether it is more likely than not that the tax position will be sustained upon examination, based on the position's technical merits (this likelihood is the 'recognition threshold'). Once it has been determined that a liability (asset) exists, based on the assumption that the tax authorities will examine any uncertain tax positions, and have full knowledge of all relevant information, the amount of tax risk and benefit that is to be recognised in the consolidated financial statements is measured. Current tax liabilities (assets) for the current and prior periods shall be measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Compensation and timing of tax effects shall thereby be taken into account. Braas Monier Group entities apply the probability weighted average method to determine the amount expected to be paid respectively to be recovered from the tax authorities.

PROVISIONS

Provisions are recognised for obligations which are incurred through past events and are likely to result in an economic outflow and for which a reliable estimate can be made. The other provisions are measured pursuant to IAS 37 at the amount of the best estimate of the expenditure that would be required to meet the present obligation as of the reporting date. If obligations are not expected to result in cash outflows until after one year or longer, the provisions are carried at the present value of the expected cash outflows. Reimbursements from third parties are recognised separately from provisions, but only when the reimbursement is virtually certain.

If the revised estimate reduces the obligation, the provision is released accordingly and the income recorded in the functional expense categories where the expense was originally recorded when recognising the provision.

Legal disputes and administrative procedures are reviewed on a case-by-case basis.

Due to the nature of the Group's business, a significant portion of its provisions relate to warranty cases. Regular warranty expenses are classified under cost of sales. Warranty cases that relate to major serial damages are classified under other operating expenses.

FINANCIAL LIABILITIES

Financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provision of the instrument.

All liabilities are initially recognised at fair value less transaction costs. After initial recognition, liabilities are measured at amortised cost using the effective interest method. Foreign currency liabilities are translated at the closing rate as of the reporting date, with any foreign currency gains or losses being recorded in the consolidated income statement.

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset which takes a substantial period of time to get ready for its intended use or sale (qualifying asset) are capitalised. All other borrowing costs are recognised as an expense in the period in which they were incurred. In the relevant period, no borrowing costs were capitalised pursuant to IAS 23.

LEASES

Leases under which the lessor primarily retains all of the risks and rewards associated with ownership of the asset are classified as operating leases. Lease payments under an operating lease are recognised as an expense in the income statement under the conditions stated in the leasing contract over the term of the lease.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING

The Group uses derivative financial instruments such as interest rate swaps and interest rate caps to hedge its risks associated with interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are generally recognised in profit or loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship.

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income (OCI) and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss. The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

The Group does not have any fair value hedges or hedges of net investments in foreign operations.

Commodities

The Group routinely enters into purchase transactions for physical gas and energy. In principal, these transactions take the form of contracts that were entered into and continued to be held for the purpose of receipt of the physical position in accordance with the Group's expected usage requirements, and are therefore not within the scope of IAS 39 (own use exemption). Certain purchase contracts are within the scope of IAS 39 as they settled net in 2015 and do not qualify for the own use exemption. Such contracts are accounted for as derivatives under IAS 39 and are recognised in the statement of financial position at fair value. Gains and losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are recognised in the consolidated income statement.

EMBEDDED DERIVATIVES

Non-derivative host contracts are regularly reviewed for embedded derivatives (e.g. early redemption options). Embedded derivatives must be separated from the host contract if the assessment finds that the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract. Separable embedded derivatives are measured at fair value. The corresponding transaction costs are exclusively allocated to the host contract.

FOREIGN CURRENCY TRANSLATION

Receivables and payables denominated in foreign currency are translated as of the reporting date using the closing rate. Foreign currency gains or losses on intercompany loans are not eliminated from the income statement as part of the consolidation process, since the foreign currency risk involved is considered to be an exposure to the Group. The annual financial statements of the consolidated foreign subsidiaries are translated from their functional currency (IAS 21) into euros, which is the Group's presentation and functional currency. For all foreign companies, the functional currency is the respective local currency, since they operate predominantly within their currency area. Accordingly, all assets and liabilities are translated at the effective rate on the reporting date. Equity is translated using historical rates. Income and expenses are translated using average rates for the year (for simplification purposes). Annual profits or losses in the income statement are also translated at the average rates for the year. Differences arising from the translation of assets and liabilities denominated in foreign currency compared to their translation in the prior year as well as translation differences between the income statement and the statement of financial position are recognised directly in other comprehensive income.

The most important exchange rates used in the consolidated financial statements developed in relation to the euro as follows:

	31 Dec 2015		31 Dec 2014	
Currency	Balance sheet exchange rate	Income statement average rate	Balance sheet exchange rate	Income statement average rate
GBP	0.7375	0.7233	0.7768	0.8020
USD	1.0870	1.1029	1.2101	1.3182
ZAR	16.8067	14.1643	14.0056	14.3266
CZK	27.0270	27.2480	27.7008	27.5482
DKK	7.4627	7.4627	7.4460	7.4571
NOK	9.6154	8.9526	9.0662	8.3893
SEK	9.1912	9.3371	9.4429	9.1158
PLN	4.2626	4.1771	4.2845	4.1929
MYR	4.6773	4.3103	4.2608	4.3271

SIGNIFICANT ACCOUNTING JUDGMENT, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and contingent liabilities. The assumptions and estimates are based on parameters which are derived from the information available at the time. In particular, the circumstances prevailing at the time of preparing the consolidated financial statements and assumptions regarding the realistic future development of the business environment are used to estimate the Group's future business performance. Where these conditions develop differently than assumed and beyond the control of management, the actual figures may differ from those anticipated. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The key assumptions concerning future and other key sources of estimating uncertainties as of the reporting date, which entail a significant risk of a material adjustment to the carrying amounts of assets and liabilities having to be made within the next financial year, are explained below.

Impairment of non-financial assets

The Group assesses whether there are any indications of impairment for all non-financial assets at each reporting date. Goodwill and other intangible assets with indefinite useful lifes are tested for impairment annually and at other times when such indications exist. Other non-financial assets are tested for impairment when there are indications that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose an appropriate discount rate to calculate the present value of those cash flows.

Against the background of the development of the world economy, current corporate planning, upon which forecasts for future cash flows are based, is subject to a significant level of uncertainty. This increases the risk of further impairment in coming years, though part of the impairment (except for goodwill) may be subsequently reversed once the economy recovers.

Deferred tax assets

Deferred tax assets are recorded for all deductible temporary differences, unused tax loss carry-forwards and unused tax credits to the extent that it is probable that taxable profit will be available against the deductible temporary differences, unused tax loss carry-forwards and unused tax credits can be utilised. The calculation of the amount of the deferred tax assets requires the use of judgment on the part of management as regards the amount and timing of the future taxable income and the future tax planning strategies. This judgment is particularly relevant in times of adverse market conditions.

Pensions and other post-employment benefits

The obligation from defined post-employment benefit plans is determined using actuarial calculations. Actuarial measurement is based on assumptions as regards the discount rates, expected return on plan assets, future wage and salary increases as well as mortality and future pension increases. As these plans are of a long-term nature, such estimates entail a high degree of judgment. Sensitivity analysis concerning the discount rate used as significant actuarial assumption are provided in Note (31).

Economic useful lifes

The applied economic useful lifes of property, plant and equipment and intangible assets are based on management estimates. The Group reviews the estimated economic useful lifes of property, plant and equipment and intangible assets at the end of each annual reporting period. During the current financial year, however, no changes were made to estimates pertaining to economic useful lifes.

Provisions

Provisions are measured pursuant to IAS 37 at the amount of the best estimate of the expenditure that would be required to meet the present obligation as of the reporting date. Such estimates are subject to judgment.

Warranty provisions are based on historic quality rates for established products as well as estimates regarding quality rates for new products, costs to remedy, and types of defects predicted. Such estimates entail a significant degree of judgment.

Potential results of legal disputes are evaluated using the information available and in consultation with the Group's lawyers. If the Group considers that a court ruling is likely to lead to future cash outflows, it recognises the present value of the expected cash outflows as a provision to the extent that it considers them reliably measurable. These provisions cover the estimated payments to plaintiffs, court costs, lawyers' fees and any potential settlement payments.

Trade receivables

In addition to valuation allowances for trade receivables, which are based on qualitative evidence of impairment, the Group recognises allowances for trade receivables based on their maturities. As this method comprises classifications and the determination of valuation adjustments as percentages, such estimates may entail judgment.

Impairment test for associates and joint ventures

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying amount and recognises the loss as 'Result from associates and joint ventures' in the consolidated income statement.

Commodity-based derivatives

Commodity-based derivatives and certain embedded derivatives in normal purchase contracts require fair value recognition in the consolidated financial statements. Some of these fair values are subject to uncertainty due to non-quoted market prices and the use of valuation models. In these models, the Group uses information based on external sources to the greatest possible extent. The most significant assumptions incorporated in the valuation techniques used are forward prices for commodity products like natural gas and energy. The negative carrying value of commodity-based derivatives as of 31 December 2015 is EUR 1.8 million. Detailed information, including sensitivity disclosures, are provided in Note (35).

CHANGES IN ACCOUNTING POLICIES RESULTING FROM NEW STANDARDS

Standard / Interpretation		Effective date stipulated by IASB	Effective date stipulated by IASB	Impact on Braas Moniers financial statements
IFRIC 21	Levies	1 January 2014	17 June 2014	No Impact
Annual Improvements	Annual Improvements to IFRSs 2011–2013 Cycle (issued on 12 December 2013)	1 July 2014	1 January 2015	No material Impact

The effective date presented above is the date of mandatory application in annual periods beginning on or after that date

The accounting policies applied in the consolidated financial statements comply with the IFRSs required to be applied in the EU as of 31 December 2015.

STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET ADOPTED

The following table shows the standards and interpretations issued but not yet adopted by the EU.

STANDARDS AND INTERPRETATIONS ISSUED AND ENDORSED BY THE EU (NOT YET ADOPTED)

Standard / Interpretation		Effective date stipiulated by IASB	Effective date stipiulated by IASB	Impact on Braas Monier's financial statements
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016	1 January 2016	No Impact
Amendments to IAS 1	Disclosure Initiative	1 January 2016	1 January 2016	No Impact
Amendments to IAS 16 and 38	Clarification of Acceptable Depreciation and Amortisation	1 January 2016	1 January 2016	No Impact
Amendments to IAS 19	Defined Benefit Plans	1 July 2014	1 February 2015	No Impact
Improvements to IFRS 2010–2012	Annual Improvements to IFRSs 2010–2012 Cycle (issued on 12 December 2013)	1 July 2014	1 February 2015	No material Impact
Improvements to IFRS 2012–2013	Annual Improvements to IFRSs 2011–2013 Cycle (issued on 12 December 2013)	1 January 2016	1 January 2016	No material Impact

The effective date presented above is the date of mandatory application in annual periods beginning on or after that date

AMENDMENTS TO IFRS 11 – ACCOUNTING FOR ACQUISITIONS OF INTERESTS IN JOINT OPERATIONS

IFRS 11 contains rules concerning the balance sheet and profit and loss entry of joint ventures and joint operations. While joint ventures are entered in the balance sheet according to the equity method, the entry of joint operations provided for under IFRS 11 is comparable to proportional consolidation.

With the amendment to IFRS 11, the IASB regulates the balance sheet accounting of the acquisition of shares in a joint operation which represents a business operation within the meaning of IFRS 3 business combinations. In such cases, the acquiring party is to apply the principles for the balance sheet accounting of business combinations in accordance with IFRS 3.

AMENDMENTS TO IAS 1 – DISCLOSURE INITIATIVE

The amendments concern various reporting issues. It is made clear that notes are only needed if their contents are not insignificant. This also applies in explicit terms where an IFRS requires a list of minimum details. Explanations concerning the aggregation and disaggregation of items in the balance sheet and the statement of comprehensive income are also included. It is furthermore clarified how shares in the other income of companies valued at equity are to be shown in the statement of comprehensive income. Finally, a sample structure of the notes is deleted with regard to taking account of individual company relevance.

AMENDMENTS TO IAS 16 AND IAS 38 – CLARIFICATION OF ACCEPTABLE METHODS OF DEPRECIATION AND AMORTISATION

With these amendments, the IASB provides further guidelines for establishing an acceptable method of depreciation. Under these, revenue-based depreciation methods are not permissible for fixed assets and are only permissible for intangible assets in certain exceptional cases (rebuttable presumption of inadequacy).

AMENDMENTS TO IAS 19 – DEFINED BENEFIT PLANS: EMPLOYEE CONTRIBUTIONS

The amendments clarify the provisions dealing with the allocation of employee contributions or contributions from third parties to the service periods where such contributions are linked to the period of employment. Furthermore, simplifications are provided for where the contributions are dependent upon the number of years of service.

IMPROVEMENTS TO IFRS 2010 – 2012

Amendments were made to seven standards under the annual improvement project. The adaptation of wording in individual IFRS / IAS standards was intended to clarify the existing regulations. The standards affected are IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 38 and IAS 24.

IMPROVEMENTS TO IFRS 2012 – 2014

Amendments were made to four standards under the annual improvement project. The adaptation of wording in individual IFRS / IAS standards was intended to clarify the existing regulations. The standards affected are IFRS 5, IFRS 7, IAS 19 and IAS 34.

STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET ENDORSED

The following table shows the standards and interpretations issued but not yet endorsed by the EU.

Standard / Interpretation		Effective date stipulated by IASB	Effective date stipulated by the EU
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	undefined	undefined
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception	1 January 2016	1 January 2016
IFRS 9	Financial Instruments	1 January 2018	1 January 2018
IFRS 15	Revenues from Contracts with Customers	1 January 2018	1 January 2018
IFRS 16	Leases	1 January 2019	1 January 2019
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017	1 January 2017
Amendments to IAS 7	Disclosure Initiative	1 January 2017	1 January 2017

The investigation of the effects on the consolidated financial statements resulting from IFRS 9, IFRS 15 and IFRS 16 has not been completed yet.

The Group will adopt the changes in accounting policies resulting from new standards as of the effective date stipulated by the EU.

(7) Operating segments

BASIS FOR SEGMENTATION

Braas Monier's segment reporting is based on the Group's internal division into geographical regions (Clay and Concrete Tiles) and product lines (Chimneys & Energy Systems and Central Product & Services). These divisions are managed separately because they require different technology and marketing strategies. Operating EBITDA, Operating income, Non-operating result, EBIT, Capital expenditure, Invested Capital, Return on Invested Capital and Volumes sold tiles (Chimneys sold), as included in internal reports reviewed by the Board of Directors (Chief Operating Decision Maker), are used to measure performance because management believes that such information are the most relevant in evaluating the results of the segments relative to other entities that operate in the same industries.

The segment reporting of the Group is divided into the following six reportable segments:
(1) Western Europe
(2) Central, Northern & Eastern Europe
(3) Southern Europe
(4) Asia & Africa
(5) Chimneys & Energy Systems
(6) Central Products & Services

The Western Europe segment area includes France, the UK, the Netherlands and Belgium. Germany, Norway, Sweden, Denmark, Finland, Estonia, Latvia, Lithuania, Poland and Russia are included in the area Central, Northern & Eastern Europe. The Southern Europe area includes Spain, Portugal, Italy, Austria, the Czech Republic, Slovakia, Hungary, Slovenia, Bosnia-Herzegowina, Croatia, Serbia, Romania, Bulgaria, Albania and Turkey. Asia (including Malaysia, China, Indonesia and India) and South Africa are presented as one operating segment, because management believes, that both regions are comparable in terms of economic environment and market requirements. The major product lines in these regional operating segments are concrete tiles and clay tiles. The product line Chimneys & Energy Systems is presented as a separate operating segment. The manufacturing facilities of the product line components are included in the segment Central Products & Services and includes components manufacturing and headquarter costs.

INFORMATION ABOUT REPORTABLE SEGMENTS

Information related to each reportable segment is set out in the following tables:

	Western Europe		Central, Northern & Eastern Europe		Southern Europe	
(EUR thousand)	2015	2014	2015	2014	2015	2014
External revenues	316,101	299,530	419,535	416,689	213,857	183,235
Intersegments revenues	4,728	4,584	9,918	10,758	1,690	1,243
Revenues	320,829	304,113	429,453	427,447	215,547	184,478
year-to-year change	*5.5 %*	*4.9 %*	*0.5 %*	*-0.1 %*	*16.8 %*	*-7.0 %*
Operating EBITDA (1)	48,324	43,250	72,184	72,167	36,835	33,725
in % of revenues	*15.1 %*	*14.2 %*	*16.8 %*	*16.9 %*	*17.1 %*	*18.3 %*
Depreciation & amortisation	22,675	24,355	19,158	21,075	21,791	19,497
Result from associates	-42	235	0	0	0	0
Operating income (1)	25,606	19,130	53,025	51,092	15,044	14,228
in % of revenues	*8.0 %*	*6.3 %*	*12.3 %*	*12.0 %*	*7.0 %*	*7.7 %*
Non-operating result (1)	1,112	4,470	964	-1,072	-3,489	-5,707
EBIT	26,718	23,601	53,989	50,020	11,556	8,521
Capital expenditure (2)	12,405	13,094	15,669	14,342	13,918	10,153
Invested Capital (1) / (3)	259,497	252,013	315,749	315,166	232,303	212,871
Return on Invested Capital (ROIC) (1) / (4)	9.9 %	7.6 %	16.8 %	16.2 %	6.5 %	6.7 %
Volumes sold tiles in million m² (1) / (6)	20.8	20.7	28.2	27.7	22.1	16.8
Average number of employees (1) / (5)	1,320	1,289	1,511	1,526	1,244	1,012
Employees as of period ended (1)	1,323	1,303	1,505	1,513	1,267	994

	Asia & Africa		Chimneys & Energy Systems		Central Products & Services	
(EUR thousand)	2015	2014	2015	2014	2015	2014
External revenues	130,839	136,087	168,362	169,953	8,036	5,786
Intersegments revenues	61	86	2,007	3,025	90,088	93,568
Revenues	130,900	136,173	170,369	172,978	98,124	99,354
year-to-year change	*-3.9 %*	*0.7 %*	*-1.5 %*	*-4.7 %*	*-1.2 %*	*-3.1 %*
Operating EBITDA (1)	21,600	24,438	23,020	24,771	-5,195	-2,952
in % of revenues	*16.5 %*	*17.9 %*	*13.5 %*	*14.3 %*	*-5.3 %*	*-3.0 %*
Depreciation & amortisation	9,442	9,792	9,583	10,058	4,670	5,939
Result from associates	0	14	0	0	1,175	631
Operating income (1)	12,157	14,660	13,437	14,713	-8,690	-8,260
in % of revenues	*9.3 %*	*10.8 %*	*7.9 %*	*8.5 %*	*-8.9 %*	*-8.3 %*
Non-operating result (1)	4,318	8,277	0	1,384	10,070	1,879
EBIT	16,475	22,937	13,438	16,098	1,380	-6,381
Capital expenditure (2)	8,370	13,290	4,711	5,818	4,335	3,873
Invested Capital (1) / (3)	58,986	44,461	111,527	122,164	35,152	47,838
Return on Invested Capital (ROIC) (1) / (4)	20.6 %	33.0 %	12.0 %	12.0 %	-24.7 %	-17.3 %
Volumes sold tiles in million m² (1) / (6)	26.1	28.6	n/a	n/a	n/a	n/a
Chimneys sold in million m (1) / (6)	n/a	n/a	2.2	2.3	n/a	n/a
Average number of employees (1) / (5)	1,902	1,873	1,173	1,185	411	415
Employees as of period ended (1)	2,050	1,906	1,180	1,174	409	411

(1) Non-IFRS figure
(2) Represents additions to intangible assets and property, plant and equipment
(3) Defined as intangible assets plus tangible assets plus inventories plus trade and other receivables minus total payables
(4) Operating income divided by twelve months invested capital for the period
(5) Average number of employees determined on a monthly basis (also considering the beginning of the period)
(6) Unaudited supplementary information

RECONCILIATION

(EUR thousand)	2015	2014
Capital expenditure [2]	1	2
Invested Capital [1] / [3]	16,373	16,258
Return on Invested Capital [1] / [4]	–	–
Volumes sold tiles in million m^2 [1] / [6]	-1.1	-1.0
Chimneys sold in million m [1] / [6]	0.0	0.0
Average number of employees [1] / [5]	0	0
Employees as of period ended [1]	0	0

The reconciliation amount remaining in 'Invested Capital' is due to intercompany value adjustments for receivables of intersegmental relations within the Group and eliminating intersegmental intercompany profits.

CONSOLIDATED INFORMATION ON REPORTABLE SEGMENTS

(EUR thousand)	2015	2014
External revenues	1,256,729	1,211,280
Intersegments revenues	108,491	113,263
Revenues	1,365,220	1,324,543
Operating EBITDA[1]	196,767	195,400
Depreciation & amortisation	87,320	90,716
Result from associates & joint ventures	1,133	880
Operating income[1]	110,580	105,564
Non-operating result[1]	12,975	9,232
(Reversal of) Impairment losses on non-current assets	*2,380*	*2,521*
Restructuring expenses/income	*0*	*0*
Acquisitions and disposals of assets	*1,179*	*-4*
Litigation	*0*	*-141*
Others	*9,416*	*6,856*
EBIT	123,556	114,797
Capital expenditure [2]	59,409	60,571
Invested Capital [1] / [3]	1,029,587	1,010,771
Return on Invested Capital [1] / [4]	*10.7%*	*10.4%*
Volumes sold tiles in million m^2 [1]/[6]	96.1	92.8
Chimneys sold in million m [1]/[6]	2.2	2.3
Average number of employees [1]/[5]	7,561	7,299
Employees as of period ended[1]	7,735	7,300

(1) Non-IFRS figure
(2) Represents additions to intangible assets and property, plant and equipment
(3) Defined as intangible assets plus tangible assets plus inventories plus trade and other receivables minus total payables
(4) Operating income divided by twelve months invested capital for the period
(5) Average number of employees determined on a monthly basis (also considering the beginning of the period)
(6) Unaudited supplementary information

GEOGRAPHIC INFORMATION

The geographic information below analyses the Group's revenue and non-current assets by countries. Non-current assets are defined as the sum of total intangible assets and total property, plant and equipment. In presenting the following information, external revenues and assets have been based on the geographic location of legal entities within the Group:

EXTERNAL REVENUES BY COUNTRY

(EUR thousand)	2015	2014
Germany	328,514	326,097
The United Kingdom	166,770	139,657
France	129,095	137,483
Italy	70,494	76,644
Malaysia	52,344	52,607
Poland	49,162	45,585
Austria	45,554	45,980
South Africa	40,938	38,589
Norway	40,400	40,427
Sweden	38,355	33,951
The Netherlands	36,941	35,386
The Czech Republic	34,413	36,275
China	23,970	31,572
Spain	20,234	0
Russia	18,547	22,148
Portugal	14,164	0
Other	146,834	148,879
Total revenues	**1,256,729**	**1,211,280**

NON-CURRENT ASSETS BY COUNTRY

(EUR thousand)	31 Dec 2015	31 Dec 2014
Germany	253,504	258,446
France	92,209	96,673
The United Kingdom	90,608	87,239
Italy	80,238	81,523
Austria	79,720	82,487
Malaysia	56,233	41,878
The Netherlands	45,748	49,114
Sweden	42,858	42,437
The Czech Republic	27,202	29,607
China	22,426	22,067
Portugal	20,240	0
Spain	13,102	0
Poland	12,827	11,339
Hungary	11,099	11,285
Turkey	8,879	9,303
Bulgaria	8,816	8,993
Other	59,367	62,272
Total non-current assets	**925,076**	**894,663**

(8) Revenues

Braas Monier's major product groups are concrete roof tiles, clay roof tiles, components and Chimneys & Energy Systems. Information on revenues from external customers for each product group are presented in the following table:

NET REVENUES BY PRODUCT GROUP

(EUR thousand)	2015	2014
Concrete roof tiles	499,665	490,760
Clay roof tiles	296,643	264,783
Components	269,280	264,729
Chimneys & Energy Systems	173,478	175,010
Other	17,663	15,998
Total net revenues	**1,256,729**	**1,211,280**

Net revenues include freight income of EUR 60,222 thousand (2014: EUR 57,444 thousand).
Braas Monier does not generate more than 10% of its revenues with any single external customer.

UNIT SALES BY PRODUCT GROUP (UNAUDITED SUPPLEMENTARY INFORMATION)

	2015	2014
Concrete roof tiles (million m^2)	70.9	72.6
Clay roof tiles (million m^2)	25.2	20.2
Chimneys & Energy Systems (million m)	2.2	2.3

(9) Cost of sales

(EUR thousand)	2015	2014
Variable costs	682,813	654,412
Fixed costs	146,798	137,270
Depreciation and amortisation	71,173	73,876
Cost of sales	**900,784**	**865,558**

Variable costs mainly include raw materials such as cement, sand, emulsions, pigment, clay, aluminium, steel and others in an amount of EUR 254,426 thousand (2014: EUR 237,231 thousand). It also includes energy, especially for the production of clay tiles, in the amount of EUR 60,273 thousand (2014: EUR 51,942 thousand), freight, transportation and other yard and logistic costs in the amount of EUR 126,865 thousand (2014: EUR 133,059 thousand) and traded goods in the amount of EUR 103,073 thousand (2014: EUR 102,371 thousand).

The cost of sales also includes research and development costs of EUR 13,191 thousand (2014: EUR 12,538 thousand).

(10) Selling and administrative expenses

(EUR thousand)	2015	2014
Selling expenses	154,603	149,454
Administrative expenses	96,845	95,830
Selling and administrative expenses	**251,448**	**245,284**

Selling expenses include all types of costs linked directly or indirectly to sales activities, including marketing costs and valuation of receivables and other assets. Administrative expenses also include the cost of managing central headquarters.

Selling expenses include depreciation and amortisation of EUR 9,928 thousand (2014: EUR 10,261 thousand) and administrative expenses include depreciation and amortisation of EUR 6,219 thousand (2014: EUR 6,579 thousand).

(11) Other operating income

(EUR thousand)	2015	2014
Legal settlements, prior years warranties and others	13,944	0
Bargain purchase from acquisition	3,822	0
Income from the reversal of provisions	3,007	9,153
Compensation for closed plant	3,312	0
Gain from the disposal of non-current assets	2,905	4,358
Gain from the disposal of equity investments	1,700	0
Miscellaneous income	2,871	1,837
Other operating income	**31,561**	**15,348**

The income from legal settlements, warranties from previous years and others is mainly due to out-of-court arrangements of several legal claims which were negotiated in 2015 and insurance payments with regard to insured warranty costs. The bargain purchase results from the revaluation of assets and liabilities of Cobert, Portugal, acquired in January 2015, which was recognised as income after the reassessment, as prescribed in IFRS 3.36. The payment for closed plant was granted by the Chinese regional administration as compensation for a plant that had to be shut down due to Governmental efforts. Gain from the disposal of non-current assets mainly consists of income in connection with the sale of idle assets in Germany, the United Kingdom and China. Gain from the disposal of equity investments results from the sale of the non-controlling interest of 47% in Tejas Cobert S.A., Toledo, Spain (see note 4). Miscellaneous income includes a multitude of minor single items.

(12) Other operating expenses

(EUR thousand)	2015	2014
Strategic projects	4,742	502
Capacity adjustment and reorganisation	5,959	0
Acquisition costs	1,485	0
Loss on the disposal of equity investments	869	0
Loss on the disposal of non-current assets	239	258
Miscellaneous	2,720	3,434
Other operating expenses	**16,014**	**4,390**

Strategic costs primarily include expenses regarding of the future growth strategy, i.e. consulting fees, internal costs for identifying growth opportunities and to develop and to consolidate the future market position, start-up costs and capacity adjustments include expenses made to meet the future market requirements, e.g. production relocation, optimisation of the value chain as well as ensure an agile organisational structure. Acquisition costs consist of expenses that occurred in connection with acquisitions and ensuring integration of purchased companies into the Group, e.g. financial and legal due diligence and other costs for external M&A advisors. The Group's loss on the disposal of equity investments results from selling its controlling interest of 100% in Monier TOV, Kiev, Ukraine (see note (4)). The Group's loss on the disposal of non-current assets results from the sale of idle assets in Italy and Poland. Miscellaneous expenses include a multitude of single items.

(13) Impairments / reversal of impairments

(EUR thousand)	2015	2014
Impairments on intangible assets	0	-150
Impairments on tangible assets	-874	-6,926
Reversal of impairments on tangible assets	3,254	9,597
Impairments and reversal of impairments	**2,380**	**2,521**

The current difficult market situation in Italy (Segment Southern Europe), especially in clay tiles, led to an impairment of EUR 574 thousand of our plant in the southern part of the country. A further impairment of EUR 300 thousand is attributable to a plant in China of which the relocation has been postponed (Segment Asia & Africa).

The reversal of impairment is attributable to our concrete tile plants in China (Segment Asia & Africa) and a plant in Poland (Segment Central, Northern & Eastern Europe). In China, the triggering event (relocation request from prior years) that led to the impairment changed in 2015. The reversal in Poland is caused by the healthier property market.

Impairment losses and reversals are recorded in separate line items in the consolidated income statement under 'Impairments' and 'Reversal of impairments', respectively.

The methods of valuation, the recoverable amounts and pre-tax interest rates were as follows:

	Method of valuation	Recoverable amount	Pre-tax interest rate
Italy (Impairment)	Fair value less cost of disposal	0	N/A
China (Impairment)	Fair value less cost of disposal	0	N/A
China (Reversal of Impairment)	Value in use	2,329	9.7%
Poland (Reversal of Impairment)	Fair value less cost of disposal	1,189	N/A

The historical impairment for the reversals of impairments in China and Poland was estimated by fair value less cost of disposal.

The recoverable amounts of all assets measured at fair value less costs of disposal were determined by using the hierarchy level 3, with inputs for the asset that are not based on observable market data (unobservable inputs).

The triggering event for the impairment tests of the plants in Italy and China were the closures of the plants. The expected scrap redeeming's in Italy and China were not higher than the corresponding cost of disposal. Therefore the Group measured the fair value less cost of disposal with zero.

The Group used the Direct Comparison Method to estimate the fair value less costs of disposal for the plant in Poland, whereby evidence of sales and offers of comparable lands or properties are obtained and analysed for comparability in terms of location, size terrain of land, availability of infrastructure and other relevant characteristics.

The determination of the fair value less cost of disposal for the closed plant in Poland is based on the price per square metre indicated by transactions of industrial land and property in comparable locations (key assumption).

(14) Result from associates and joint ventures

(EUR thousand)	2015	2014
Operating result	1,710	1,549
Financial result	-136	-335
Income taxes	-441	-334
Result from associates and joint ventures	**1,133**	**880**

The table shows the Group's share in the profit or loss of associates and joint ventures.

The Group had not recognised any losses (2014: EUR 7,906 thousand) in relation to its interests in associates and joint ventures, because the Group had no obligation in respect of these losses.

In 2015, no cumulative pro rata losses were disclosed due to the fact that the interest held in Cobert Spain, classified as held-for-sale as of October 2014, was sold in January 2015.

(15) Finance income and finance costs

(EUR thousand)	2015	2014
Finance income:		
Exchange gains	2,827	4,209
Gains from release of embedded derivatives (interest floor)	0	12,937
Gains from changes in the fair value of embedded derivatives	6,809	0
Other interest income	1,128	625
Finance income	**10,764**	**17,771**
Finance costs:		
Interests on Senior Loan	0	-14,857
Interests on Senior Secured Floating Rate Notes	-15,999	-11,368
Interests on Term Loan B / Revolving Credit Facility	-8,475	-7,784
Other interest expenses	-3,901	-2,111
Interest costs	**-28,375**	**-36,120**
Pension interest	-8,633	-11,906
Losses from changes in the fair value of embedded derivatives	0	-2,085
Unrealised exchange losses on Group's internal debt	-5,620	-1,927
Commitment and agency fees	-1,430	-2,815
Amortised financing fees	-2,912	-3,293
Derivative financial instruments commodities	-1,832	0
Exchange losses on external debt	-641	-823
Interest on long-term provisions	-812	-3,276
IPO related costs	-453	-10,229
Miscellaneous	-1,620	-3,492
Finance related costs	**-23,953**	**-39,846**
Finance costs	**-52,328**	**-75,966**

Finance income essentially arose from the remeasurement of the early redemption option included in the Senior Secured Floating Rate Notes (FRN) and resulted in an income of EUR 6,809 thousand (2014: expense of EUR 2,085 thousand) that is reported under gains from changes in the fair value of embedded derivatives. In 2014, an income of EUR 12,937 thousand was reported under gains from release of an embedded derivative.

Finance costs essentially include interest costs of EUR 28,375 thousand (2014: EUR 36,120 thousand) which mainly arose from interests on the Group's external financing arrangements including interests on the refinanced senior loan of EUR 0 (2014: EUR 14,857 thousand), interests on the issued Senior Secured Floating Rate Notes of EUR 15,999 thousand (2014: EUR 11,368 thousand) and interests on the Term Loan B and the Revolving Credit Facility of EUR 8,475 thousand (2014: EUR 7,784 thousand).

Finance-related costs primarily included interest expenses of EUR 8,633 thousand (2014: EUR 11,906 thousand) relating to defined benefit obligations from the pension scheme (see Note 31), unrealised exchange losses on the Group´s internal debt of EUR 5,620 thousand (2014: EUR 1,927 thousand) and expenses related to derivative financial instruments in the amount of EUR 1,832 thousand (2014 EUR 0). Additional expenses of EUR 2,912 thousand (2014: EUR 3,293 thousand) arose from amortising the refinancing fees over the duration of the financing until 2020.

(16) Income taxes

The following table reconciles expected and effective tax expenses pursuant to IAS 12.81. Expected income tax is calculated by multiplying pre-tax profit with the tax rate of 29.2% (prior year: 29.2%) corresponding to the Luxembourg income tax rate.

RECONCILIATION OF EXPECTED TAX RATE

(EUR thousand)	2015	2014
Profit before income tax	**81,993**	**56,602**
Group tax rate %	**29.2**	**29.2**
Expected income taxes	**-23,941**	**-16,539**
Differences in tax rates and change in tax rates	9,128	3,337
Income tax from prior years	3,961	-931
Permanent differences	5,220	-1,628
Tax-free income / non-deductible expenses / other minor adjustments	-6,961	4,103
Valuation allowance for DTA and change in valuation allowance for DTA as well as tax loss carry-forwards	-14,255	-5,153
Income taxes	**-26,848**	**-16,811**
Thereof current income taxes	***-20,602***	***-11,754***
Thereof deferred income taxes	***-6,246***	***-5,057***

The differences in tax rates contain effects between the Group tax rate and the tax rate applicable in the jurisdiction of the local entities of total EUR 7,132 thousand as well as effects of tax rate changes amounting to EUR 1,996 thousand. The primary effects of tax rate differences resulting in less tax expense compared to Group tax rate resulting from the UK (20.3%), Malaysia (25.0%) and Austria (25.0%).

The effect on income tax from prior years primarily comprises changes due to tax audit adjustments in Germany (EUR 1,454 thousand) and Italy (EUR 768 thousand).

Permanent differences result from the classification of balance sheet differences between IFRS and a tax base that will not lead to a reversal effect on tax income. The movement in 2015 is primarily caused by subsidiaries which were sold during financial year 2015.

Tax-free income, non-deductible expenses and other minor adjustments primarily contain a positive impact of a release of uncertain tax positions amounting to EUR 762 thousand (prior year: EUR 10,698 thousand). Non-deductible expenses mainly result from local or state tax regulations. The effects are influenced by capital losses through the sale of subsidiaries during the financial year.

The effects of valuation allowances mainly comprise EUR -10,831 thousand of valuation allowances for tax loss carry-forwards, EUR -3,062 thousand of effects on expiring loss carry-forwards in 2015 and EUR -892 thousand of an overall adjustment on temporary differences.

The movement in valuation allowances for deferred tax assets (DTA) on tax loss carry-forwards results primarily from a release of a corresponding deferred tax liability of EUR -7,231 thousand concerning Austria.

Pursuant to IAS 12 using the balance sheet liability method, measurement differences between the tax figures and the IFRS carrying amounts are covered by deferred taxes. Applying IAS 12.74, the deferred tax assets are netted with the deferred tax liabilities for each entity. They are also netted among entities in fiscal unity. Deferred taxes were determined using the respective local tax rate effects.

UNCERTAIN TAX POSITION

In total, a provision for uncertain tax positions in an amount of EUR 23,557 thousand is recognised. Thereof, EUR 11,467 thousand are deemed as short-term and EUR 12,090 thousand as long-term provisions. The total amount can be allocated as follows: Germany EUR 20,893 thousand, the Czech Republic EUR 1,067 thousand, Austria EUR 700 thousand, and Other EUR 897 thousand.

DEFERRED TAX ASSETS AND LIABILITIES

(EUR thousand)	31 Dec 2015		31 Dec 2014	
	Assets	Liabilities	Assets	Liabilities
Intangible assets	8,201	55,986	6,097	53,594
Property, plant and equipment	5,350	40,750	6,165	43,790
Investments in subsidiaries	0	66	0	0
Inventories	7,847	226	6,188	64
Receivables and other assets	3,473	848	3,097	1,514
Financial debt / instruments	3,251	2,583	2,360	3,380
Provisions for losses and contingencies	20,389	47	19,972	45
Provisions for Pensions and similar obligation	51,999	3	55,237	235
Current liabilities	5,894	2,012	10,660	3,420
Other assets / liabilities	18,272	8,214	59,105	9,064
Adjustments on temporary differences	-18,168	-	-58,398	-
Loss carry-forwards net	22,122	-	33,404	-
Subtotal	**128,630**	**110,735**	**143,887**	**115,106**
Netting	-95,583	-95,583	106,365	-106,365
Consolidated statement of financial position	**33,047**	**15,152**	**37,522**	**8,741**

Deferred tax assets are recognised only to the extent that the realisation of the related benefit is probable. Appropriate tax structuring measures are also taken into consideration for the assessment of probability as well as past performance and the respective prospects for the foreseeable future.

The decline of the subtotal deferred tax assets mainly results from the development of the provisions for pensions and the reduction of temporary differences on cumulated interest for current liabilities. The increase in deferred tax liabilities is mainly caused by purchase price allocations. The strong decline within the position other assets / liabilities is caused by a deferred tax asset recorded in France amounting to EUR 34,195 thousand which was forfeited in 2015. However, the deferred tax asset was fully impaired which also explains the reduction on adjustments on temporary differences. Overall, the net position on deferred tax assets was not affected by this movement.

The deferred tax liabilities resulting from financial instruments are primarily caused by the Luxembourg entities due to the SWAP transaction in conjunction with the Senior Secured Floating Rate Notes issuance (EUR 2,538 thousand).

The decline in deferred tax assets on tax loss carry-forwards is the outcome of counter-effects. While new deferred tax assets on acquisitions of EUR 3,833 thousand were realised, deferred taxes for Germany on interest carry-forwards declined by EUR 2,196 thousand, and tax loss carry-forwards for the United Kingdom by EUR 2,520 thousand and for the Netherlands by EUR 2,201 thousand were utilised. For the tax group in Austria, deferred tax assets on tax loss carry-forwards were realised due to the release of a corresponding deferred tax liability of EUR 7,231 thousand.

Net deferred tax assets on tax loss carry-forwards and temporary differences are recognised if the underlying legal entity has shown positive taxable income in either the current or preceding period. Furthermore, in case the entity has suffered a tax loss in either the current or preceding reporting period, deferred tax assets are recognised, if the entity can reasonably expect a positive taxable income for the next three financial years as derived from their tax planning, or has sufficient deferred tax liabilities available to be utilised within the same period.

Out of the movement of the net deferred tax position of EUR -10,886 thousand, EUR -6,246 thousand were included in the income statement and EUR -3,233 thousand were recognised in other comprehensive income. The latter amount relates to deferred tax effects on pensions amounting to EUR -3,215 thousand, the deferred tax effect of a SWAP transaction realised in other comprehensive income amounting to EUR -35 thousand and the movement relating to foreign exchange rate differences without profit and loss effect of EUR 17 thousand. Furthermore, the net movement of EUR -793 thousand was recorded as part of transaction activities with no effect on the income statement and relates to deferred tax assets and liabilities recorded as part of the purchase price allocations. Additionally, reclassifications of EUR -614 thousand primarily relating to uncertain tax positions were recorded.

EXPIRATION OF TAX LOSSES INCLUDING INTEREST CARRY-FORWARDS

(EUR thousand)	31 Dec 2015	31 Dec 2014
Expiring next year	828	1,916
Expiring in 2 years	2,456	1,303
Expiring in 3 years	8,662	1,926
Expiring in 4 years	1,203	15,191
Expiring in 5 years	1,014	1,555
Not expiring in the foreseeable future	1,328,544	1,132,813
Total	**1,342,707**	**1,154,704**

The Group has significant tax loss carry-forwards of EUR 1,342,707 thousand. The realisation of the related tax benefit on tax loss carry-forwards of EUR 1,254,485 thousand (2014: EUR 1,013,966 thousand) is not deemed probable in the near future. The Group recognised deferred tax assets on loss carry-forwards of EUR 22,122 thousand (2014: EUR 33,404 thousand).

The tax losses not expiring in the foreseeable future include EUR 91,855 thousand (2014: EUR 58,649 thousand) of interest carry-forwards. The increase of the gross amount of interest carry-forwards primarily results from the first-time recognition in Italy (EUR 40,488 thousand) which were fully impaired for deferred tax assets purposes.

Tax losses not expiring in the foreseeable future are mainly attributable to Braas Monier Building Group Holding S.à r.l., Luxembourg (EUR 767,017 thousand), Financière Gaillon 7, France (EUR 237,063 thousand) and LR Austria Holding GmbH, Austria (EUR 86,236 thousand).

The Group does not recognise deferred tax liabilities for un-remitted earnings of non-Luxembourg subsidiaries to the extent that they are expected to be permanently invested in international operations. These earnings, the amount of which cannot be practicably calculated, could become subject to additional tax if they are remitted as dividends or if the Group were to sell its shareholdings in subsidiaries.

In total, temporary differences associated with investments in subsidiaries of EUR 31,468 thousand exist, for which deferred tax liabilities have not been recognised.

(17) Cash flow statement

The cash flow statement shows the development of cash and cash equivalents resulting from cash inflows and outflows during the reporting period. The cash flows from foreign Group companies shown in the cash flow statement are translated into EUR applying the annual average exchange rate of the respective reporting currency. Cash and cash equivalents have been converted with the year-end exchange rate of the respective currency. Items of particular relevance in the cash flow statement are commented below:

INTEREST AND FINANCE FEES PAID

Interest and finance fees paid declined from EUR 70.4 million in 2014 to EUR 34.3 million in 2015 based on lower interest payments and the absence of payments related to the refinancing in April 2014 (EUR 20.6 million) and the IPO in June 2014 (EUR 12.7 million).

INCOME TAXES PAID

Income tax payments increased to EUR 21.1 million (2014: EUR 9.5 million) due to a higher profit and a corresponding higher tax base.

PROVISIONS

Compared to the previous year, the change in provisions has been reduced by EUR 31.1 million and decreased to EUR 25.4 million (2014: EUR 56.5 million), mainly caused by provisions that were built for the, meanwhile successfully completed, restructuring of the Group in 2013 and for pensions provisions.

INVESTMENTS

Cash outflows for investments in intangible assets and property, plant and equipment increased by EUR 11.3 million compared to the prior year and reached EUR 63.5 million (2014: EUR 52.2 million). The increase mainly relates to a timing effect as some capital expenditure, decided on at the end of 2014, became cash effective only at the beginning of 2015 as well as the acquisition of several assets in Italy (Muto). Apart from this effect, the underlying development has been stable. Acquisitions closed in 2015, including the share deals Cobert Spain, Cobert Portugal, Golden Clay Industries and Ceprano, resulted in a cash outflow of EUR 51.9 million Euro. Net cash used in investing activities therefore increased in 2015 (EUR -108.4 million compared to EUR -45.8 million in 2014).

DISPOSALS

Proceeds from the disposal of property, plant and equipment and intangible assets mainly relate to inflows in connection with the sale of idle assets following the rightsizing of our business activities.

PROCEEDS FROM LOANS AND BORROWINGS / DIVIDENDS PAID

Net cash used in financing activities amounted to EUR -10.2 million in 2015 and was primarily driven by the first dividend payment in May 2015 (EUR -11.8 million). In 2014, repayments of loans and borrowings mainly included the repayment of senior debt and early repayment of EUR 50 million from the Term Loan B as well as EUR 40 million from the Revolving Credit Facility. The proceeds from loan and borrowings consisted of the the Senior Secured Floating Rate Notes of EUR 315 million, the Term Loan B of EUR 250 million and the Revolving Credit Facility of EUR 40 million.

(18) Earnings per share and dividend proposal

EARNINGS PER SHARE

Earnings per share are calculated in accordance with IAS 33 by dividing profit (loss) attributable to the equity holders of the parent company by the weighted average number of issued shares.

EARNINGS PER SHARE

(EUR thousand)	2015	2014
Consolidated net income for the year	55,094	39,791
Non-controlling interests	51	(120)
Net income – Group share	**55,145**	**39,911**
Weighted average of ordinary shares outstanding – basic (number of shares in '000)	39,167	37,180
Effect of dilutive potential equity instruments (number of shares in '000)	-	-
Weighted average of ordinary shares outstanding – diluted (number of shares in '000)	39,167	37,180
Basic earnings per share (in EUR)	1.41	1.07
Diluted earnings per share (in EUR)	1.41	1.07

In September 2014 and June 2015, the Group launched a Stock Option Plan (SOP) for Senior Mangement and selected key management personnel.

As of 31 December 2015, there were no outstanding awards that have diluted the basic earnings per share according to IAS 33.30. There is a possibility that the stock option plan may dilute basic earnings per share in the future.

DIVIDEND PROPOSAL

The Board of Directors decided to propose a dividend payment of EUR 0.40 per ordinary share to the Company's shareholders at the second Annual General Shareholders Meeting (AGM) to be held in Luxembourg on 11 May 2016.

Subject to the approval of the AGM, this would result in a cash dividend payment in the total amount of EUR 15.7 million, representing a payout ratio of 28.4% of net profit attributable to ordinary shareholders.

Based on a share price of EUR 26.56 at year end 2015, the dividend yield would be 1.5%.

(19) Non-controlling interests

This item, also within equity, comprises the non-controlling interests (NCI) in subsidiaries not directly or indirectly attributable to the Group. They are assigned to two subsidiaries (2014: two subsidiaries) as of December 2015 where the Group has control, but owns less than 100% of the shares. The non-controlling interest of 51% in Monier Holding Co. Ltd., Bangkok / Thailand with less than 10% of the voting rights is of minor importance to the presentation of the financial position of the Group as no business operations were performed during the year 2015.

The following table summarises the information relating to OOO Braas-DSK 1, Moscow / Russia (Segment Central, Northern & Eastern Europe) as a Group subsidiary that has non-controlling interests. This information is based on amounts before intercompany eliminations.

OOO BRAAS-DSK 1 (RUSSIA)

(EUR thousand)	31 Dec 2015	31 Dec 2014
NCI percentage	**32.9%**	**32.9%**
Non-current assets	2,118	2,273
Current assets	4,312	5,539
Non-current liabilities	-432	-316
Current liabilities	-1,489	-2,557
Net assets	**4,509**	**4,939**
Carrying amount of NCI	1,483	1,625
Revenue	10,402	12,865
Profit of the period	154	-365
OCI	-650	-3,140
Total comprehensive income	**-496**	**-3,505**
Profit allocated to NCI	51	-120
OCI allocated to NCI	-214	-1,033
Cash flows from operating activities	-117	685
Cash flows from investing activities	-125	-129
Cash flows from financing (dividends to NCI: 0)	-82	-32
Net decrease (increase) in cash and cash equivalents	**-324**	**523**

(20) Employees and personnel expenses incl. long-term Stock Option Plan (SOP)

(Full-time equivalent number of employees)	31 Dec 2015	31 Dec 2014
Employees as of period end in fully consolidated entities	7,735	7,300
Average no. of employees in fully consolidated entities	7,561	7,299

PERSONNEL EXPENSES

(EUR thousand)	2015	2014
Personnel expenses	333,062	318,062

SHARE-BASED PAYMENT ARRANGEMENT

In September 2014, the Group launched a Stock Option Plan (SOP) for Senior Management and selected key management personnel. The granting of the SOP enhances the long-term orientation of the plan participants' compensation structures, resulting in a deep alignment with the shareholders' long-term interests and the incentive to achieve sustainable value creation after the IPO.

Under the SOP, eligible employees are granted equity-settled stock options in four annual tranches and with an exercise price equalling the closing price of the shares of the Group preceding the date of grant (exemption given in 2014). The stock options do not qualify for dividends. The granted overall plan volume should not exceed a maximum shareholders' dilution of around 5%. Depending on the achievement of ambitious performance hurdles, the granted stock options vest during the last twelve months of the performance period of three years. Then, each option entitles the option's holder to purchase one share of the Company at exercise price (strike price) within an exercise period of three years.

The stock options vest via a four-steps exercise table. For a vesting of 50% (type 1 options) of the initial grant, a minimum share price increase of at least 15% in relation to the exercise price is required. Another 15% (type 2 options) of the initial grant vests when a share price increase by 20%, while the next additional 15% (type 3 options) vest at a share price increase of 30%. For a remaining 20% (type 4 options) vesting of the initial grant, the share price has to increase by at least 40%. In each of the aforementioned cases, vesting is linked to the relevant share price hurdle being exceeded on 20 consecutive trading days within the last twelve months of the performance period of three years. The SOP considers a cap of 300% of the initial share price at grant. In case the minimum performance hurdle of 15% of the share price increase has not been met by the end of the performance period, the respective tranches are subject to forfeiture. In addition, the SOP considers specific conditions with respect to good leavers / bad leavers.

In June 2015, a further grant on similar terms was offered to Senior Management and selected key management personnel (Tranche 2015). The number of granted stock options in 2015 amounted to 526,798, in addition to the first tranche with 624,304 stock options in 2014. The exercise price of the 526,798 stock options granted in the reporting period is EUR 24.35 (closing price of 25 June 2015).

The stock options were accounted for as equity-settled share-based payments in accordance with IFRS 2. The fair value of the stock options was determined using the Black-Scholes model at the grant date. For this purpose, the following parameters were applied:

STOCK OPTION PLAN – VALUATION PARAMETERS

	Tranche 2015	Tranche 2014
Share price at the grant date (in EUR)	24.35	17.00
Exercise price (in EUR)	24.35	22.30
Risk-free rate (in %)	0.82	0.77
Expected time to maturity (in years)	4.50	4.50
Expected volatility (in %)	27.32	20.60
Expected dividend yield (in %)	1.65	2.00

STOCK OPTION PLAN – FAIR VALUE AT GRANT DATE

in EUR	Tranche 2015	Tranche 2014
Type 1	4.47	0.92
Type 2	4.37	0.86
Type 3	4.13	0.73
Type 4	3.84	0.60

The expected volatility for the Tranche 2015 was determined by the historical volatility rates average of 250 day volatility of the Group. According to IFRS 2, the volatility can be estimated on the basis of comparable listed companies if historical data of the Company do not exist.

The expense recognised arising from equity-settled share-based payment transactions amounted to EUR 546 thousand (2014: EUR 42 thousand).

The numbers and exercise price ranges of stock options under the SOP were as follows:

STOCK OPTION PLAN – RECONCILIATION OF OUTSTANDING STOCK OPTIONS

	Number of options 31 Dec 2015	Number of options 31 Dec 2014
Outstanding at 1 January	624,304	0
Exercised during the period	0	0
Forfeited during the period	-120,687	0
Granted during the period	526,798	624,304
Outstanding at the end of the period	**1,030,415**	**624,304**
Exercisable at the end of the period	0	0

The options outstanding had an exercise price in the range of EUR 22.30 to EUR 24.35 (2014: EUR 22.30) and a weighted-average contractual life of 5.0 years (2014: 5.7 years).

As the relevant performance hurdles tests can be successfully passed only in the third year of the performance period (but not in financial year 2015), no potential ordinary shares were considered in conjunction with the calculation of diluted earnings per share, i.e. the earnings per share were not diluted due to the SOP.

(21) Intangible assets

INTANGIBLE ASSETS – DEVELOPMENT IN 2015

(EUR thousand)	Costs						
		Other intangible assets					
	Goodwill	Trade-marks	Customer relationship asset	Technology	Other	Other intangible assets	Goodwill and other intangible assets
31 Dec 2014	**78,580**	**179,569**	**86,731**	**32,926**	**34,919**	**334,145**	**412,725**
Acquired through acquisition of a subsidary	2,469	2,194	7,381	0	2,538	12,113	14,582
Derecognition of subsidaries	0	0	-293	0	293	0	0
Additions	0	0	0	0	5,685	5,685	5,685
Disposals	0	0	0	0	-579	-579	-579
Reclassifications	0	0	0	0	698	698	698
Reclassified to assets held-for-sale	0	0	0	0	-18	-18	-18
Effect of foreign exchange	199	1,919	-850	623	-977	715	914
31 Dec 2015	**81,248**	**183,682**	**92,969**	**33,549**	**42,561**	**352,761**	**434,009**

	Accumulated amortisation and impairment						
		Other intangible assets					
	Goodwill	Trade-marks	Customer relationship asset	Technology	Other	Other intangible assets	Goodwill and other intangible assets
31 Dec 2014	**36,052**	**2,542**	**40,617**	**32,926**	**23,341**	**99,426**	**135,478**
Derecognition of subsidaries	0	0	-293	0	293	0	0
Amortisation for the year	0	86	9,303	0	4,619	14,008	14,008
Impairment	0	0	0	0	0	0	0
Disposals	0	0	0	0	-387	-387	-387
Reclassified to assets held-for-sale	0	0	0	0	-18	-18	-18
Effect of foreign exchange	-23	27	-417	623	-627	-394	-417
31 Dec 2015	**36,029**	**2,655**	**49,210**	**33,549**	**27,221**	**112,635**	**148,664**

	Net book values						
		Other intangible assets					
	Goodwill	Trade-marks	Customer relationship asset	Technology	Other	Other intangible assets	Goodwill and other intangible assets
31 Dec 2014	**42,528**	**177,027**	**46,114**	**0**	**11,578**	**234,719**	**277,247**
31 Dec 2015	**45,219**	**181,027**	**43,759**	**0**	**15,340**	**240,126**	**285,345**

Significant portions (ca 62% / 2014: ca 64%) of intangible assets are pledged as collateral under the current financing structure.

INTANGIBLE ASSETS – DEVELOPMENT IN 2014

(EUR thousand)	Costs						
		Other intangible assets					
	Goodwill	Trade-marks	Customer relationship asset	Technology	Other	Other intangible assets	Goodwill and other intangible assets
31 Dec 2013	**80,909**	**177,902**	**86,900**	**32,180**	**29,060**	**326,042**	**406,951**
Additions	0	0	0	0	2,926	2,926	2,926
Disposals	0	0	-63	0	0	-63	-63
Reclassifications	0	0	0	0	2,678	2,678	2,678
Effect of foreign exchange	-2,329	1,667	-106	746	255	2,562	233
31 Dec 2014	**78,580**	**179,569**	**86,731**	**32,926**	**34,919**	**334,145**	**412,725**

	Accumulated amortisation and impairment						
		Other intangible assets					
	Goodwill	Trade-marks	Customer relationship asset	Technology	Other	Other intangible assets	Goodwill and other intangible assets
31 Dec 2013	**37,121**	**2,518**	**31,813**	**32,180**	**17,615**	**84,126**	**121,247**
Amortisation for the year	0	0	8,716	0	5,571	14,287	14,287
Impairment	0	0	150	0	0	150	150
Disposals	0	0	-23	0	0	-23	-23
Effect of foreign exchange	-1,069	24	-39	746	155	886	-183
31 Dec 2014	**36,052**	**2,542**	**40,617**	**32,926**	**23,341**	**99,426**	**135,478**

	Net book values						
		Other intangible assets					
	Goodwill	Trade-marks	Customer relationship asset	Technology	Other	Other intangible assets	Goodwill and other intangible assets
31 Dec 2013	**43,788**	**175,384**	**55,087**	**0**	**11,445**	**241,916**	**285,704**
31 Dec 2014	**42,528**	**177,027**	**46,114**	**0**	**11,578**	**234,719**	**277,247**

AMORTISATION

Customer relationship assets and technology are amortised using the straight-line method. The remaining useful life for customer relationship assets is seven years for Western European and two years for Eastern European companies.

Other intangible assets include franchises, industrial rights and similar rights measured at cost net of straight-line amortisation and impairment losses.

Depending on the use of the asset, amortisation is recognised in the income statement under either cost of sales (EUR 2,691 thousand) or selling and administrative expenses (EUR 6,459 thousand and EUR 4,358 thousand).

IMPAIRMENT TEST

The value in use of a strategic business unit is determined by discounting the future pre-tax net cash flows expected on the basis of the ongoing operations of the strategic business unit (cash-generating unit).

The cash generating units are structured as follows:

ASIA & AFRICA:

China, India, Malaysia, Indonesia and South Africa

CENTRAL, NORTHERN & EASTERN EUROPE:

Germany, Norway, Sweden, Denmark, Finland, Estonia, Latvia, Lithuania, Poland and Russia.

SOUTHERN EUROPE:

Italy, Turkey, Austria, the Czech Republic, Slovakia, Hungary, Romania, Slovenia, Croatia, Bosnia, Bulgaria, Serbia, Albania, Spain (only from 2015 onwards) and Portugal (only from 2015 onwards)

WESTERN EUROPE:

France, the UK, the Netherlands, Belgium

CHIMNEYS & ENERGY SYSTEMS:

15 European countries

CENTRAL PRODUCTS & SERVICES:

Including manufacturing facilities of the product line components (in Germany and South Africa)

When determining the value in use for the purpose of impairment testing of goodwill and indefinite-life intangible assets, the Group applies the Weighted Average Cost of Capital (WACC) method on a pre-tax basis. The pre-tax capitalisation rates of the respective cash-generating units were between 8.42% (2014: 10.58%) and 12.61% (2014: 17.19%). The pre-tax capitalisation rates and the long-term growth rates of the relevant cash-generating units are as follows:

	2015	
	WACC (pre-tax)	**Long-term growth**
Western Europe	8.50%	0.56%
Central, Nothern & Eastern Europe	8.42%	0.73%
Southern Europe	10.91%	0.76%
Asia & Africa	12.61%	1.90%
Chimneys & Energy Systems	9.35%	0.82%
		2014
Western Europe	10.58%	0.46%
Central, Nothern & Eastern Europe	11.06%	0.70%
Southern Europe	12.92%	0.70%
Asia & Africa	17.19%	2.08%
Chimneys & Energy Systems	11.71%	0.85%

The future pre-tax net cash flows of the respective cash-generating units (CGUs) are derived from the Group's three-year business plan considering revenues, selling and procurement prices, capital expenditures and changes in working capital. The underlying parameters are based on both, the Group's Senior Management's experience and estimates, as well as external market knowledge.

With respect to revenues, specific growth rates for each region were taken into account for each year in the mid-term business plan. These growth rates take into consideration the long-term real growth of the respective economies and the growth expectation of the business sector in those countries where the CGU performs its business activitiy.

Goodwill has been allocated to the CGUs for impairment testing as follows:

GOODWILL

(EUR thousand)	31 Dec 2014	Additions/ change in consolid. Group	Foreign currency translation	Impairment	31 Dec 2015
Western Europe	2,448	0	0	0	2,448
Central, Northern & Eastern Europe	30,660	0	647	0	31,307
Southern Europe	460	223	0	0	683
Asia & Africa	5,072	2,246	-425	0	6,893
Chimneys & Energy Systems	3,888	0	0	0	3,888
Total	**42,528**	**2,469**	**222**	**0**	**45,219**

(EUR thousand)	31 Dec 2013	Additions/ change in consolid. Group	Foreign currency translation	Impairment	31 Dec 2014
Western Europe	2,448	0	0	0	2,448
Central, Northern & Eastern Europe	32,221	0	-1,561	0	30,660
Southern Europe	460	0	0	0	460
Asia & Africa	4,771	0	301	0	5,072
Chimneys & Energy Systems	3,888	0	0	0	3,888
Total	**43,788**	**0**	**-1,260**	**0**	**42,528**

Trademarks with indefinite useful lifes acquired through business combinations have been allocated to CGUs for impairment testing as:

TRADEMARKS

(EUR thousand)	31 Dec 2014	Additions/ change in consolid. Group	Foreign currency translation	Impairment	31 Dec 2015
Western Europe	**31,769**	0	1,692	0	**33,461**
Central, Northern & Eastern Europe	**59,878**	0	0	0	**59,878**
Southern Europe	**44,036**	0	180	0	**44,216**
Asia & Africa	**0**	1,768	20	0	**1,788**
Chimneys & Energy Systems	**41,344**	0	0	0	**41,344**
Total	**177,027**	**1,768**	**1,892**	**0**	**180,687**

(EUR thousand)	31 Dec 2013	Additions/ change in consolid. Group	Foreign currency translation	Impairment	31 Dec 2014
Western Europe	**29,740**	0	2,029	0	**31,769**
Central, Northern & Eastern Europe	**59,878**	0	0	0	**59,878**
Southern Europe	**44,422**	0	-386	0	**44,036**
Chimneys & Energy Systems	**41,344**	0	0	0	**41,344**
Total	**175,384**	**0**	**1,643**	**0**	**177,027**

Impairment losses are generally recorded under 'Impairments' in a separate line in the income statement. A comparison of the values in use of the CGUs with the corresponding carrying amounts, including goodwill, resulted in no need for a write-down in 2015. In case of a minor change (sensitivity analysis) in the aforementioned key assumptions, impairments would not be required for the CGUs.

(22) Property, plant and equipment

PROPERTY, PLANT AND EQUIPMENT – DEVELOPMENT IN 2015

(EUR thousand)			Costs		
	Land	Buildings incl. building on land owned by others	Other items of property, plant and equipment	Construction in progress	Total
31 Dec 2014	**212,155**	**206,444**	**684,781**	**30,965**	**1,134,345**
Acquired through acquisition of a subsidiary	7,511	9,197	25,805	1,216	43,729
Derecognition of subsidaries	-58	0	0	-362	-420
Additions	425	2,305	24,600	26,395	53,725
Disposals	-1,422	-1,281	-252	-231	-3,186
Reclassifications	607	2,841	24,540	-28,487	-499
Reclassified from assets held-for-sale	1,185	0	0	0	1,185
Reclassified to assets held-for-sale	-5,497	-2,889	-12,490	-292	-21,168
Effect of foreign exchange	359	-770	2,883	68	2,540
31 Dec 2015	**215,265**	**215,847**	**749,867**	**29,272**	**1,210,251**

			Accumulated depreciation and impairment		
	Land	Buildings incl. building on land owned by others	Other items of property, plant and equipment	Construction in progress	Total
31 Dec 2014	**23,453**	**91,208**	**401,781**	**487**	**516,929**
Derecognition of subsidaries	-6	0	0	-362	-368
Depreciation for the year	3,389	14,141	55,782	0	73,312
Impairment	300	0	574	0	874
Reversal of impairment	-359	-770	-2,125	0	-3,254
Disposals	-150	-566	-853	-126	-1,695
Reclassifications	0	0	0	0	0
Reclassified to assets held-for-sale	-3,652	-2,286	-10,822	0	-16,760
Effect of foreign exchange	40	-252	1,693	1	1,482
31 Dec 2015	**23,015**	**101,475**	**446,030**	**0**	**570,520**

			Net book values		
	Land	Buildings incl. building on land owned by others	Other items of property, plant and equipment	Construction in progress	Total
31 Dec 2014	**188,702**	**115,236**	**283,000**	**30,478**	**617,416**
31 Dec 2015	**192,250**	**114,372**	**303,837**	**29,272**	**639,731**

Significant portions (ca 75 % / 2014: ca 80 %) of property, plant and equipment are pledged as collateral under the current financing structure.

GOVERNMENT GRANTS

Government grants received in 2007, are deducted from the purchase price of the related asset, amount to EUR 2,057 thousand (2014: 3,572 thousand) and were conditional in order to create long-term jobs (70 FTEs) in a French plant.

PROPERTY, PLANT AND EQUIPMENT – DEVELOPMENT IN 2014

(EUR thousand)	Costs				
	Land	Buildings incl. building on land owned by others	Other items of property, plant and equipment	Construction in progress	Total
31 Dec 2013	**205,813**	**203,695**	**643,424**	**22,708**	**1,075,640**
Additions	1,127	3,890	22,794	29,834	57,645
Disposals	-1,183	-1,609	-1,739	-51	-4,582
Reclassifications	2,762	3,071	17,260	-21,794	1,299
Reclassified from assets held-for-sale	2,300	257	143	0	2,700
Reclassified to assets held-for-sale	-1,020	0	0	0	-1,020
Effect of foreign exchange	2,356	-2,860	2,899	268	2,663
31 Dec 2014	**212,155**	**206,444**	**684,781**	**30,965**	**1,134,345**

	Accumulated depreciation and impairment				
	Land	Buildings incl. building on land owned by others	Other items of property, plant and equipment	Construction in progress	Total
31 Dec 2013	**21,272**	**79,898**	**343,014**	**455**	**444,639**
Depreciation for the year	1,819	14,949	59,661	0	76,429
Impairment	712	0	6,214	0	6,926
Reversal of impairment	-273	-1,575	-7,747	-2	-9,597
Disposals	-200	-701	-934	0	-1,835
Reclassifications			0	0	0
Reclassified to assets held-for-sale	-120	0	0	0	-120
Effect of foreign exchange	243	-1,363	1,573	34	487
31 Dec 2014	**23,453**	**91,208**	**401,781**	**487**	**516,929**

	Net book values				
	Land	Buildings incl. building on land owned by others	Other items of property, plant and equipment	Construction in progress	Total
31 Dec 2013	**184,541**	**123,797**	**300,410**	**22,253**	**631,001**
31 Dec 2014	**188,702**	**115,236**	**283,000**	**30,478**	**617,416**

(23) Investments accounted for using the equity method

Investments accounted for using the equity method include joint ventures and associates as follows:

(EUR thousand)	31 Dec 2015	31 Dec 2014
Interest in joint ventures	**8,077**	**8,557**
Spunbond Holdings (Pty) Ltd. (50%) [1]	5,545	5,983
RBB N.V. (50%)	2,532	2,574
Interests in associates	**0**	**0**
CPAC Monier (Cambodia) Co. Ltd. (25%) [2]	0	0
Tejas Cobert S.A. (47%) [3]	0	0
Investments in associates and joint ventures	**8,077**	**8,557**

(1) Spunbond Holdings (Pty) Ltd. (see Note (37))

(2) CPAC Monier (Cambodia) Co. Ltd. was sold on 12 May 2014 (see Note (37))

(3) Tejas Cobert S.A. was classified as an asset held-for-sale as of 31 December 2014 and was sold in 2015

Investments in associates and joint ventures are accounted for in accordance with the equity method. Increases and decreases in the carrying amount of these investments may result from recognising the investor's share in profit or loss or from any other changes in the investee's equity. Distributions received reduce the carrying amount. More information about the complete investment structure is shown in Note (37).

The exposure to further impairment losses is limited to the carrying amount of EUR 8,077 thousand. The carrying amounts may be reinstated if the recoverable amounts increase.

JOINT VENTURES

End of 2015 the Braas Monier was venturer of the two following joint ventures (both with equity interests of 50%):

- RBB N.V., Tessenderlo / Belgium (joint venture partner: Eternit B.V., LV Goor / The Netherlands)
  Principal activity / core business: production of concrete roof products, which are supplied to Eternit B.V. in Belgium and Monier B.V. in the Netherlands.

- Spunbond Holdings (Pty) Ltd., Mount Edgecombe / South Africa (joint venture partner: Strand Group Holdings (Pty) Ltd., Mount Edgecombe / South Africa)
  Principal activity / core business: leading producer of Spunbond in South Africa. Spunbond produces non-woven Poly Propylene (PP) Spunbond and laminated Spunbond products. The company primarily delivers to the roofing industry but also to bedding & furniture, agricultural and hygiene industries. For the roofing industry, Spunbond is the main supplier for Monier Roofing Components in Germany.

The following tables summarise the financial information of Spunbond Holdings (PTY) Ltd. and RBB N.V., both non-publicly listed companies, as included in their own financial statements. The tables also reconcile the summarised financial information to the carrying amount of the Group's interest in Spunbond Holdings (Pty) Ltd. and RBB N.V.:

SPUNBOND HOLDINGS (PTY) LTD.

(EUR thousand)	31 Dec 2015 2015	31 Dec 2014 2014
Percentage ownership interest	**50%**	**50%**
Non-current assets	7,997	9,307
Current assets (including cash and cash equivalents - 2015: EUR 1,062 thousand, 2014: EUR 677 thousand)	8,351	9,502
Non-current liabilities (including non-current financial liabilities excluding trade and other payables and provisions - 2015: EUR 244 thousand, 2014: EUR 296 thousand)	-1,784	-2,161
Current liabilities (including non-current financial liabilities excluding trade and other payables and provisions - 2015: EUR 1,028 thousand, 2014: EUR 1,234 thousand)	-3,474	-4,682
Net assets	**11,090**	**11,966**
Group's share of net assets (50%)	5,545	5,983
Carrying amount of interest	**5,545**	**5,983**
Revenues	28,190	26,803
Depreciation and amortisation	-761	-725
Interest expense	-9	-96
Income tax expense	-907	-507
Profit for the period (100%)	2,350	1,261
Other comprehensive income (100%)	-2,178	582
Total comprehensive income (100%)	172	1,843
Group's share of profit and total comprehensive income (50%)	**86**	**922**
Dividends received by the Group (50%)	**570**	**0**

RBB N.V.

(EUR thousand)	31 Dec 2015 2015	31 Dec 2014 2014
Percentage ownership interest	**50%**	**50%**
Non-current assets	5,598	4,584
Current assets (including cash and cash equivalents - 2015: EUR 283 thousand, 2014: EUR 501 thousand)	2,132	3,833
Non-current liabilities (including non-current financial liabilities excluding trade and other payables and provisions - 2015: EUR 0, 2014: EUR 0)	-1,836	-1,928
Current liabilities (including non-current financial liabilities excluding trade and other payables and provisions - 2015: EUR 0, 2014: EUR 0)	-830	-1,341
Net assets	**5,064**	**5,148**
Group's share of net assets (50%)	2,532	2,574
Carrying amount of interest	**2,532**	**2,574**
Revenues	5,369	6,019
Depreciation and amortisation	-421	-394
Interest expense	-6	-76
Income tax expense	24	-156
Profit (loss) for the period (100%)	-85	471
Other comprehensive income (100%)	0	-31
Total comprehensive income (100%)	-85	440
Group's share of loss (profit) and total comprehensive income (50%)	**-43**	**219**
Dividends received by the Group (50%)	**0**	**0**

There are no contingent liabilities relating to the Group's interest in the joint ventures.

ASSOCIATES

On 12 May 2014, the Group's interest of 25 % in the associate CPAC Monier (Cambodia) Co. Ltd. (not publicly listed) was sold. Thus, the information for the period 2014 includes the results only for the period from 1 January 2014 to 12 May 2014.

CPAC MONIER (CAMBODIA) CO. LTD.

(EUR thousand)	2015	2014
Percentage ownership interest	**-**	**25 %**
Non-current assets	-	-
Current assets	-	-
Non-current liabilities	-	-
Current liabilities	-	-
Net assets	**-**	**-**
Group's share of net assets (25 %)	-	-
Impairment	-	-
Carrying amount of interest	**-**	**-**
Revenues	-	754
Depreciation and amortisation	-	-102
Interest income	-	7
Income tax expense	-	-14
Profit for the period (100 %)	-	54
Other comprehensive income (100 %)	-	0
Total comprehensive income (100 %)	-	54
Group's share of profit and other comprehensive income (20 %)	**-**	**13**

(24) Other financial assets

(EUR thousand)	31 Dec 2015	31 Dec 2014
Embedded derivatives	9,074	2,265
Assumed indemnification asset	1,500	-
Receivables from factoring (long term)	200	2,100
Long-term investments	502	639
Loans to joint ventures	240	279
Other financial assets	**11,516**	**5,283**

The embedded derivatives exclusively include the positive fair value of the early redemption option of the Senior Secured Floating Notes (FRN) issued in April 2014 (see Note (35)).

(25) Inventories

(EUR thousand)	31 Dec 2015	31 Dec 2014
Raw materials, production supplies	59,802	55,730
Work in progress and finished goods	148,549	133,793
Merchandise	13,725	11,367
Inventories	**222,076**	**200,890**

In 2015, inventories amounting to EUR 458,620 thousand (2014: EUR 441,873 thousand) were recorded as cost of sales. Significant portions (ca 78% / 2014: ca 82%) of inventories are pledged as collateral under the current financing structure. Inventories that are expected to be turned over within twelve months amount to EUR 222,076 thousand (2014: EUR 200,890 thousand).

VALUATION ALLOWANCE ON INVENTORIES

(EUR thousand)	31 Dec 2015	31 Dec 2014
Opening balance	30,250	34,744
Allocation recognized in profit or loss	3,818	3,104
Exchange rate fluctuations recognised	-83	107
Change in scope / reclassification	0	-496
Utilisation	-2,570	-4,326
Reversal	-2,783	-2,883
Balance at year-end	**28,632**	**30,250**

Allocations recognised in profit or loss less reversals resulted in a net amount of EUR 1,035 thousand (2014: EUR 221 thousand), recognised partially as valuation allowance, partially as cost of sales in the income statement.

Reversal of valuation allowances on inventories were partially due to rework in the quality of finished goods, bringing them in a saleable condition. In addition, some spare parts were used for maintenance work.

The carrying amount of inventories carried at fair value less costs to sell amounts to EUR 55,492 thousand (2014: EUR 51,298 thousand).

(26) Trade accounts receivables

On 31 December 2015, the ageing of trade receivables was as follows:

AGEING OF TRADE RECEIVABLES

(EUR thousand)	Gross amounts 31 Dec 2015	Impaired amounts 31 Dec 2015	Net amounts (impaired) 31 Dec 2015	Net amounts (impaired) 31 Dec 2014
Not past due	81,278	-3,025	78,253	80,684
Past due 1 – 30 days	12,108	-625	11,483	15,203
Past due 31 – 60 days	3,651	-523	3,128	2,409
Past due 61 – 90 days	1,510	-825	685	701
Past due 91 – 180 days	1,401	-1,003	398	829
Past due more than 180 days	12,092	-11,961	131	858
Trade accounts receivables, net	**112,040**	**-17,962**	**94,078**	**100,684**

If it is not, or expected to be not possible to collect all amounts due (principal and interest) in line with the contractual terms of receivables classified as originated, an impairment is recognised. See Note (35) on credit risk, which explains how the Group manages and measures credit quality of trade receivables that are not past due.

The movement in the valuation allowance on trade accounts receivables during the year was as follows:

VALUATION ALLOWANCE ON TRADE RECEIVABLES

(EUR thousand)	31 Dec 2015	31 Dec 2014
Opening balance	16,256	18,995
Allocation recognised in profit or loss	2,735	1,679
Exchange rate fluctuations	-400	82
Change in scope / reclassification	1,994	312
Utilisation	-66	-4,162
Reversal	-2,557	-650
Balance at year-end	**17,962**	**16,256**

Significant portions (ca 72% / 2014: ca 72%) of trade accounts receivables are pledged as collateral under the current financing structure were pledged as collateral under the former financing structure).

Valuation allowances on bad debts are recognised as selling expenses in the income statement.

In 2015, we managed to optimise our factoring efficiency with regards to factored amounts and associated costs for our French receivable factoring programme by introducing a new factoring provider. In addition, similar programmes were newly introduced and rolled out in the UK and Spain. All factoring programmes in place are established on a non-recourse basis. As of 31 December 2015, receivables were transferred to the factoring providers and derecognised in the respective balance sheet in a total amount of EUR 31.1 million (2014: EUR 18.3 million).

The factoring fees reflected in the 2015 financial results amount to EUR 0.8 million (2014: EUR 0.3 million related to France) and include all three jurisdictions where factoring programmes have been established.

(27) Other assets

(EUR thousand)	31 Dec 2015	thereof due < 1 year	thereof due > 1 year	31 Dec 2014	thereof due < 1 year	thereof due > 1 year
Tax receivables	16,003	14,487	1,516	14,295	12,241	2,054
Prepayments	7,095	4,451	2,644	6,351	6,349	2
Receivables from factoring	1,952	1,952	0	4,899	4,899	0
Receivables from employees	2,811	2,240	571	3,205	2,713	492
Deposits	2,810	2,810	0	1,865	1,862	3
Receivables from affiliates	9	9	0	84	84	0
Other assets	5,150	5,101	49	2,605	2,605	0
Other receivables and other assets	**35,830**	**31,050**	**4,780**	**33,304**	**30,753**	**2,551**

(28) Assets held-for-sale

(EUR thousand)	31 Dec 2015	31 Dec 2014
Assets held-for-sale	**4,407**	**2,085**

Assets held-for-sale of EUR 4,407 thousand (2014: EUR 2,085 thousand) consist of land, buildings and other items of property, plant and equipment no longer needed for operational purposes in Italy (Segment Southern Europe) and China (Segment Asia & Africa). The plants were closed in connection with production optimisation. We expect to sell the assets within the next 12 months. A total impairment on those assets held-for-sale of EUR 8,528 thousand did apply (thereof EUR 574 thousand in 2015).

As a sale at an appropriate value can no longer be expected in the near future, land located in the UK, which had been classified as asset held-for-sale in 2014, was reclassified into property, plant and equipment at their carrying amount of EUR 1,185 thousand.

Assets held-for-sale are measured at the lower of their carrying amount prior to classification of the group of assets as held-for-sale and the fair value less costs to sell.

(29) Cash and cash equivalents

(EUR thousand)	31 Dec 2015	31 Dec 2014
Checks, cash on hand, bank balances	183,203	180,687
Short-term investments	192	253
Cash and cash equivalents	**183,395**	**180,940**

Significant portions (ca 85 % / 2014: ca 72 %) of cash and cash equivalents are pledged as collateral under the current financing structure. An amount of EUR 26.0 million (2014: EUR 19.8 million) has to be disclosed as restricted cash due to the fact that these amounts are held by subsidiaries in countries that apply exchange controls and hence, these amounts are not available for general use by the parent or other subsidiaries. Nevertheless, the subsidiaries that hold the cash and cash equivalents have access to and can use these amounts for operating businesses in their home countries.

(30) Equity

As of 31 December 2015, total equity amounted to EUR 147,046 thousand (31 December 2014: EUR 92,926 thousand). The development of equity and reserves are shown in the consolidated statement of changes in equity.

SUBSCRIBED CAPITAL

As of 31 December 2015, the Company's subscribed capital amounted to EUR 391,667 and was composed of 39,166,667 bearer shares with a nominal value of EUR 0.01 each. The subscribed capital is fully paid up. The Company's share capital may be increased or reduced by a resolution of the general meeting of shareholders of the Company adopted in the manner required for an amendment of its articles of association or on the basis of the Company's authorised capital provided for in the articles of association.

Holders of shares (ordinary shares) are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

ADDITIONAL PAID-IN CAPITAL

As of 31 December 2015, the additional capital paid in amounted to EUR 391,270 thousand (31 December 2014: EUR 403,020 thousand).

The Group paid a dividend of 0.30 EUR per share in 2015.

RESERVES

Hedging reserve
The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss.

Foreign currency translation reserve
The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

RETAINED EARNINGS

The development of retained earnings is shown in the consolidated statement of changes in equity. The retained earnings comprise the net income (loss) for the financial year and past contribution to earnings by the consolidated companies, provided they have not been distributed. Additionally, the retained earnings contain actuarial gains of EUR 8,979 thousand (2014: losses of EUR 55,572 thousand) and the value of equity-settled share-based payments of EUR 546 thousand (2014: EUR 42 thousand).

NON-CONTROLLING INTERESTS

Non-controlling interests in companies in the Group amounted to EUR 1,483 thousand (2014: EUR 1,625 thousand).

(31) Provisions for pension liabilities and similar obligations

EMPLOYEE BENEFITS

Many of the Group employees around the world benefit from employee benefit programmes. These include short-term employee, post-employment and other long-term employee benefits. Within these employee benefit programmes, pension plans are the most prominent. The amount of benefit depends on annual income and / or position in the Company and years of service. The figures related to Germany are not including the employee benefit programmes for Chimneys & Energy Systems and individual cancellation agreements.

Almost all employees in Germany participate in a pension plan. But there are also pension plans outside of Germany, especially in the Netherlands, other European countries and the U.S. There are funded plans in the U.S. and Austria and among the other immaterial plans.

Defined benefit plans in the relevant countries are designed and based on local needs and requirements. Nearly all of these plans are closed for new entrants. The latest pension plan in Germany was closed to new entrants with effect from 1 January 2016. It is a scheme based on yearly benefit units. A certain percentage of the pensionable income is accrued on a notional account together with a guaranteed return. At retirement, the accrued account balance is converted into a pension with an option for spousal benefits. The plan allows for employee participation via salary sacrifice. A significant number of employees are still covered under an older pension scheme, which was closed in 2001 and provides fixed amounts for each year of service, depending on the wage group.

Accrued benefits in the Netherlands as of 31 December 2008 were insured. Monier has decided to index the insured benefits. The current defined benefit (DB) plan in the Netherlands covers this indexation.

There is a final salary scheme in the U.S., which has been closed to new entrants and future accrual.

The Braas Monier Building Group also holds retirement indemnity plans in France, Italy and Austria providing mandatory lump sum benefits. Except for an additional fully reinsured pension plan in Austria, the schemes in Austria and Italy are closed to new entrants. In South Africa, Braas Monier also offers a healthcare scheme. The respective risks are not material from a Group perspective.

Under IAS 19 employee benefits are either categorised as defined benefit (DB) or defined contribution (DC) plans. Employee benefit programmes that are not DC plans are to be categorised as DB plans. For these benefits, a liability has to be recognised in the statement of financial position. The majority of the pension plans in the Group are DB plans.

Under DC plans, an entity pays fixed contributions into a separate entity (a fund) to finance the benefits and does not have any further obligation from that arrangement. Contributions to a DC plan are recognised in earnings in the year that they are due.

The defined benefit liabilities are valued annually by qualified actuaries and are calculated using the projected unit credit method. The exact amount of the pension liability resulting from a DB plan is not known with certainty at the balance sheet date. Assumptions are to be made about future wage increases, employee turnover, mortality and disability rates as well as retirement ages and all other items that influence the amount and timing of the payment. The assumptions used for the valuation reflect the Group's best estimate of future developments and were determined in accordance with market conditions and best practice in each relevant country. As prescribed by IAS 19, the discount rate was determined by reference to market yields at the balance sheet date on high-quality corporate bonds consistent with the currency and terms of the obligations.

Under IAS 19 (2011), the balance sheet liability equals the difference between the DB obligations and plan assets, adjusted for any effect from the asset ceiling if applicable.

The amounts recognised in the statement of financial position are as follows:

Amounts recognised in the statement of financial position	31 Dec 2015		
(EUR thousand)	Total	Germany	Others
Defined benefit obligation	-404,149	-335,432	-68,717
Fair value of plan assets	19,049	0	19,049
Surplus / (deficit)	-385,100	-335,432	-49,668
Amount not recognised as an asset according to the ceiling of IAS 19.64	0	0	0
Net liability recognised in statement of financial position	**-385,100**	**-335,432**	**-49,668**
thereof liability	-385,100	-335,432	-49,668
Experience adjustments on plan liabilities (gain) / loss	-2,191	-1,556	-635
Experience adjustments on plan assets (gain) / loss	825	0	825

Amounts recognised in the statement of financial position	31 Dec 2014		
(EUR thousand)	Total	Germany	Others
Defined benefit obligation	-413,922	-347,249	-66,673
Fair value of plan assets	18,074	0	18,074
Surplus / (deficit)	-395,848	-347,249	-48,599
Amount not recognised as an asset according to the ceiling of IAS 19.64	0	0	0
Net liability recognised in statement of financial position	**-395,848**	**-347,249**	**-48,599**
thereof liability	-395,848	-347,249	-48,599
Experience adjustments on plan liabilities (gain) / loss	-1,899	-873	-1,026
Experience adjustments on plan assets (gain) / loss	-693	0	-693

The payments for DC plans amount to EUR 9,610 thousand (2014: 9,510 thousand).

PENSION LIABILITIES

The following tables set forth the changes in the defined benefit obligation, the changes in fair value of plan assets and the net amount recognised in the balance sheet for the various defined benefit plans:

Changes in the present value of the defined benefit obligation	31 Dec 2015		
(EUR thousand)	Total	Germany	Others
Defined benefit obligation at the beginning of the year	-413,922	-347,249	-66,673
Current service cost	-5,314	-3,902	-1,412
Interest cost	-8,633	-6,892	-1,651
Past service cost	-1,714	0	-1,714
Settlements	896	0	896
Actuarial gains / (losses) - experience	2,191	1,556	635
Actuarial gains / (losses) - demographic assumptions	442	0	442
Actuarial gains / (losses) - financial assumptions	10,276	8,294	1,982
Transfers	-339	0	-339
Benefit payments	14,251	12,851	1,400
Exchange rate differences on foreign plans	-2,283	0	-2,283
Defined benefit obligation at the end of the year	**-404,149**	**-335,432**	**-68,717**
- including commitments that are wholly unfunded	-366,558	-335,432	-31,126
- including commitments that are wholly or partially funded	-37,591	0	-37,591

The past service cost is a combination of plan amendments due to individual cancellation agreements among the other immaterial plans (EUR 1,700 thousand related to the termination of the contract with the CEO) and in Austria (EUR 45 thousand), partially offset by a credit of EUR -31 thousand due to the change of the revaluation tax rate for TFR liabilities in Italy.

Settlement payments of EUR 891 thousand were made in the Netherlands in connection with the pension indexation. Since the amount of settlement payments was slightly lower than the reduction of EUR 884 thousand in the DB obligations, a settlement loss of EUR 7 thousand was incurred.

There has been an additional settlement payment of EUR 12 thousand for the pension plan of Bramac Dachsysteme International GmbH in Austria.

Changes in the present value of the defined benefit obligation		**31 Dec 2014**	
(EUR thousand)	**Total**	**Germany**	**Others**
Defined benefit obligation at the beginning of the year	-332,073	-278,354	-53,719
Current service cost	-4,011	-2,891	-1,120
Interest cost	-11,906	-9,523	-2,383
Past service cost	-18	0	-18
Settlements	0	0	0
Actuarial gains / (losses) - experience	1,899	873	1,026
Actuarial gains / (losses) - demographic assumptions	-1,193	0	-1,193
Actuarial gains / (losses) - financial assumptions	-79,879	-69,734	-10,145
Transfers	-394	0	-394
Benefit payments	16,217	12,380	3,837
Exchange rate differences on foreign plans	-2,564	0	-2,564
Defined benefit obligation at the end of the year	**-413,922**	**-347,249**	**-66,673**
- including commitments that are wholly unfunded	-380,436	-347,249	-33,187
- including commitments that are wholly or partially funded	-33,486	0	-33,486

Changes in the fair value of plan assets		**31 Dec 2015**	
(EUR thousand)	**Total**	**Germany**	**Others**
Fair value of plan assets at the beginning of the year	18,074	0	18,074
Interest income on plan assets	700	0	700
Actuarial gains / (losses) - experience	-825	0	-825
Employer contributions	-10	0	-10
Benefit payments	-828	0	-828
Exchange rate differences on foreign plans	1,938	0	1,938
Fair value of plan assets at the end of the year	**19,049**	**0**	**19,049**
Actual return (loss) on plan assets	-125	0	-125

Changes in the fair value of plan assets	31 Dec 2014		
(EUR thousand)	Total	Germany	Others
Fair value of plan assets at the beginning of the year	15,155	0	15,155
Interest income on plan assets	699	0	699
Actuarial gains / (losses) - experience	693	0	693
Employer contributions	451	0	451
Benefit payments	-952	0	-952
Exchange rate differences on foreign plans	2,028	0	2,028
Fair value of plan assets at the end of the year	**18,074**	**0**	**18,074**
Actual return (loss) on plan assets	1,392	0	1,392

Change of net liability recognised in financial statements	31 Dec 2015		
(EUR thousand)	Total	Germany	Others
Net liability at the beginning of the year	-395,848	-347,249	-48,599
Amounts recognised in profit or loss	-15,079	-10,912	-4,167
Remeasurements recognised in OCI	12,195	9,878	2,317
Business combinations and transfers	-339	0	-339
Employer contributions	-10	0	-10
Benefit payments paid directly from the Company	14,326	12,851	1,475
Exchange rate differences on foreign plans	-345	0	-345
Net liability at the end of the year	**-385,100**	**-335,432**	**-49,668**

Change of net liability recognised in financial statements	31 Dec 2014		
(EUR thousand)	Total	Germany	Others
Net liability at the beginning of the year	-316,918	-278,354	-38,564
Amounts recognised in profit or loss	-15,879	-12,997	-2,882
Remeasurements recognised in OCI	-77,837	-68,278	-9,559
Business combinations and transfers	-394	0	-394
Employer contributions	451	0	451
Benefit payments paid directly from the Company	15,265	12,380	2,885
Exchange rate differences on foreign plans	-536	0	-536
Net liability at the end of the year	**-395,848**	**-347,249**	**-48,599**

PENSION EXPENSE

The expense that is to be recognised in profit or loss for benefits comprises several components, which are to be disclosed separately. Under the revised accounting standard IAS 19 (2011), the service cost includes the current service cost as well as the effects of any plan amendments, curtailments or settlement gains or losses that occurred during the year. Current service cost is the increase in the DB obligations resulting from employee service in the current period. According to IAS 19 (2011), a net interest on the net defined benefit liability is determined by the discount rate used for the valuation of the defined benefit obligation at the beginning of the year. The net interest is the balance of the interest cost on the DB obligations, which is the increase arising in the DB obligations during a period, because of the fact that the benefits are one period closer to settlement, and the interest income on plan assets, determined with the discount rate at the beginning of the year, and, if applicable, adjusted by the interest on any effect of the asset ceiling.

In the financial year 2015, the Group recognised pension expenses of EUR 15.1 million (2014: EUR 15.9 million) in profit and loss. The P&L expense for the financial years 2015 and 2014 consist of the following components:

Amounts recognised in profit or loss	2015		
(EUR thousand)	Total	Germany	Others
Current service cost	-5,314	-3,902	-1,412
Past service cost	-1,714	0	-1,714
(Losses) / gains on settlements and Other	-7	0	-7
Interest cost on DB obligations	-8,633	-6,982	-1,651
Interest income on plan assets	700	0	700
Immediate recognition of gains / (losses) for jubilee plans	-111	-28	-83
Total included in 'employee benefits P&L expense'	**-15,079**	**-10,912**	**-4,167**

Amounts recognised in profit or loss	2014		
(EUR thousand)	Total	Germany	Others
Current service cost	-4,011	-2,891	-1,120
Past service cost	-18	0	-18
Interest cost on DB obligations	-11,906	-9,523	-2,383
Interest income on plan assets	699	0	699
Immediate recognition of gains / (losses) for jubilee plans	-643	-583	-60
Total included in 'employee benefits P&L expense'	**-15,879**	**-12,997**	**-2,882**

In addition, the Group recognised a gain of EUR 12,195 thousand directly in Other Comprehensive Income in 2015 (2014: loss of EUR 77,837 thousand).

CASH FLOW

Pension payments from pension plans that are not covered by assets have to be paid directly by the Company and reduce liquidity at the time of payment. Benefit payments of funded arrangements are paid from the plan assets and do not affect the Company's liquidity at the time of payment. But, in this case, employer contributions to the plan assets reduced the liquid operating income in prior periods.

In the financial year 2015, benefit payments amounted to EUR 14.3 million (2014: EUR 16.2 million), of which EUR 13.4 million (2014: EUR 15.3 million) were paid by the Group directly. Estimated benefit payments for 2016 amount to EUR 16.6 million, of which EUR 15.4 million are expected to be paid by the Group directly. Employer contributions to the plan assets amounted to EUR -10 thousand (2014: EUR 0.5 million).

ASSUMPTIONS

The weighted average value of the assumptions for the defined benefit plans used to determine the benefit liability and the expense are as follows:

Actuarial assumptions at the end of the year	31 Dec 2015		
	Total	Germany	Others
Discount rate	2.31 %	2.20 %	2.85 %
Rate of compensation increase	2.26 %	2.25 %	2.28 %
Post-retirement pension increases	1.65 %	1.65 %	1.71 %

The mortality tables applied are country-specific. In most countries, the same tables as last year were applied. For Germany, these are adjusted Heubeck 2005 G tables ('Heubeck 2005 G mit Vollanpassung 2011'), which reflect recent mortality improvements that can be seen from the available data provided by the German Federal Bureau of Statistics. The adjustments to the Heubeck tables are reviewed annually on appropriateness. Changes of the mortality tables in the U.S. resulted in a gain due to changes in demographic assumptions of EUR 442 thousand.

Due to the increase of the discount rate in all countries, there has been a financial assumption gain of EUR 10,276 thousand across the Group in 2015.

The assumptions as at the end of the year are also used for the calculation of the benefit expense of the following year. The annual expense for the financial year was determined based on the following assumptions:

Actuarial assumptions at the end of the year	31 Dec 2014		
	Total	Germany	Others
Discount rate	2.14%	2.05%	2.61%
Rate of compensation increase	2.26%	2.25%	2.31%
Post-retirement pension increases	1.66%	1.65%	1.71%

The discount rate assumptions reflect the market yields at the balance sheet date of high-quality fixed income investments corresponding to the currency and duration of the liabilities.

PLAN RISKS

Defined Benefit plans carry general risks related to the assumptions made in the calculation of the DB obligations such as discount rate risk and risks related to future increases of the individual entitlements, as well as longevity risk. Currency and investment risks could also have an impact. Braas Monier has investigated these risks, and the discount rate, the compensation increase rate and the post-retirement pension increase rate are considered to be the only assumptions for which a reasonably possible change is deemed to have a significant impact from a Group perspective. Sensitivity information about the impact of a change in the discount rate as well as the impact of a change in the compensation inrease and post-retirement pension increase rate are shown below.

The majority of the defined benefit liability is allocated to the unfunded plans in Germany. Braas Monier does not expect a significant risk for the Group, neither from currency translation developments nor the capital market risk. In Germany, the pension plan that covers the majority of active members is only linked to the career average salary and grants fixed-benefit increases after retirement. This significantly reduces the risk exposure to unexpected salary and inflation increases.

SENSITIVITY INFORMATION AND AVERAGE DURATION OF LIABILITIES

According to IAS 19.145, sensitivities are to be calculated for each significant assumption. The discount rate sensitivity, compensation increase rate sensitivity and post-retirement pension increase rate sensitivity have been calculated by increasing / decreasing the respective assumptions by 25 basis points while all other assumptions were generally left unchanged. In reality there may be interdependencies with other assumptions, which are not considered in this calculation.

An increase (decrease) of the discount rate assumption by 25 basis points as of 31 December 2015 would have decreased the DB obligations by EUR 15.2 million (increased the DB obligations by EUR 16.2 million). As of 31 December 2014, an increase (decrease) of the discount rate assumption by 25 basis points would have decreased the DB obligations by EUR 16.2 million (increased the DB obligations by EUR 17.0 million).

The sensitivity results are summarised in the following table:

Amounts recognised in the statement of financial position	31 Dec 2015		
(EUR thousand)	Total	Germany	Others
Assumptions			
Discount Rate	2.31%	2.20%	2.86%
Rate of Compensation Increase	2.26%	2.25%	2.31%
Post-retirement Pension Increases	1.65%	1.65%	1.65%
Defined Benefit Obligations	**404,149**	**335,432**	**68,717**
Discount Rate Sensitivity			
Effect of increase in discount rate of 25 bps on DB obligations	-15,244	-13,265	-1,979
Effect of decrease in discount rate of 25 bps on DB obligations	16,155	14,060	2,095
Compensation Increase Rate Sensitivity			
Effect of increase in compensation increase rate of 25 bps on DB obligations	602	336	266
Effect of decrease in compensation increase rate of 25 bps on DB obligations	-582	-325	-257
Post-retirement Pension Increase Rate Sensitivity			
Effect of increase in post-retirement pension increase rate of 25 bps on DB obligations	11,297	8,390	2,907
Effect of decrease in post-retirement pension increase rate of 25 bps on DB obligations	-10,755	-8,018	-2,737

The average weighted duration of liabilities is 16.5 years as of 31 December 2015 (16.8 years as of 31 December 2014).

PLAN ASSETS

Some pension plans outside Germany have been externally financed by funds. Investments made by the funds are made with respect to the duration of the liabilities and are reviewed regularly.

As of 31 December 2015, the defined benefit plans' asset allocations by asset category were as follows:

Major categories of plan assets	31 Dec 2015		
	Total	Germany	Others
Equity (quoted market-price)	23.62%	0.00%	23.62%
Bonds (quoted market-price)	71.90%	0.00%	71.90%
Other (without quoted market price)	4.48%	0.00%	4.48%
Total	100.00%	0.00%	100.00%

As of 31 December 2014, the defined benefit plans' asset allocations by asset category were as follows:

Major categories of plan assets	31 Dec 2014		
	Total	Germany	Others
Equity (quoted market-price)	57.81%	0.00%	57.81%
Bonds (quoted market-price)	37.55%	0.00%	37.55%
Other (without quoted market price)	4.64%	0.00%	4.64%
Total	100.00%	0.00%	100.00%

Contributions to the plan assets are made in view of the development of the liabilities and take account of legally prescribed minimum funding requirements as well as local tax requirements.

In 2015, the Group contributed EUR 10 thousand (2014: EUR 0.5 million) to its pension plan assets. The expected contribution for 2016 is EUR 2 thousand.

OTHER LONG-TERM EMPLOYEE BENEFITS

Other long-term employee benefits include, among others, long-service leave or sabbatical leave and jubilee benefits. IAS 19 requires a different method of accounting for other long-term employee benefits than for post-employment benefits: actuarial gains and losses are recognised immediately.

The Group provides jubilee benefits to employees in and outside Germany. The resulting liabilities are part of the pension liabilities and are not disclosed separately.

In this category, the German subsidiaries also recognise old-age part time arrangements in accordance with IAS 19 (2011), these are for materiality reasons also included in the pension liabilities.

(32) Provisions for other risks

(EUR thousand)	31 Dec 2014	Change in the consolidated Group/ exchange differences/ reclassifications	Interest	Utilisation	Reversal	Addition	31 Dec 2015	thereof short term	thereof long term
Warranty	**75,742**	1,462	362	-10,540	-2,364	8,714	**73,376**	10,996	62,380
Litigation	**2,270**	-333	0	-334	-110	64	**1,557**	928	629
Restructuring	**18,877**	7	11	-9,403	-586	0	**8,906**	5,405	3,501
Environmental	**5,794**	-14	0	-517	-350	0	**4,913**	731	4,182
Site restoration	**7,013**	1,256	3	-193	0	550	**8,629**	2,264	6,365
Other	**21,620**	2,780	442	-4,694	-6,181	7,680	**21,647**	14,140	7,507
Total	**131,316**	**5,158**	**818**	**-25,681**	**-9,591**	**17,008**	**119,028**	**34,464**	**84,564**

PROVISIONS FOR WARRANTY

The warranty provision is determined for various product groups at entity level. Warranty provisions are determined on the basis of comparable industry data and historical warranty expenses by a factor of revenues. Additions during the year are an estimate of the probability of future product claims applied to the sales figures of the year and statistical estimates. Group management assesses utilisation within the coming years. As the warranty provisions are based on historical and industry data, there is a level of uncertainty that cannot be explicitly quantified.

PROVISION FOR LITIGATION

To protect the own position of the Group no further information is provided. The main character of current litigation exposures are related to a few former employees who are claiming additional severance payments, and to a limited extent, claims from either customers or vendors claiming for customer credit or vendor payment. No single claim amounts to more than EUR 500 thousand. The provision is based on estimates by legal advisors, taking into consideration the claimed amount and associated cost expectations. Utilisation of the provision is expected to occur within the next few years.

PROVISION FOR RESTRUCTURING

The restructuring provision includes the necessary direct expenditure arising from the restructuring and is not associated with the ongoing activities of the Group. The restructuring provision covers resolved and announced restructuring activities initiated in 2012 and 2013. The majority of the provisions relate to personnel expenses and site dilapidation. The 2015 utilisation of EUR 9,403 thousand (2014: EUR 26,425 thousand) resulted from the restructuring programme described above. The provision is partially based on already agreed termination agreements and estimates based on prior experience (e.g. site dilapidation for closed plants).

PROVISION FOR ENVIRONMENTAL RISKS

Provisions for environmental risks are residual costs deriving from legal obligations in the context of land restoration (mainly relating to plants in Germany). The major part of the provision is based on the opinions of external experts.

PROVISION FOR SITE RESTORATION

This position covers expected future recultivation costs concerning clay and sand pits, predominantly in Germany and the UK. The major part of the provision is based on the opinions of external experts.

PROVISION FOR OTHER

These provisions comprise numerous amounts for mainly contractual obligations (i. e. maintenance dues for head office building after realisation of sale-and-lease-back transaction (see Note 34)) and other remaining items not compatible with the categories above.

Provisions are established if they are expected to be 'more likely than not', and the values and calculations are based on historical experiences or referring to contractual obligations.

Out of EUR 9,591 thousand reversal of provisons, EUR 6,951 thousand are reflected as other income. EUR 1,333 thousand are reflected as change in operating warranties in cost of sales, while a further EUR 1,307 thousand is shown under selling and administrative expenses.

Out of the total of EUR 119,028 thousand other provisions, EUR 65,258 thousand have been built in the ordinary course of business, while EUR 53,770 thousand have been built for non-recurring purposes out of which warranty and restructuring are most prominent.

(33) Liabilities

SHORT- AND LONG-TERM LIABILITIES

(EUR thousand)	31 Dec 2015	thereof due within 1 year	thereof due in 1 to 5 years	thereof due in more than 5 years
Financial liabilities	**518,665**	**6,949**	**511,561**	**155**
Trade payables	**126,955**	**126,955**	**0**	**0**
Tax liabilities	**53,330**	**41,240**	**12,090**	**0**
Other liabilities	**152,226**	**141,948**	**10,267**	**11**
thereof obligation to employees	48,415	48,404	0	11
thereof obligation to customers	45,828	45,828	0	0
thereof cost accruals (rent, electricity)	18,662	17,794	868	0
thereof derivatives*	8,484	0	8,484	0
thereof obligations to affiliates	2,232	2,232	0	0
thereof other	28,605	27,690	915	0
Liabilities	**851,176**	**317,092**	**533,918**	**166**

(EUR thousand)	31 Dec 2014	thereof due within 1 year	thereof due in 1 to 5 years	thereof due in more than 5 years
Financial liabilities	**513,475**	**12,442**	**0**	**501,033**
Trade payables	**116,849**	**116,849**	**0**	**0**
Tax liabilities	**52,823**	**28,549**	**24,274**	**0**
Other liabilities	**151,950**	**140,434**	**2,998**	**8,518**
thereof obligation to employees	51,012	51,001	10	1
thereof obligation to customers	48,719	48,719	0	0
thereof cost accruals (rent, electricity)	18,818	17,112	1,706	0
thereof derivatives*	8,517	0	0	8,517
thereof obligations to affiliates	3,067	3,067	0	0
thereof other	21,817	20,535	1,282	0
Liabilities	**835,097**	**298,274**	**27,272**	**509,551**

* The full fair value of a hedging instrument is classified as a long-term liability if the remaining maturity of the hedged item is more than 12 months and as a current liability if the hedged item is less than 12 months.

FINANCIAL LIABILITIES

(EUR thousand)	31 Dec 2015	thereof due within 1 year	thereof due in 1 to 5 years	thereof due in more than 5 years
Senior Secured Floating Rate Notes	315,000	0	315,000	0
Term Loan B	200,000	0	200,000	0
Fees connected to long-term loan and Senior Secured Floating Rate Notes	-14,963	0	-14,963	0
Early redemption option connected to Senior Secured Floating Rate Notes	3,334	0	3,334	0
Long-term loans and borrowings	**503,371**	**0**	**503,371**	**0**
Derivative financial instruments commodities	796	0	796	0
Accrued interests and other finance fees	2,404	0	2,404	0
Contingent consideration	4,247	0	4,247	0
Other loans and bank overdrafts	898	0	743	155
Long-term financial liabilities	**511,716**	**0**	**8,190**	**155**
Derivative financial instruments commodities	1,036	1,036	0	0
Accrued interests and other finance fees	4,677	4,677	0	0
Other loans and bank overdrafts	1,236	1,236	0	0
Short-term financial liabilities	**6,949**	**6,949**	**0**	**0**
Financial liabilities	**518,665**	**6,949**	**511,561**	**155**

(EUR thousand)	31 Dec 2014	thereof due within 1 year	thereof due in 1 to 5 years	thereof due in more than 5 years
Senior Secured Floating Rate Notes	315,000	0	0	315,000
Term Loan B	200,000	0	0	200,000
Fees connected to long-term loan and Senior Secured Floating Rate Notes	-17,875	0	0	-17,875
Early redemption option connected to Senior Secured Floating Rate Notes	3,908	0	0	3,908
Long-term loans and borrowings	**501,033**	**0**	**0**	**501,033**
Long-term financial liabilities	**501,033**	**0**	**0**	**501,033**
Other loans and bank overdrafts	1,431	1,431	0	0
Accrued interests and other finance fees	11,011	11,011	0	0
Short-term financial liabilities	**12,442**	**12,442**	**0**	**0**
Financial liabilities	**513,475**	**12,442**	**0**	**501,033**

* The full fair value of a hedging instrument is classified as a long-term liability if the remaining maturity of the hedged item is more than 12 months and as a current liability if the hedged item is less than 12 months.

The financial liabilities of the Group mainly consist of the Senior Secured Floating Rate Notes of EUR 315 million and the Term Loan B of EUR 200 million. Further financial flexibility is provided by the Revolving Credit Facility ('RCF') of EUR 100 million.

The Term Loan B is bearing interest at a rate of one-month EURIBOR plus 450 basis points per annum and the Floating Rate Notes bears interest at a rate of three-month EURIBOR plus 500 basis points per annum, with interest on both instruments to be paid quarterly in arrears. Both instruments mature in October 2020.

The RCF of EUR 100 million bears interest at a rate of EURIBOR plus 400 basis points per annum and matures in April 2020. The margin on the RCF is subject to a step-down, linked to the Group's leverage ratio. The Term Loan B is also subject to a margin step-down.

The financing structure ensures the ongoing liquidity of the Group. However, the Group has to comply with certain financial covenants set out in the Senior Facility Agreement ('SFA'). It requires the Group to comply with a leverage ratio covenant, an interest cover ratio covenant and a minimum EBITDA covenant. The minimum EBITDA covenant becomes effective after the full repayment and cancellation of the Term Loan B. In the potential case of a covenants breach, the pledge of assets could become effective.

All mentioned financial instruments have variable interest rates conforming to market interest margins. According to the Senior Facility Agreement in connection with the refinancing, the Group was required to hedge roughly two thirds of its variable interest by the beginning of October 2014. The vast majority of this took place in the amount of EUR 315 million for the Senior Secured Floating Rate Notes, fixing the floating portion at 0.727 % until October 2020, giving rise to a revised total interest rate of 5.727 %. The remaining portion has been hedged by buying interest rate CAPS in the amount of EUR 30 million with a CAP price of 2.5 % and a maturity of two years.

Liabilities to banks comprise accrued interests and other finance fees of EUR 7,081 thousand (2014: EUR 11,011 thousand).

(34) Other financial obligations

(EUR thousand)	31 Dec 2015	31 Dec 2014
Operating leases	**70,300**	**71,913**
Purchase commitments	38,939	40,425
Other financial obligations	31,314	7,594
Commitments for the acquistion of property, plant and equipment	2,411	4,101
Contingent liabilities and other financial obligations	**142,965**	**124,032**
Expected to be paid:		
within one year	68,731	52,844
within one to five years	50,099	49,354
within more than five years	24,135	21,834
Operational lease payments were:		19,597
within one year	19,322	19,755
within one to five years	34,939	33,682
within more than five years	16,040	18,476

OPERATING LEASES

The Group entered into several rental agreements and leases for vehicles, IT equipment, offices and warehouses, which are operating leases under IAS 17. Operating lease payments in 2015 were EUR 17,787 thousand (2014: EUR 18,667 thousand).

Effective 21 September 2012, the Group sold an office building in Germany, in conjunction with a corresponding lease-back agreement covering a lease term of at least 15 years. Options to extend the rental contract for five and a further five years are in place. Annual lease payments amount to EUR 1,750 thousand, plus adjustments for inflation. This sale-and-lease-back transaction was classified as an operating lease pursuant to IAS 17.

One of the leased properties has been sub-let by the Group. The sub-lease payments of EUR 769 thousand are expected to be received during the following five years.

PURCHASE COMMITMENTS

These include short-term and long-term purchase commitments in connection with routine business activities.

OTHER

The majority of the Group's intangible assets, property, plant and equipment, inventories, receivables as well as cash and cash equivalents, mainly in Europe, are pledged under the current financing structure.

Pursuant to the share purchase agreement for the sale of the roofing division dated 28 February 2007 (the 'SPA'), Lafarge S.A., France, agreed, for a period of 15 years, to indemnify Monier, Inc., USA, and any member of Braas Monier in respect of any and all losses actually suffered arising from, out of or in connection with any obligation or liability (excl. pension liabilities) of Monier, Inc., USA, having its cause or origin in any fact, event or circumstance arising before 28 February 2007. At this stage it is not possible to measure reliably the overall amounts of the claims brought against Monier, which will be reimbursed by Lafarge S.A., France.

(35) Financial instruments

PRINCIPLES OF FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Braas Monier Building Group is exposed to risks from movements in exchange rates, interest rates and commodity prices that affect its assets, liabilities and future transactions. Financial risk management aims to limit and control these market risks through ongoing operational and financial activities. In this context, the Group also uses derivative and non-derivative financial instruments.

Treasury & Corporate Finance is responsible for implementing the finance policy and for ongoing risk management. Consequently, Treasury & Corporate Finance supervises all activities in the area of financial instruments. Certain transactions require the prior approval of the CFO, who is also regularly briefed on current risk exposures.

CURRENCY RISKS

The Group is exposed to risks related to changes in foreign exchange rates due to the international nature of its business, as it prepares its financial statements in its functional currency, the euro. Currency translation risk arises through fluctuations of the exchange rate of the currencies of countries that are not part of the European Monetary Union and their impact on the Group's results of operations and balance sheet positions as the Group translates the financial results of its subsidiaries into the euro. The Group holds subsidiaries in a number of countries outside the euro zone, including but not limited to the UK, the Czech Republic, Russia, Sweden, Malaysia, China, Poland, South Africa, the USA and Denmark.

The individual Group companies handle their operating activities mainly in the relevant functional currency. Where companies are exposed to exchange rate risks, e.g. through planned payments outside their own functional currency, they can hedge it with Treasury & Corporate Finance or with banks if trading facilities are in place and Treasury & Corporate Finance approves the transaction. However, all material purchases of production resources (e.g. energy, sand and cement) and product sales occur within the same currency area, thus the major part of the Group's cash flow is naturally hedged. Investments held centrally are mostly invested in balance sheet currency, thus not creating any foreign currency risk. In terms of intercompany financing, the Group is occasionally exposed to currency risks from interests or repayments, i.e. from loans and deposits denominated in foreign currencies. Treasury & Corporate Finance determines the Group's short-term currency risks by applying a cash flow at risk calculation and assesses where a hedge would be appropriate.

The Group basically hedges currency risks by offsetting opposing cash flows (natural hedge) and – in some specific circumstances – through derivative financial instruments. Currency risks that do not affect the Group's cash flows, e.g. resulting from the translation of assets and liabilities of foreign group operations into the Group's reporting currency, are generally not hedged. No concentration of risk exists.

The main currency fluctuation risks relate to exchange rate changes of DKK, USD, GBP and RUB, this also includes intercompany loans and receeivables. The following table provides the effects of a 10% quantitative change of foreign currency exchange rates on profit or loss, with all other variables held constant. An impact on the Group's equity was not observable. The Group's exposure to foreign currency changes for all other currencies is not material.

CURRENCY RISK SENSITIVITY

(EUR thousand)	Nominal Amount	Profit or loss		Equity, net of tax	
31 Dec 2015		+ 10 %	- 10 %	+ 10 %	- 10 %
DKK	31,422	3,142	-3,142	-	-
USD	26,988	2,699	-2,699	-	-
GBP	23,817	2,382	-2,382	-	-
RUB	11,120	1,112	-1,112	-	-

INTEREST RATE RISKS

The Group has secured its financing over the next few years mainly by means of the Senior Secured Floating Rate Notes, the Term Loan B and a Revolving Credit Facility to cover working capital swing and seasonal finance needs.

Interest payments for all instruments are structured in euros on a floating rate basis. When approved by Treasury & Corporate Finance, long- and short-term loans are also arranged locally at legal entity level of which some are also based on a floating rate. These transactions and the associated financial liabilities are thus subject to the risk of changes in interest rates.

According to the Senior Facility Agreement in connection with the refinancing, the Group was required to hedge two thirds of its variable interest. The vast majority was hedged in the amount of EUR 315 million for the Senior Secured Floating Rate Notes, fixing the floating portion at 0.727% until October 2020, giving rise to a revised total interest rate of 5.727%. The remaining portion has been hedged by buying interest rate CAPs in the amount of EUR 30 million with an interest rate strike price of 2.5% and a maturity in October 2016.

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

INTEREST RISK EXPOSURE

(EUR thousand) 31 Dec 2015	Nominal amount
Fixed-rate instruments	
Effect of interest rate cap	-30,000
Effect of interest rate swaps	-315,000
	-345,000
Variable-rate instruments	
Financial liabilities	-515,000
Effect of interest rate cap	30,000
Effect of interest rate swaps	315,000
	-170,000

There were no significant risk concentrations.

A possible shift in interest rates of +/- 100 basis points (bps) would result in different interest expenses.

INTEREST RATE SENSITIVITY

	Profit or loss		Equity, net of tax	
(EUR thousand) **31 Dec 2015**	**100 bps increase**	**100 bps decrease**	**100 bps increase**	**100 bps decrease**
Variable rate instruments	-5,150	5,150	0	0
Interest rate swaps	3,150	-3,150	14,730	-15,597
Interest rate sensitivity (net)	**-2,000**	**2,000**	**14,730**	**-15,597**
31 Dec 2014				
Variable rate instruments	-5,150	5,150	0	0
Interest rate swaps	3,150	-3,150	16,819	-18,060
Interest rate sensitivity (net)	**-2,000**	**2,000**	**16,819**	**-18,060**

CREDIT RISKS

The Group is exposed to credit risks from its operating activities (primarily for trade receivables) and from its financing activities, including derivative financial instruments and deposits with banks and financial institutions. A default can occur if individual business partners cannot meet their contractual obligations and the Group thus suffers a financial loss.

At the level of operations, outstanding receivables are continuously monitored. The Group assesses the credit quality of a customer, taking into account its financial position, past experience and other factors. Individual credit limits are set by utilising credit management tools from the local ERP system and are based on internal or external ratings, in the context of the delegations made by the board. The utilisation of credit limits is regularly monitored. Business relations with critical major customers and the associated credit risks are subject to credit rating monitoring. The risk of default and a potential loss of trade receivables are quantified and insured with the help of credit insurance companies. Relationships with leading insurance companies have been established and insurance contracts concluded. Products are sold subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim. The Group does not otherwise require collateral in respect of trade and other receivables.

To reduce credit risks arising from financing activities, transactions are entered into with institutions with a first class credit rating. The maximum exposure is the carrying amount as disclosed in Note (24), (26) and (29). Credit risk from balances held with banks and financial institutions is managed by Treasury & Corporate Finance in accordance with the Treasury Guideline.
Only independently rated banks or financial institutions which have a long-term unsecured rating of at least BBB by Standard & Poor's Rating Services or Fitch Ratings Ltd or at least Baa2 by Moody's Investor Services Limited or banks approved by the SFA Agent are accepted.

Investments of surplus funds are made only with approved counterparties and within the credit limit assigned. In addition to ratings provided by rating agencies, Credit Default Swaps levels of banks are monitored on a monthly basis. Investments are regularly adjusted in accordance with the development of these levels.

As derivative financial instruments are entered into only with banks with first class credit ratings, the actual credit risk is negligible. No concentrations of risk exist.

COMMODITY RISKS

The Group is subject to commodity risks with respect to price changes mainly in the energy (electricity and gas), sand and cement markets. In 2015, the overall purchased volume was in energy EUR 60.3 million, cement EUR 53.0 million and sand EUR 34.8 million. Clay is mainly procured from own clay pits.

To eliminate or reduce the risk of market fluctuations in commodity prices for better calculation purposes, the entities of the Group use to a certain extent fixed-term supply contracts with fixed prices. Sand and cement prices are generally fixed for at least one year and then renegotiated. In the energy sector, the Group currently secures 37% (2014: 32%) of its needs one year in advance. The remaining part is fixed at least in the month ahead of the relevant production period. Nevertheless, in the case of increasing energy prices the fixing can be increased to 100% immediately. Basically the Group secures its own needs, however, in 2015 in some regions the 'own use exemption' could not be applied because the usage in 2015 was lower than the highest quantity fixed. In these cases, accounting was carried out in accordance with IAS 39 as financial instrument through profit or loss; the impact on profit or loss amounted to EUR 1,832 thousand.

PRICE SENSITIVITY COMMODITIES

	Profit or loss		Equity, net of tax	
(EUR thousand) **31 Dec 2015**	**20% increase**	**20% decrease**	**20% increase**	**20% decrease**
Commodities energy contracts (20% decrease / increase in gas & energy price)	-366	366	0	0
31 Dec 2014				
Commodities energy contracts (20% decrease / increase in gas & energy price)	0	0	0	0

The favourable and unfavourable effects on the embedded derivatives in the energy contracts are calculated by increasing / decreasing the input of physical gas and energy forward prices by 20% for the whole contract period. All other variables remain constant.

CAPITAL MANAGEMENT AND LIQUIDITY RISKS

Liquidity risk is the risk that the Group will not be able to meet its obligations associated with its financial liabilities usually settled in cash or other financial assets. Liquidity risk mainly arises from the settlement of trade account payables, derivative financial liabilities and other financial liabilities. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Capital management optimises the Group's equity as well as its liabilities. The primary target is to secure and optimise solvency and liquidity within the Group, meaning that the major KPIs are Operating EBITDA and cash flow.

Treasury & Corporate Finance oversees all financial transactions within the Group with the help of a comprehensive Treasury Guideline. Since 2010, the Group companies have been using this annually reviewed and updated Guideline to facilitate their co-operation with the Group's centralised treasury and must seek approval for financing and other treasury-related matters.

All treasury-relevant financial data is managed in the relevant treasury system. Besides the cash position, the treasury system also incorporates a rolling, currency differentiating financial cash flow planning reflecting the seasonal fluctuation of the operational business and its effects on cash flows. The first quarter is planned on a weekly basis; twelve months planned on a monthly basis. As the liquidity plan is derived from decentralised entity reports, the future financial needs can be quantified and accordingly adjusted if needed.

The Group's overall liquidity risk is reduced by a close monitoring of the Group companies and their cash flows. Both, long-term and short-term liquidity needs are managed through a centralised Treasury reporting system providing the above-mentioned rolling cash flow forecast as a standardised process. Local accounts have been consolidated and automated cash pools established across Europe, e.g. Germany, France, the UK, Switzerland, Benelux, the Nordic/Baltic region, the Czech Republic, Poland, Austria, Italy, Spain and Portugal. With the help of automated cash pooling, Treasury & Corporate Finance centralises the Group's cash and secures its availability on a daily basis. Beyond the automated cash pools, manual pooling has been established in European countries where local regulations complicate an automated cash pooling.

The Group's in-house bank is Monier Finance S.à r.l. based in Luxembourg, providing intra-year working capital and long -term financing as well as deposit opportunities to Group entities on a matching maturities basis. Free cash is centralised into the in-house bank via manual and automatic cash pools, optimising internal and external money market transactions such as loans and deposits, and providing liquidity to the Group entities. Payments to external parties are executed mainly on a weekly basis, thus providing better control and higher transparency of outgoing payments.

Entities with accounts not yet included in the cash pool transfer their cash to pre-defined accounts accessible by Treasury. As a result, cash balances on local accounts have been significantly reduced. Treasury & Corporate Finance actively quantifies and monitors cash not available at a centralised level on a weekly basis. A weekly tracking system has been established to monitor cash available at local level only. This report is communicated to all Regional Finance Directors, thereby creating transparency on entities' cash performance. Working capital reduction programmes have been launched to further optimise cash needs. The Group has a Revolving Credit Facility of EUR 100 million to meet short-term cash requirements for future years. There were no significant risk concentrations determined in the financial year.

The following table analyses the Group's non-derivative financial liabilities and derivative financial liabilities into relevant maturity groups based on the remaining period at the balance sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

		Contractual cash flows			
(EUR thousand) 31 Dec 2015	Carrying amount	Total	1 year or less	1 – 5 years	More than 5 years
Non-derivative financial liabilities					
Non-current interest-bearing loans	510,920	694,447	29,283	665,164	0
Non-current contingent consideration	4,427	6,417	0	2,566	3,852
Non-current derivative financial instruments commodities	796	796	0	796	0
Current interest-bearing loans	5,913	5,913	5,913	0	0
Current derivative financial instruments commodities	1,036	1,036	1,036	0	0
Trade payables	126,955	126,955	126,955	0	0
Other current liabilities	141,948	141,948	141,948	0	0
Other non-current liabilities	1,794	1,794	0	1,794	0
Derivative financial liabilities					
Interest rate swaps used for hedging	8,484	11,069	2,290	8,779	0

The Group has to comply with certain financial covenants set out in the Senior Facility Agreement. The covenants have to be validated every quarter. Sufficient headroom was consistently reported on each measurement date.

LEGAL RISKS

Financial risks arising from court or arbitration proceedings have been considered through a sufficient level of provisions in the Group companies concerned. Otherwise, an adequate amount of insurance or similar coverage is provided for.

FACTORING PROGRAMME

In 2015, we managed to optimise our factoring efficiency with regards to factored amounts and associated costs for our French receivable factoring programme by introducing a new factoring provider. In addition, similar programmes and a reverse factoring programme were newly introduced and rolled out in the UK, Spain and Portugal.

FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as of 31 December 2015 broken down by category pursuant to IAS 39. Except as detailed below, the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

FINANCIAL INSTRUMENTS

(EUR thousand) 31 Dec 2015	Category pursuant to IAS 39	Book Value	Fair value through profit or loss	Amortised acquisition cost	Fair value
Cash and cash equivalents	LaR	183,395	0	183,395	183,395
Trade receivables	LaR	94,078	0	94,078	94,078
Other assets	LaR	16,563	0	16,563	16,563
Other financial assets	LaR	2,442	0	2,442	2,442
Other financial assets	FA at FVtP/L	9,074	9,074	0	9,074
Non-current loans and borrowings	FLAC	510,920	0	510,920	528,417
Non-current derivative financial instruments commodities	FL at FVtP/L	796	796	0	796
Contingent consideration	FL at FVtP/L	4,247	4,247	0	4,247
Current loans and borrowings	FLAC	1,666	0	1,666	1,666
Current derivative financial instruments commodities	FL at FVtP/L	1,036	1,036	0	1,036
Trade payables	FLAC	126,955	0	126,955	126,955
Other current liabilities	FLAC	141,948	0	141,948	141,948
Other non-current liabilities	FLAC	1,794	0	1,794	1,794
Other non-current liabilities	n/a	8,484	8,484	0	8,484
Aggregated according to categories as defined in IAS 39:					
Loans and receivables	LaR	296,478	0	296,478	296,478
Financial assets at fair value through profit or loss	FA at FVtP/L	9,074	9,074	0	9,074
Financial liabilities at fair value through profit or loss	FL at FVtP/L	6,079	6,079	0	6,079
Financial liabilities measured at amortised cost	FLAC	783,283	0	783,283	800,780

The following abbreviations were used for the valuation categories according to IAS 39:

LaR	Loans and receivables
FA at FVtP/L	Financial assets at fair value through profit or loss
FL at FVtP/L	Financial liabilities at fair value through profit or loss
FLAC	Financial liabilities measured at amortised cost
n/a (hedge)	not applicable (Derivatives with a hedging relationship)

Other assets categorised as LaR mainly comprise receivables from a factoring programme. Other financial assets classified as FA at FVtP/L consist entirely of the positive fair value of the embedded derivative resulting from the early redemption option included in the Senior Secured Floating Rate Notes (FRN). Other current liabilities categorised as FLAC mainly comprise customer rebates and discounts as well as cost accruals.

FINANCIAL INSTRUMENTS

(EUR thousand) 31 Dec 2014	Category pursuant to IAS 39	Book Value	Fair value through profit or loss	Amortised acquisition cost	Fair value
Cash and cash equivalents	LaR	180,940	0	180,940	180,940
Trade receivables	LaR	100,684	0	100,684	100,684
Other assets	LaR	18,512	0	18,512	18,512
Other financial assets	LaR	3,018	0	3,018	3,018
Other financial assets	FA at FVtP/L	2,265	2,265	0	2,265
Non-current loans and borrowings	FLAC	501,033	0	501,033	517,193
Current loans and borrowings	FLAC	12,442	0	12,442	12,442
Trade payables	FLAC	116,849	0	116,849	116,849
Other current liabilities	FLAC	140,434	0	140,434	140,434
Other non-current liabilities	FLAC	2,999	0	2,999	2,999
Other non-current liabilities	n/a	8,517	8,517	0	8,517
Aggregated according to categories as defined in IAS 39:					
Loans and receivables	LaR	303,154	0	303,154	303,154
Financial assets at fair value through profit or loss	FA at FVtP/L	2,265	2,265	0	0
Financial liabilities at fair value through profit or loss	FL at FVtP/L	0	0	0	0
Financial liabilities measured at amortised cost	FLAC	773,757	0	773,757	789,917

MEASUREMENT OF FAIR VALUES

The fair value of the financial assets and liabilities are presented at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

- Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Group based on such parameters as interest rates, specific country risk factors, a customer's individual creditworthiness and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for expected losses on these receivables.

- Fair value of quoted notes and bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

- The fair value of derivative financial instruments is determined using appropriate valuation methods on the basis of observable market information at the reporting date. To calculate the fair value of interest rate swaps, the future cash flows are discounted with the interest rates for the respective maturities. Embedded derivatives resulting from the early redemption option included in the Senior Secured Floating Rate Notes (FRN) are also measured using a discounted cash flow model. Within the model, cash flows are generated for the case where the claims of the bonds are satisfied regularly as well as for the default case. Default probability is derived and based on the lastest rating of the FRN. The generated risk-adjusted cash flows are discounted with the risk free rate. The current market price of the FRN as of the reporting date is subtracted from the net present value of cash flows to derive the value of the derivate. Any such discounting includes the credit risk of the corresponding counter-part or the entity.

- Certain of the Group's purchase contracts constitute derivatives or contain embedded derivatives within the scope of IAS 39. Derivatives under IAS 39 are recognised at fair value in the statement of financial position with changes through the consolidated income statement. The commodity derivative category constitutes purchase contracts with a maturity from 1 month to 3 years. The fair value of commodity contracts constitutes the unrealised gains and losses represented by the present value of future gains and losses for which the price is fixed in advance of delivery. Fair value of embedded derivatives is calculated as the present value of the difference between the price of a non-closely related commodity (embedded derivative) and a pricing model which in the best way reflects the market price of the contract commodity. All commodity contracts are bilateral contracts, or embedded derivatives in bilateral contracts, for which there are no active markets. Fair value of all items in this category, is therefore calculated using valuation techniques with maximum use of market inputs and assumptions that reasonably reflect factors that market participants would consider in setting a price, relying as little as possible on entity-specific inputs. Fair values of commodity contracts are especially sensitive to changes in forward commodity prices. None of the derivatives in this category are designated in hedge relationships.

- The valuation model of contingent consideration considers the present value of expected payments, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios of forecast EBITDA (Golden Clay) and production units (Ceprano), the amount to be paid under each scenario and the probability of each scenario.

  The following significant unobservable inputs were used to estimate the fair values:
  - Forecast EBITDA hurdles in 2018 and 2023 for Golden Clay
  - Risk-adjusted discount rate 12.2% for Golden Clay
  - Forecast production volume in 2017 for Ceprano
  - Risk-adjusted discount rate 7.6% to 8.0% for Ceprano

  The estimated fair value would increase (decrease) if the forecast EBITDA growth rate were higher (lower) or the production volume in 2016 and the risk-adjusted discount rate were lower (higher). The decrease of risk-adjusted discount rate by 1% would cause an increase in the contingent consideration of EUR 0.4 million and the achievement of the hurdles one year earlier would cause an increase in the contingent consideration of EUR 1.4 million related to Golden Clay. There is no significant expected effect for the contingent consideration related to Ceprano.

FAIR VALUE HIERARCHY

As of 31 December 2015, the Group held the following financial instruments measured at fair value and used the following hierarchy for determining and disclosing their fair value by the valuation technique:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset and liability that are not based on observable market data (unobservable inputs).

Group financial instruments measured at fair value were assigned to the following hierarchy levels:

(EUR thousand) 31 Dec 2015	Level 1	Level 2	Level 3	Total
Assets				
Early redemption option FRN (embedded derivative)	0	9,074	0	9,074
Liabilities				
Interest rate swap (derivative with a hedging relationship)	0	8,484	0	8,484
Derivative financial instruments commodities	0	1,832	0	1,832
Contingent consideration	0	0	4,247	4,247
31 Dec 2014	Level 1	Level 2	Level 3	Total
Assets				
Early redemption option FRN (embedded derivative)	0	2,265	0	2,265
Liabilities				
Interest rate swap (derivative with a hedging relationship)	0	8,517	0	8,517

Group financial instruments that are not measured at fair value were assigned to the following hierarchy levels:

(EUR thousand) 31 Dec 2015	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	183,395	0	0	183,395
Trade receivables	0	94,078	0	94,078
Other assets	0	16,563	0	16,563
Other financial assets	0	2,442	0	2,442
Liabilities				
Non-current loans and borrowings	327,602	200,815	0	528,417
thereof: Senior Secured Floating Rate Notes	327,602	0	0	327,602
thereof Term Loan B	0	200,815	0	200,815
Current loans and borrowings	0	1,666	0	1,666
Trade payables	0	126,955	0	126,955
Other current liabilities	0	141,948	0	141,948
Other non-current liabilities	0	1,794	0	1,794
31 Dec 2014	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	180,940	0	0	180,940
Trade receivables	0	100,684	0	100,684
Other assets	0	18,512	0	18,512
Other financial assets	0	3,018	0	3,018
Liabilities				
Non-current loans and borrowings	316,512	200,681	0	517,193
thereof Senior Secured Floating Rate Notes	316,512	0	0	316,512
thereof Term Loan B	0	200,681	0	200,681
Current loans and borrowings	0	12,442	0	12,442
Trade payables	0	116,849	0	116,849
Other current liabilities	0	140,434	0	140,434
Other non-current liabilities	0	2,999	0	2,999

During the reporting period ending 31 December 2015, there were no transfers between Level 1 and Level 2 fair value measurements, nor any transfers into or out of Level 3.

NET GAINS OR LOSSES BY VALUATION CATEGORY

The following table sets out the profits and losses (before tax) on financial instruments stated in the income statement, broken down by valuation category pursuant to IAS 39:

NET GAINS OR LOSSES BY CATEGORY

(EUR thousand) Category according to IAS 39		From interest	From remeasurement At fair value	Currency translation	Reversal of impairment	Net gains and losses 2015	2014
Loans and receivables	LaR	1,128	-	-400	178	906	-322
Financial liabilities measured at amortised cost	FLAC	-24,474	-	-3,434	-	-27,908	-32,550
Financial assets at fair value through profit or loss	FA at FVtP/L	-	6,809	-	-	6,809	-2,085
Financial liabilities at fair value through profit or loss	FL at FVtP/L	-	-1,832	-	-	-1,832	12,937
Net gains and losses		**-23,346**	**4,977**	**-3,834**	**178**	**-22,025**	**-22,020**

As shown above, net gains and losses include interest, changes in fair value recognised in profit or loss, impairment losses and impairment reversals, as well as currency translation effects. Interest expenses on financial liabilities accounted for at amortised cost comprises of interests paid on Senior loans of EUR 0 (2014: EUR 14,857 thousand), the Senior Secured Floating Rate Notes of EUR 15,999 thousand (2014: EUR 11,368 thousand) and the Term Loan B of EUR 8,475 thousand (2014: EUR 7,784 thousand).

Net foreign exchange gains on loans and receivables and financial assets and liabilities accounted for at amortised cost amount to EUR 3,834 thousand (2014: loss of EUR 1,541 thousand). The reversal of impairment on financial assets classified as loans and receivables consists of an impairment reversal of EUR 2,735 thousand (2014: EUR 650 thousand) and an impairment loss of EUR 2,557 thousand (2014: EUR 1,679 thousand) and relates entirely to trade receivables.

The net gains on financial assets measured at fair value through profit and loss of EUR 6,809 thousand (2014: loss EUR 2,085 thousand) relates entirely to the early redemption option included in the Senior Secured Floating Rate Notes (embedded loss of derivative) and is included in gains from changes in fair value of embedded derivatives as disclosed in Note (15).

The maximum credit risk is represented by the carrying amounts of the financial assets shown in the balance sheet.

OTHER DISCLOSURES RELATING TO HEDGING TRANSACTIONS

Interest rate swaps are used to limit interest rate risk exposures resulting from changes in the market interest level and changes of future cash outflows due to variable interest debts. At the inception of the hedge, the hedging relationship is formally designated and documented, including the Group's risk management objective and strategy for undertaking the hedge, identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and a description of how the Group will assess the hedging instrument's effectiveness. The hedging relationship is assessed on an ongoing basis (i.e. over the entire hedge term) and it is determined whether or not the hedging relationship was highly effective during the business period. The prospective effectiveness is measured according to the Critical Term Match method and the retrospective effectiveness according to the Dollar Offset method based on the Hypothetical Derivatives method.

On 17 July 2014, the Group entered into swap agreements with several banks to hedge the interest rate risk resulting from the Senior Secured Floating Rate Notes (FRN) of EUR 315 million (interest rate EURIBOR plus 500 basis points) through to maturity in October 2020. The swap rate was fixed at 0.727 %, resulting in a total (fixed) interest of 5.727 % for the lifetime of the FRN. The hedge is classified as a cash flow hedge under IAS 39. The effective portion of the hedge is recognised in other comprehensive income (cash flow hedge – effective portion of change in fair value), whereas the ineffective portion is recognised immediately in the income statement.

The fair value of the liability of EUR 8,484 thousand (2014: EUR 8,517 thousand) corresponds to the dirty price of the interest swap, i.e. it also includes the interest accrued as of 31 December 2015. The clean price of EUR 7,954 thousand (2014: EUR 8,077 thousand) was recognised in equity and the accrued interest of EUR 530 thousand (2014: EUR 440 thousand) was recognised in profit or loss.

The cash payments hedged by the cash flow hedge for interest payments resulting from the underlying Senior Secured Floating Rate Notes (FRN) are expected to occur on a quarterly basis (January / April / July / October) until maturity in October 2020.

OTHER DISCLOSURES RELATING TO FINANCIAL INSTRUMENTS

On 30 September 2014, the Group entered into an interest rate cap agreement in the amount of notional EUR 30 million to mature in October 2016. The interest rate cap is triggered at a strike price of 2.5% versus 3M Euribor and tested on a quarterly basis. The financial asset is measured at fair value through profit or loss with fair value as of 31 December 2015 of EUR 0 (2014: EUR 0).

As of 31 December 2015, positive fair values of embedded derivatives amounted to EUR 9,074 thousand (2014: EUR 2,265 thousand). The positive fair value relates exclusively to the Senior Secured Floating Rate Notes (FRN) issued in April 2014 for which the early redemption option provided for in the terms is measured as an embedded derivative in accordance with IAS 39. The option was measured using a discounted cash flow model. Within the model, cash flows are generated for cases where the claims of the bonds are satisfied regularly as well as for the default case. Default probability is derived based on the latest rating of the FRN. The generated risk adjusted cash flows are discounted with the risk free rate. The current market price of the FRN as of the reporting date is subtracted from the net present value of cash flows to derive the value of the derivative. The recognised amortised costs of these bonds take into account the value calculated for the embedded options on issue.

(36) Events after the reporting period

ACQUISITION OF J. A. PLASTINDUSTRI

On 5 January 2016, Braas Monier consummated the agreement signed on 27 November 2015 to take over 100% of the Danish component and roofing material company J.A. Plastindustri A/S, Hassing, Denmark (hereinafter JA Plast). The Group obtained control by acquiring 100% of the shares in JA Plast.

JA Plast's product range covers components for roofing materials such as tiles, metal, fibre cement and asphalt shingles. It focuses on sanitary and roof space ventilation, skylights and complementary accessories such as flashings, end pieces and special vents. As a pure Original Equipment Manufacturer, JA Plast has more than 40 years of experience in the production of customised roofing accessories, providing premium product quality, offers a high degree of flexibility and is another important step in growing the business.

The following table shows the purchase price of JA Plast.

COMPOSITION OF THE ACQUSITION PRICE

(EUR thousand)	
Shares in Danish J.A. Plastindustri A/S (Purchaser Monier Roofing Components GmbH)	19,754
Cash consideration	**19,754**

The acquisition price includes a contingent consideration related to revenue criterias.

Due to the complexity of the transaction, the opening balance sheet – and consequently any potential goodwill – has not been calculated as of today. Financial figures for both companies will be presented in due course once finalised.

The new business will be included in the reporting segment Central Products & Services.

CHANGE IN BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Board of Directors of Braas Monier Building Group S.A. has appointed Pierre-Marie De Leener, Chairman of the Board of Directors, as interim Chief Executive Officer (CEO) and Georg Harrasser, Regional President Central, Northern & Eastern Europe, as the new Chief Operating Officer (COO) of the Group. Both appointments are effective as of 15 January 2016. Mr Gerhard Mühlbeyer, Global Industrial Director of Braas Monier Building Group S.A. since 2013 stepped down from all duties with effect as of 1 March 2016. Since that date, the Group's Senior Management consists of Pierre-Marie De Leener as the CEO, Georg Harrasser as the COO and Matthew Russell as the CFO.

(37) List of equity investments

No.	Company	Headquarters	Consol. method	Holding in %	Holding via.	No.
Albania						
1	Bramac Sisteme per cati Sh.p.k.	Tirana	F	100.0		4
	Schiedel Sisteme Oxhaku Sh.p.k. (liquidated as of 12 January)	Tirana	F	100.0		3
Austria						
2	LR Austria Holding GmbH	Vienna	F	100.0		71
3	Schiedel GmbH	Vienna	F	100.0	38	2
4	Bramac Dachsysteme International GmbH	Pöchlarn	F	100.0	71	2
Belgium						
5	Monier Roof Products Belgium N.V.	Aalst	F	100.0	71	86
6	RBB N.V.	Tessenderlo	E	50.0		86
7	Klöber Benelux S.P.R.L.	Eupen	F	100.0	47	38
8	Bemal N.V.	Lommel	F	100.0	46	3
Bosnia and Herzegovina						
9	Schiedel Sistemi Dimnjaka d.o.o.	Sarajevo	F	100.0		3
10	Bramac Krovni Sistemi d.o.o.	Sarajevo	F	100.0		4
Bulgaria						
11	Bramac Pokrivni Sistemi EOOD	Silistra	F	100.0		4
12	Schiedel Kominni Sistemi EOOD	Sofia	F	100.0		3
China						
13	Monier Roofing Systems (Shaoxing) Co., Ltd.	Shaoxing	F	100.0		54
14	Monier Roofing Systems (Chengdu) Co., Ltd.	Chengdu	F	100.0		13
15	Monier Roofing Systems (Nanjing) Co., Ltd.	Nanjing	F	100.0		54
16	Monier Roofing Systems (Foshan) Co., Ltd.	Foshan	F	100.0		54
17	Monier Roofing Systems (Beijing) Co., Ltd.	Beijing	F	100.0		54
18	Monier Roofing Systems (Suzhou) Co., Ltd.	Suzhou	F	100.0		54
19	Moner Roofing Systems (Qing Dao) Co., Ltd.	Qingdao	F	100.0		13
20	Monier (Shanghai) Management Co., Ltd.	Shanghai	F	100.0		54
Croatia						
21	Schiedel Proizvodnja Dimnjaka d.o.o.	Golubovec	F	100.0		3
22	Bramac Pokrovni Sistemi d.o.o.	Zagreb	F	100.0		4
	Schiedel d.o.o. za savjetovanje i zastupanje (liquidated as of 5th of May)	Golubovec	F	100.0		3
Czech Republic						
23	Bramac stresni systemy spol. s r.o.	Prague	F	100.0		4
24	Schiedel s.r.o.	Nehvizdy	F	100.0		3
25	HPI-CZ, spol. s.r.o.	Plzen	F	100.0	38	36
Denmark						
26	Monier A/S	Moldrup	F	100.0		28
27	Schiedel Skorstene A/S	Karup	F	100.0		46
28	Monier Holding ApS	Aalborg	F	100.0		108

No.	Company	Headquarters	Consol. method	Holding in %	Holding via.	No.
Estonia						
29	Monier OÜ	Tallinn	F	100.0		108
	Schiedel Moodulkorstnad OÜ (liquidated as of 19th of October)	Tallinn	F	100.0		3
Finland						
30	Ormax Monier OY	Espoo	F	100.0		108
31	Schiedel Savuhormistot OY	Espoo	F	100.0		46
France						
32	Financière Gaillon 7 S.A.S.	Paris	F	100.0		71
33	Monier S.A.S	Paris	F	100.0	38	32
34	KLÖBER - HPi France S.à r.l.	Strasbourg	F	100.0		38
	Grandes Tuileries de Roumazières S.A. (liquidated as of 30 September)	Roumazieres Loubert	F/N	51.0		33
Germany						
35	LR (Germany) GmbH	Oberursel	F	100.0		71
36	Braas Monier Building Group Services GmbH	Oberursel	F	100.0		35
37	MR Beteiligungs GmbH & Co. KG*	Oberursel	F	100.0		36
38	Monier Roofing GmbH	Oberursel	F	100.0	37	36
39	Braas GmbH	Oberursel	F	100.0		38
40	Monier Roofing Components GmbH	Oberursel	F	100.0		38
41	Monier Technical Centre GmbH	Oberursel	F	100.0		38
42	Rupp Keramik GmbH	Oberursel	F	100.0	38	39
43	Rudolf H. Braas Sozialfonds GmbH	Oberursel	F/N	100.0		38
44	dach.de GbR	Mayen-Katzenberg	E/N	20.0		39
45	Schiedel Beteiligungsgesellschaft mbH	Munich	F	100.0		3
46	Schiedel GmbH & Co. KG*	Munich	F	100.0	45 38	3
47	Klöber GmbH	Ennepetal	F	100.0	40	38
48	SK Technik GmbH	Waldbröl	F	100.0		46
Great Britain						
49	LR (UK) Ltd.	Dorking	F	100.0		71
50	Monier (UK) Holdings Ltd.	Dorking	F	100.0		49
51	Monier Redland Limited	Dorking	F	100.0		50
52	Monier Technical Centre Ltd.	Crawley	F	100.0		50
	Dovetail Roofing Accessories Ltd. (liquidated as of 6 February)	Crawley	F	100.0		50
53	Klober Ltd.	Bristol	F	100.0		47
54	Monier (China) Holdings Ltd.	Dorking	F	100.0	112	38
55	Redland Engineering Ltd.	Dorking	F	100.0		50
56	Schiedel Chimney Systems Ltd.	Lutterworth	F	100.0		46
57	Schiedel Rite-Vent Ltd.	Washington	F	100.0		56
58	Rite-Vent Holdings Ltd.	Washington	F	100.0		57
59	Rite-Vent Ltd.	Washington	F	100.0		58

No.	Company	Headquarters	Consol. method	Holding in %	Holding via. No.
Hungary					
60	Schiedel Kéménygyár Kft.	Veszprem	F	100.0	3
61	Bramac Kft.	Veszprem	F	100.0	4
India					
62	Monier Roofing Private LTD	Feroke	F	100.0	38 36
Indonesia					
63	PT Monier	Jakarta	F	100.0	38
Republic of Ireland					
64	Schiedel Chimney Systems Ireland Ltd.	Losset, Carrickmacross, Co. Monaghan	F	100.0	46
Italy					
65	Monier S.p.A.	Chienes	F	100.0	71
66	Ceprano Coperture S.r.l. (aquired as of 2 December)	Castel Bolognese	F	100.0	65
67	Schiedel S.r.l.	Chienes	F	100.0	3
Latvia					
68	Monier SIA	Riga	F	100.0	29
	Schiedel Dumvadu Sistemas SIA (liquidated as of 8 January)	Riga	F	100.0	3
Lithuania					
69	Monier UAB	Vilnius	F	100.0	29
70	Schiedel kaminu sistemos UAB	Jonawa	F	100.0	3
Luxembourg					
71	Braas Monier Building Group Holding S.à r.l.	Luxembourg	F	100.0	
72	Monier Special Holdings S.à r.l.	Luxembourg	F	100.0	71
73	Monier Finance S.à r.l.	Luxembourg	F	100.0	71
74	BMBG Bond Finance S.C.A.	Luxembourg	F	100.0	
75	BMBG Bond Finance GP S.à r.l.	Luxembourg	F	100.0	
Malaysia					
76	Monier Asia Pacific Sdn. Bhd.	Kuala Lumpur	F	100.0	77
77	Monier Holdings Sdn. Bhd.	Kuala Lumpur	F	100.0	38
78	Monier Malaysia Sdn. Bhd.	Kuala Lumpur	F	100.0	77
79	Monier Sdn. Bhd.	Kuala Lumpur	F	100.0	77
80	Monier Logistics Services Sdn. Bhd.	Kuala Lumpur	F	100.0	77
81	Kayangan Pereka Sdn. Bhd.	Kuala Lumpur	E/N	49.0	78
82	Advanced Technical Laminates Manufacturing Sdn. Bhd.	Kuala Lumpur	F	100.0	38
83	Golden Clay Industries Sdn. Bhd. (acquired as of 16 October)	Johor Darul Takzim	F	100.0	84
84	Monier Asia Pacific Holdings Sdn. Bhd. (acquired as of 10 July)	Kuala Lumpur	F	100.0	71
85	GCI Marketing Sdn. Bhd. (acquired as of 16 October)	Kuala Lumpur	F	100.0	83

No.	Company	Headquarters	Consol. method	Holding in %	Holding via. No.
The Netherlands					
86	Monier B.V.	Montfoort	F	100.0	71
Norway					
87	Monier AS	Slemmestad	F	100.0	108
88	Schiedel Skorsteiner AS	Oslo	F	100.0	46
Poland					
89	Schiedel Sp. z o.o.	Opole	F	100.0	45
90	Monier Braas Sp. z o.o.	Opole	F	100.0	42 36
Portugal					
91	CT-Cobert Telhas, S.A. (acquired as of 15 January)	Torres Vedras	F	100.0	71
Russia					
92	OOO Braas-DSK 1	Moscow	F	67.1	38
93	OOO Schiedel	Moscow	F	100.0	46 3
Romania					
94	Bramac Sisteme de Invelitori S.r.l.	Brasov	F	100.0	4
95	Schiedel Sisteme de Cosuri S.r.l.	Brasov	F	100.0	3
Serbia					
96	Schiedel Dimnjacki Sistemi d.o.o.	Belgrade	F	100.0	3
97	Bramac Krovni Sistemi d.o.o.	Belgrade	F	100.0	4
Slovakia					
98	Schiedel Slovensko s. r.o.	Zamarovce	F	100.0	3
99	Bramac Stresné Systémy spol. s. r.o.	Nitra	F	100.0	4
100	Klöber - HPI s.r.o.	Sal´á	F	100.0	36 25
Slovenia					
101	Schiedel Dimniski Sistemi, d.o.o.	Prebold	F	100.0	3
102	Bramac Stresni Sistemi d.o.o.	Skocjan	F	100.0	4
South Africa					
103	Financière Roofing (South Africa) (Pty) Ltd.	Vereeniging	F	100.0	71
104	Monier Coverland (Pty) Ltd.	Vereeniging	F	100.0	103
105	Spunbond Holdings (Pty) Ltd.	Mount Edgecombe	E	50.0	40
Spain					
	Tejas Cobert S.A. (sold as of 15 January)	Madrid	E	47.0	38
106	Cobert Tejas Iberica, S.L.U. (acquired as of 15 January)	Toledo	F	100.0	71
Sweden					
107	LR Roofing Holding AB	Solna	F	100.0	38
108	Monier Roofing AB	Solna	F	100.0	107
109	Schiedel Skorstenssystem AB	Gothenburg	F	100.0	46

No.	Company	Headquarters	Consol. method	Holding in %		Holding via.	No.
Switzerland							
110	Braas Schweiz AG	Villmergen	F	100.0			39
Thailand							
111	Monier Holding Co. Ltd.	Bangkok	F	49.0	**		36
Turkey							
112	Monier Yapi Çözümleri Sanayi ve Ticaret A.S.	Gebze	F	100.0			36
113	Kiremiks Cati Ve Yapi Urunleri Ticaret Limited Sirketi	Gebze	F	100.0			112
114	Sistem Baca Çözümleri Sanayi ve Ticaret Anonim Şirket	Istanbul	F	100.0		46	3
Ukraine							
	Monier TOV (sold as of 9th of December)	Kiev	F	100.0		36	38
	Monier Projekt Development TOV (sold as of 9 December)	Kiev	F	100.0			0
115	TOV Schiedel	Kiev	F	100.0			3
United States of America							
116	LR (US) Inc.	Irvine	F	100.0			71
117	Monier Inc.	Irvine	F	100.0			116

Legend
F = Fully consolidated subsidiaries
F/N = Subsidiaries not included in the consolidated financial statements due to being of minor influence
E = Associates and joint ventures accounted for using the equity method
E/N = Associates and joint ventures not accounted for using the equity method due to being of minor influence
* = Entities are exempted from their obligation under German law Sec. 264b resp. 264 (3) HGB [German Commercial Code] to prepare, have audited and publish financial statements and a management report in accordance with the requirements applicable to corporations.
** = Fully consolidated due to more than 90% of voting rights.

(38) Related parties

Related parties of Braas Monier Building Group S.A. pursuant to IAS 24 are:

- Monier Holdings S.C.A. and Monier Holdings GP S.A.
- Consenting first lien lenders who control Monier Holdings GP S.A.
- Companies founded in the course of the implementation of the Management Equity Programme,
- Other consolidated affiliates of the Group
- Joint ventures in which Braas Monier Building Group S.A. or any of its subsidiaries is a venture partner
- Members of the Board of Directors and the Senior Management
- Associates.

Services provided to related parties principally include deliveries for production, development services, and financial services as well as legal and advisory services.

Mr Guy Harles, who serves as a Director on Company's Board of Directors, is a partner of the Luxembourg law firm Arendt & Medernach. Arendt & Medernach provides our Group with legal services in relation to Luxembourg law.

Mr Frank Przygodda and Mr Valery Beuken, members of the Board of Managers of Braas Monier Building Group Holding S.à r.l., are respectively a director and a manager of Alter Domus in Luxembourg. Alter Domus also provides management, domiciliation and other corporate services to the Group.

Mr Matthew Russell, member of the Senior Management and CFO of the Group, is a non-executive director of Huscompagniet. Huscompagniet is a Danish housebuilder with a customer relationship to Braas Monier.

Mr Torsten Murke, member of the Board of Directors, is Deputy Chairman of BNP Paribas. BNP Paribas is a financing bank under the SFA and several factoring arrangements.

The following table sets out the total amount of transactions entered into with related parties for the relevant financial year:

RELATED PARTIES

(EUR thousand)

Sales and services to / from related parties		Sales to related parties	Purchases from related parties	Receivables from related parties: end of period	Payables to related parties: end of period
Associates	2015	0	0	0	0
	2014	1	0	0	0
Joint ventures	2015	798	12,657	9	2,233
	2014	81	12,917	82	2,571

Financial receivables / payables concerning loans to/from related parties		Interests to related parties	Receivables concerning loans from related parties: end of period	Payables concerning loans to related parties: end of period
Joint ventures	2015	0	240	0
	2014	0	279	421
Non-consolidated companies	2015	0	0	0
	2014	0	0	1,275

The figures concerning purchases and receivables from and sales to related parties shown in the table above are mainly linked to operating trading of roof products (tiles and components). The background of joint ventures financial receivables and payables are financing agreements with JV partners. Non-consolidated companies, payables related to a financing agreement between Monier S.A.S., France in 2014, and the dormant operating entity Grandes Tuileries de Roumazières S.A., France (liquidated with effect as of 30 September 2015).

SENIOR MANAGEMENT PERSONNEL COMPENSATION

(EUR thousand)	2015	2014
Current employee benefits charged	2,602	2,553
Termination benefits	2,000	377
Other long-term benefits	0	322
Stock-based compensation	1,050	1,050
Post employment benefits	567	764

In 2015, payments to the Board of Directors amounted to EUR 525 thousand (2014: EUR 525 thousand).

BENEFITS PAID TO FORMER MEMBERS OF MANAGEMENT

In 2015, the following benefits were paid to former members of management (2014: EUR 1,133 thousand).

In connection with the mutually agreed-upon termination agreement with Pepyn Dinandt dated 8 October 2015 concerning his activity as CEO, it was agreed that his service agreement with the Group would expire at the latest by 30 June 2016, but potentially before that date following the appointment of a successor. The entitlements provided for in the service agreement were agreed to remain in effect up to and until such expiry. A gross compensatory payment of EUR 2.0 million has been agreed upon with Pepyn Dinandt in connection with the mutually-agreed-upon premature resignation as CEO effective 15 Jan 2016 and for a non-compete /non-solicitation undertaking of one year. 92.263 Stock Options already granted will be maintained in accordance with the agreed-upon resignation. The respective fair value of the Stock Options already granted in the past amounted to EUR 169 thousand at grant date. The Stock Options for financial 2015 are included in the aforementioned stock-based compensation amount.

(39) Auditor's remuneration

Fees billed to the Company (and its consolidated subsidiaries) by KPMG Luxembourg Société coopérative, Luxembourg, and other member firms of the KPMG network during the year were as follows:

(EUR thousand)	2015	2014
Audit fees (annual accounts / consolidated accounts)	1,600	1,415
Audit related fees	69	147
Tax fees	11	34
Other fees	0	1,056

For the financial year ended 31 December 2015, a global fee of EUR 1,600 thousand (2014: EUR 1,415 thousand) was accrued for the audit of the consolidated and annual financial statements of the Company and its consolidated subsidiaries. These fees are included in the Group's selling and administrative expenses.

The other fees billed in 2014 (EUR 1,056 thousand) related to the initial public offering and refinancing completed in 2014.

(40) Executive Bodies – Board of Directors

Francis Carpenter, Luxembourg, Grand Duchy of Luxembourg
Jean-Pierre Clavel, Paris, France
Pepyn Dinandt, Munich, Germany (until 15 January 2016)
Winston Maxwell Ginsberg, London, United Kingdom
Guy Harles, Luxembourg, Grand Duchy of Luxembourg
Joseph Knoll, London, United Kingdom (until 26 January 2015)
Pierre-Marie De Leener, Saviese, Switzerland
Torsten Murke, Frankfurt am Main, Germany (since 26 January 2015)
Fabrice Nottin, London, United Kingdom
Werner Paschke, Luxembourg, Grand Duchy of Luxembourg

MANAGEMENT RESPONSIBILITY STATEMENT

In accordance with Article 3(2) c) of the Luxembourg law of January 2008 on transparency requirements for issuers of securities the undersigned confirm that to the best of their knowledge, the consolidated financial statements covering the business year 2015, which have been prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole. Furthermore, the undersigned confirm that to the best of their knowledge, the consolidated management report covering the business year 2015 includes a fair review of important events that have occurred during the current financial year, and their impact on the consolidated financial statements, together with a description of the principal risks and uncertainties that they face.

Luxembourg, 23 March 2016

Pierre-Marie De Leener (CEO and Chairman of the Board of Directors)	Georg Harrasser (COO)	Matthew Russell (CFO)

AUDITOR'S REPORT

To the Shareholders of
Braas Monier Building Group S.A.
4, rue Lou Hemmer,
L-1748 Senningerberg

Report of the réviseur d'entreprises agréé

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Following our appointment by the Annual General Meeting of the Shareholders dated 13 May 2015, we have audited the accompanying consolidated financial statements of Braas Monier Building Group S.A. and its subsidiaries (the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2015 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 85 to 167.

Board of Directors' responsibility for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the Réviseur d'Entreprises agréé

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements as set out on pages 85 to 167 give a true and fair view of the consolidated financial position of Braas Monier Building Group S.A. as of 31 December 2015, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The consolidated management report, including the corporate governance statement, which is the responsibility of the Board of Directors, is consistent with the consolidated financial statements and includes the information required by the law with respect to the corporate governance statement.

Luxembourg, 23 March 2016

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé

Ph. Meyer

CORPORATE GOVERNANCE AND DECLARATION OF COMPLIANCE

Braas Monier Building Group S.A. is a Luxembourg société anonyme (S.A.), which is listed solely on a stock exchange in Germany. It is therefore not subject to the Ten Principles of Corporate Governance applicable to companies listed in Luxembourg. Furthermore, as a company incorporated and existing under the laws of Luxembourg, we are not required to comply with the respective German Corporate Governance Code (hereinafter also 'Code') applicable to listed German stock corporations.

Nevertheless, the Board of Directors has decided to follow, on a voluntary basis and to a certain extent, the recommendations of the 'Code' regarding the principles of good corporate governance, as Braas Monier Building Group S.A. regards the 'Code' to be an important foundation for responsible corporate governance. However, certain recommendations will only apply to our company to the extent that they are consistent with applicable Luxembourg corporate law and our corporate structure. Inconsistencies originate in particular from Braas Monier Building Group S.A.'s single board structure of a Board of Directors, whereas the recommendations of the 'Code' assume a two-tier board structure for German stock corporations.

In February 2002, the 'Code' was adopted by the competent Government Commission and continually updated with the goal of establishing principles for good corporate governance and bolstering trust in German companies. The 'Code' is designed to make the German corporate governance system transparent and understandable. Its purpose is to promote the trust of international and national investors, customers, employees and the general public in the management and supervision of listed German stock corporations.

DECLARATION OF COMPLIANCE WITH THE RECOMMENDATIONS OF THE GERMAN CORPORATE GOVERNANCE CODE

The Board of Directors of Braas Monier Building Group S.A. declares that Braas Monier Building Group S.A. has complied and will comply with the recommendations of the Government Commission's 'Code' in its version dated 5 May 2015 as published by the Federal Ministry of Justice on 12 June 2015 in the German Federal Gazette, taking into account the abovementioned characteristics of its legal structure, with the following exceptions:

- *Section 3.8 para. 3 of the* 'Code'*:* The directors' and officers' insurance policy does not necessarily provide for the same deductible. Equal deductibles do not seem required to ensure that directors and officers act responsibly and solely in the interest of Braas Monier Building Group S.A.
- *Section 3.10 sent. 1, 5.4.1 para. 3 sent. 2, 6.3 sent. 2, and 7.1.3:* Braas Monier Building Group S.A.'s annual report contains statements on corporate governance. Those statements exclusively follow the requirements for the 'Statement on Corporate Governance' provided by the applicable Luxembourg law. As far as the 'Code' contains recommendations for a corporate governance report beyond the scope of the requirements of the applicable Luxembourg law for the 'Statement on Corporate Governance', compliance with those exceeding recommendations of the 'Code' will not be ensured. Fulfilling the requirements provided by Luxembourg law for the 'Statement on Corporate Governance' is sufficient to meet the shareholders' interest for information.
- *Section 4.1.5:* Braas Monier Building Group S.A. aims to provide workplace diversity, in particular, an appropriate degree of female representation among both directors and officers. These commitments seem sufficient to ensure diversity and female representation at lower managerial levels as well.
- *Section 4.2.2 sent. 3:* In setting compensation for the executive officers, the Board of Directors will not necessarily consider the relationship between the compensation of the executive managers, senior management and personnel as a whole or its development over time. This additional requirement does not seem necessary to ensure adequate compensation.

- *Section 4.2.3 para. 4 and 5:* Compliance with the provision regarding the severance payment cap does not seem necessary to ensure adequate compensation.
- *Section 4.2.4:* Compliance with the provision regarding the disclosure of compensation of individual members of the Board of Directors or the Senior Management does not seem necessary to meet the shareholders' interest for information.
- *Section 4.2.5:* Braas Monier Building Group S.A.'s annual report does not contain a compensation report containing the information recommended by the 'Code'. Full compliance with disclosures required by law seem sufficient to meet the shareholders' interest for information.
- *Section 5.4.6 para. 3 sent. 1:* The compensation of the directors will not be listed individually in Braas Monier Building Group S.A.'s annual report but rather in aggregate. An aggregate disclosure seems sufficient to meet the shareholders' interest for information in full compliance with disclosures required by law.
- *Section 6.1 sent. 2, 6.2, 6.3, 7.1.2 sent. 2, 7.1.4, and 7.1.5:* Braas Monier Building Group S.A. will ensure adequate disclosure and publication of information and access to information in full compliance with applicable laws and regulation. This seems sufficient to meet shareholders' interest for information.

Luxembourg, 23 March 2016

Pierre-Marie De Leener
Chairman of the Board of Directors and Chief Executive Officer

For further details regarding Braas Monier's compliance with the German Corporate Governance Code such as the Declaration of Compliance, the Compensation Report as well as the Director's Dealings, please refer to the separate chapter Corporate Governance and Declaration of Compliance on our website www.braas-monier.com

COMPENSATION OF THE BOARD OF DIRECTORS

The Non-Executive Directors of the Board of Directors who represent any indirect shareholder of the Company on the Board of Directors, received no compensation for their functions as Directors of the Company during the year 2015. The only Executive Director, Pepyn Dinandt, received no remuneration for his work on the Board of Directors, either. The independent Non-Executive Directors serving on the Board of Directors receive a compensation for the fulfilment of their duties. In accordance with article 19.1 of the Articles of Association, the extraordinary shareholders meeting of 20 June 2014 resolved upon the payment of an annual remuneration for Directors of EUR 75,000 and twice this amount for the Chairman of the Board of Directors. Accordingly, the total annual remuneration of the independent members of the Board of Directors amounts to EUR 450,000. Furthermore, the Chairman of the Audit Committee and the Chairman of the Nomination and Remuneration Committee receive an additional annual remuneration of EUR 25,000 and EUR 40,000, respectively, as compensation for chairing the respective committee. An additional annual remuneration of EUR 10,000 has been paid for serving in the Committees. Accordingly, the additional annual remuneration for serving in the Committees amounts to EUR 75,000 on aggregate.

COMPENSATION FOR MEMBERS OF THE SENIOR MANAGEMENT

The Group was managed, respectively supervised by the Senior Management represented in 2015 by the Chief Executive Officer ('CEO'), Pepyn Dinandt, who also served as a Member of the Board of Directors, the Chief Financial Officer ('CFO'), Matthew Russell, and the Global Industrial Director of the Company ('GID'), Gerhard Mühlbeyer, in accordance with the Articles of Association, by-laws of the Board of Directors and any applicable law.

The service agreements with Pepyn Dinandt, Matthew Russell and Gerhard Mühlbeyer for their respective functions in 2015 provide for a fixed salary and an annual bonus payment. The annual bonus payment is linked to Group performance and individual targets. It is capped at 100% of the respective individual fixed salary.

The total fixed remuneration for members of the Senior Management in 2015 amounted to EUR 1,399,000 as in the previous year. The total bonus for the members of the Senior Management in 2015 amounted to EUR 548,555 (previous year EUR 1,154,372). The members of the Senior Management are entitled to a company car as well as advances towards health and pension insurance.

Additionally, the members of the Senior Management, along with other executives, participate in a stock option plan (SOP). The SOP was created to align the interests of those individuals with the interest of the shareholders of the Company to create long-term sustainable growth in the Company's value.

In 2015, stock options were granted to each member of the Senior Management. The stock options have a performance period and an exercise period of three years each. The stock options vest via a four-steps exercise table. For a vesting of 50 % (type 1 options) of each annual grant, a minimum share price increase of at least 15 % in relation to the grant's exercise price is required. Another 15 % (type 2 options) of such grant vests when a share price increase of 20 % is achieved, while the next additional 15 % (type 3 options) vests at a share price increase of 30 %. For a vesting of the remaining 20 % (type 4 options) of such grant, the share price has to increase by at least 40 %. In each of the aforementioned cases, the share price must have exceeded the respective percentage hurdle on 20 consecutive trading days within the last 12 months of the relevant performance period. In case the minimum performance hurdle of 15 % share price increase has not been met, the respective tranches are subject to forfeiture. For the current tranche granted in 2015, all vested stock options may be exercised with a strike price of EUR 24.35 (closing price of the share of 25 June 2015) during the three-year exercise period. The SOP considers a cap of 300 % of the initial share price at grant. In addition, the SOP considers specific conditions with respect to good leavers/bad leavers.

Pepyn Dinandt did not intend to seek a renewal of his appointment as CEO, expiring 30 June 2016 and stepped down from all duties with effect as of 15 January 2016. Under his termination agreement, Pepyn Dinandt will be compensated for a non-compete / non-solicitation undertaking of one year, and the remaining tranches of shares remaining subject to the lock-up undertaking established in connection with the Group's IPO were released. Pepyn Dinandt will keep two thirds of the stock options granted in June 2014 and one third of the stock options granted in June 2015.

SOP GRANTS 2015 FOR MEMBERS OF THE SENIOR MANAGEMENT

Function	Original grant amount (EUR)	Actual No. of stock options
CEO	116,666 (350,000)	27,376 (82,129)*
CFO	350,000	82,129
GID	350,000	82,129

*) thereof 54,753 stock options forfeited in 2016 according to the termination agreement of Pepyn Dinandt

DIRECTORS' DEALINGS

Person	Total position No. of shares beginning of period	Type	Date	Transaction volume No. of shares	Average Share Price in EUR	Total position No. of shares end of period
Pepyn Dinandt	223,481	sell	June 2015*	30,000	25.5790	
		sell	Sep 2015*	10,000	24.0084	
		sell	Oct 2015	5,000	23.0107	
		sell	Dec 2015*	10,000	25.3532	168,481
Pierre-Marie De Leener	0	buy	March 2016*	3,281	23.0605	3,281

* several transactions

Disclaimer

Forward-Looking Statement

This document contains forward-looking statements relating to the business, financial performance and results of Braas Monier Building Group S.A. (the 'Company') and/or the industry in which the Company operates. The words 'anticipate', 'assume', 'believe', 'estimate', 'expect', 'foresee', 'intend', 'may', 'plan', 'project', 'should' and similar expressions are used to identify forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about the Company's beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates and projections as they are currently available to the management of the Company. Forward-looking statements therefore speak only as of the date they are made, and the Company undertakes no obligation to update any of them in light of new information or future events.

By their very nature, forward-looking statements involve risks and uncertainties. These statements are based on the Company's management's current expectations and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Actual results may differ from those set forth in the forward-looking statements as a result of various factors (including, but not limited to, future global economic conditions, changed market conditions affecting the building materials industry, intense competition in the markets in which we operate and costs of compliance with applicable laws, regulations and standards, diverse political, legal, economic and other conditions affecting our markets, and other factors beyond our control).

This document is intended to provide a general overview of the Company's business and does not purport to deal with all aspects and details regarding the Company. Neither the Company nor any of its directors, officers, employees or advisors nor any other person shall have any liability whatsoever for any errors or omissions or any loss howsoever arising, directly or indirectly, from any use of this information or its contents or otherwise arising in connection therewith.

This document speaks as of its date and the material contained in this presentation reflects current legislation and the business and financial affairs of the Company which are subject to change and audit.

Roundings

Percentages and figures in this report may include roundings.

FINANCIAL CALENDAR

31 March 2016	Publication of the 2015 Annual Report
15 April 2016	Interest payment on Senior Secured Floating Rate Notes (FRN)
3 May 2016	Three-Month Results for 2016
11 May 2016	Annual General Meeting, Luxembourg
12 May 2016	Dividend Payment for the Fiscal Year 2015
15 July 2016	Interest payment on Senior Secured Floating Rate Notes (FRN)
03 August 2016	Six-Month and Second Quarter Results for 2016
15 October 2016	Interest payment on Senior Secured Floating Rate Notes (FRN)
02 November 2016	Nine-Month and Third Quarter Results for 2016
15 January 2017	Interest payment on Senior Secured Floating Rate Notes (FRN)

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