Gerresheimer AG
Annual Report 2014
Our Mission

GERRESHEIMER

CHECKLIST

GERRESHEIMER

VISION

Gerresheimer to become the leading global partner for enabling solutions that improve health and well-being

GOALS FOR 2014

STRATEGY

GLOBAL MARKET LEADERSHIP IN OUR MARKETS

Clear focus on pharma and healthcare

Push ahead with international expansion

Significantly augment capacity for future growth

Start implementing machine strategy for more effective production

Weigh potential acquisitions

PROFITABLE AND ...

Adjusted EBITDA at constant exchange rates EUR 255m–EUR 258m

Boost cash flow

Improve production efficiency

Higher EPS

Dividend of 20%–30% of adjusted net income

... SUSTAINED GROWTH

Approx. 4% revenue growth (at constant exchange rates)

Capex between 9% and 10% of revenue at constant exchange rates

Launch new products, tap new regions and customers

Verifiably sustainable operations

Employee training and development

2014 RESULTS

STRATEGY

GLOBAL MARKET LEADERSHIP IN OUR MARKETS

Build new pharma glass factory in India

in progress

New big-ticket order for inhalers in USA

in progress

Added capacity for inhaler production in Czech Republic

DONE

Started implementing global machine strategy in USA

DONE

No suitable potential acquisition found

keep looking

PROFITABLE AND ...

Adjusted EBITDA at constant exchange rates increased to EUR 258.5m

DONE

Operating cash flow slightly down (by 0.8%) to EUR 103.6m

improve

Unscheduled furnace repair in USA meant significantly lower quantity of glass products marketable in USA

improve

Earnings per share up 6.6% from EUR 1.98 last year to EUR 2.11 in 2014

DONE

Dividend increase to EUR 0.75 per share (26% payout ratio) proposed

DONE

14% ROCE above 12% target

DONE

... SUSTAINED GROWTH

3.7% revenue growth at constant exchange rates

DONE

Capex program fully completed, volume equivalent to 9.8% of revenue at constant exchange rates

DONE

R&D center for medical plastic systems opened in China, well positioned for development projects in collaboration with customers

DONE

Further enhanced track record in the world's biggest environmental initiative

DONE → P. 55

Many employees trained; top employer award

DONE → P. 50

STATUS

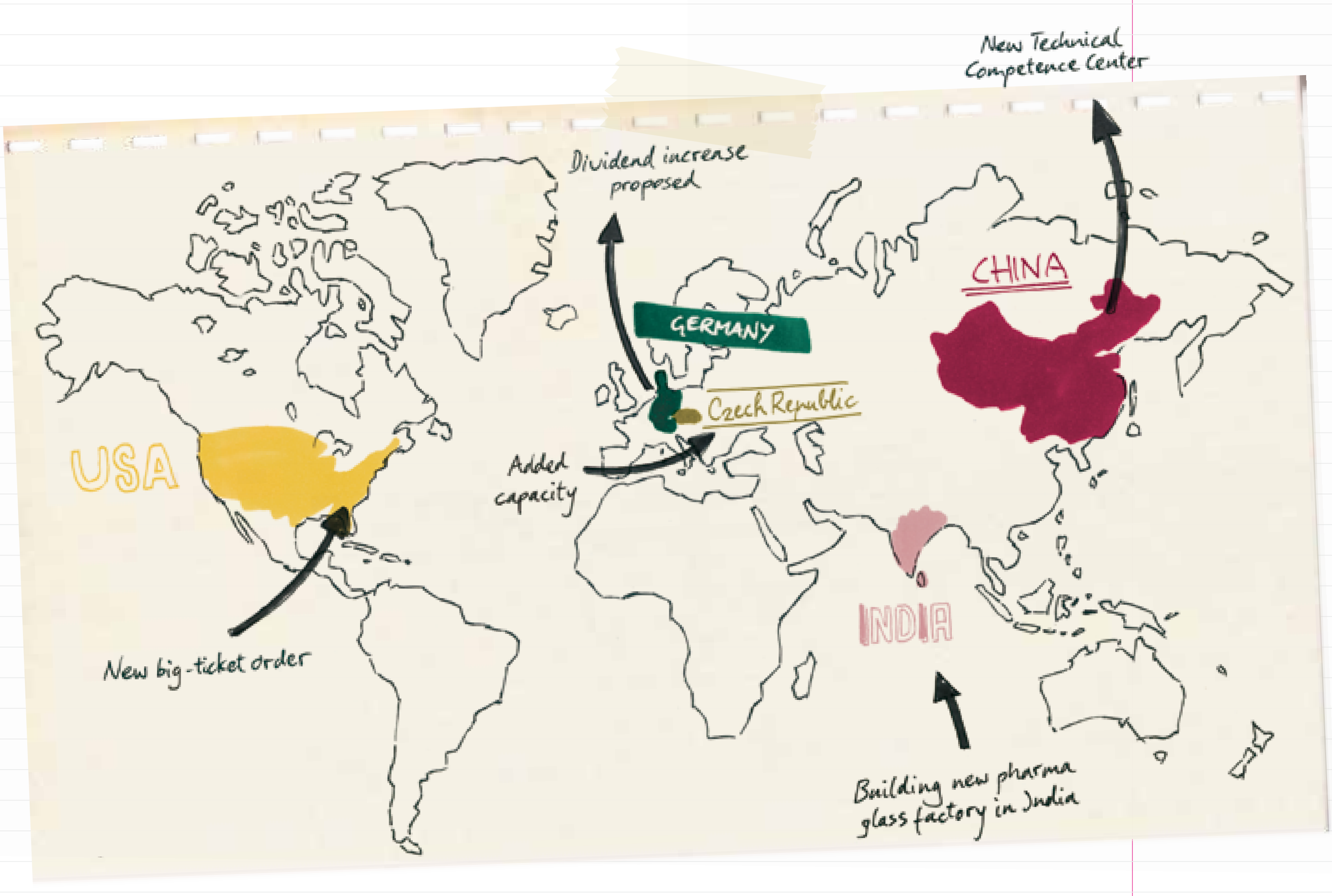
DOING WELL

SUCCESSFUL FINANCIAL YEAR 2014

DOING WELL

OVERVIEW

Gerresheimer is a leading global partner to the pharma and healthcare industry. With our specialty glass and plastic products, we contribute to health and well-being. We have worldwide operations and our around 11,000 employees manufacture our products in local markets, close to our customers. With over 40 plants in Europe, North America, South America and Asia, we generate revenues of approximately EUR 1.3 billion. Our comprehensive product portfolio includes pharmaceutical packaging and products for the safe, simple administration of medicines: Insulin pens, inhalers, prefillable syringes, injection vials, ampoules, bottles, and containers for liquid and solid medicines with closure and safety systems as well as packaging for the cosmetics industry.



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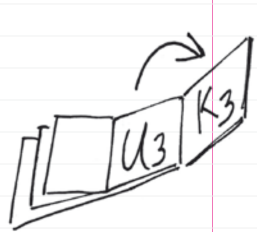


PREFACE BY THE CHIEF EXECUTIVE OFFICER

DEAR SHAREHOLDERS AND BUSINESS PARTNERS, LADIES AND GENTLEMEN,

The Year 2014 was a special year for Gerresheimer AG. We celebrated three company anniversaries, all bearing testament to our long tradition and the numerous new paths we ventured down as a company. A century and a half ago, Ferdinand Heye established our former central plant in the Gerresheim district of Düsseldorf. We have to thank him not only for his outstanding achievement in founding the company, but also for our company name and, of course, our passion for the production of glass. In 2014, we also celebrated the 125th anniversary of our moulded glass plant in Lohr, Germany, and looked back with pride on 50 years since our plastic factory was set up in Vaerloese, Denmark.

A lot has changed since then. We are now a leading partner to the pharma and healthcare industry, with plants and customers around the globe. Every year, we manufacture ever-greater volumes of our products, today totaling several billion units. At the same time, we know that every single product counts – and that the quality of our products and processes is key. Our production processes have to meet the most stringent requirements set out by pharmaceutical authorities, all of which serve to protect patients. This is because the medications come into direct contact with our glass and plastic packaging. We are therefore striving to constantly raise the quality standards of our production. This is also why a large part of our investments are in production technology. After all, only by adhering to the same standards worldwide can we deliver the same high quality to all our customers across the globe.

"Demand for our packaging for the pharmaceutical industry remained high in the financial year 2014."

Demand for our packaging for the pharmaceutical industry remained high in the financial year 2014. Given that the production of pharmaceutical packaging is a market that taps into megatrends, we expect this trend to continue. We stand to benefit from worldwide population growth and the fact that many people are now living much longer, not least thanks to good medical care. In addition, the number of acute and chronic illnesses is rising steadily, which translates into volume growth for our business. The same applies to sales of generic drugs. The availability of more drugs at affordable prices boosts sales, thus generating greater demand for packaging. Better medical care in highly populated emerging markets also means growth in business volume for our company.

The introduction of increasingly stringent requirements by health authorities strengthens our market position as a specialist in the field of pharmaceutical packaging and prevents new providers from entering the market. After all, premium quality is paramount when it comes to health. This also applies to new drugs, whose complex molecular structures are placing ever-greater demands on packaging. We have risen to this challenge by developing new materials such as high-performance plastics and tempered glass. Innovations are also called for in the area of self-medication. A growing number of patients who take care of their own medication need reliable and simple solutions to help dose and administer the drugs correctly.

Demand for cosmetics packaging and sales of laboratory glassware also increased in the past financial year.

All in all, the financial year 2014 was a good year for us. Revenues rose by 1.9% to EUR 1,290.0m. Excluding exchange rate effects, we recorded organic revenue growth of 3.7%. We are satisfied with this result in light of the slowdown in the market in the second half of the year. All the same, we were only able to meet our adjusted forecast, which was revised in the course of the year. In terms of earnings, the year ended on a more positive note, with operating income – measured as adjusted EBITDA – of EUR 253.4m, or EUR 258.5m excluding exchange rate effects. Adjusted EBITDA was therefore slightly above the range stated in our most recent forecast. Return on capital employed, ROCE, is a key performance indicator for managing the Group in the long term. We are satisfied with ROCE of just over 14.0% achieved in the financial year.

By contrast, share price development was less than satisfactory in the past financial year. Nonetheless, we firmly believe that we are extremely well placed on the market and that, thanks to good economic indicators and our ability to tap into long-term megatrends, we will continue to go from strength to strength in the future. We have every confidence in the continued success of our strategy of achieving profitable growth as a partner to the pharma industry in niche markets. Therefore we have decided, in consultation with the Supervisory Board, to once again increase the dividend despite the fact that there was no increase in the basis for assessment – adjusted net income after non-controlling interests – in the financial year. As agreed with the Supervisory Board, we therefore propose a dividend of EUR 0.75 per share for the financial year 2014. This represents a dividend payout ratio of 26% of adjusted net income after non-controlling interests and an increase of 7.1% against the prior-year dividend.

We are very well positioned for the years ahead and have defined clear steps to ensure our continued success going forward. These include expanding capacities at various locations and further standardizing our production technology, some of which we initiated during the past financial year. We are also optimistic about the financial year 2015, even if we expect organic revenue growth of between 1% and 3% to be slightly more subdued than in the years to follow. For the financial years 2016 to 2018, we are once again aiming for average annual organic revenue growth of 4% to 6%. Adjusted EBITDA is expected to increase to between EUR 255m and EUR 265m in the financial year 2015. For the adjusted EBITDA margin, we have defined a target value of 21% for 2018. To achieve these targets, we will require an estimated annual investment volume of between 9% and 10% of revenues at constant exchange rates through to 2018, in order to maximize the return on our products while also improving quality.

It is important to us to strike a balance between growth and ecological responsibility. This is why we are committed to the Carbon Disclosure Project, where we further improved our score in the past year thanks to a number of different initiatives.

On behalf of the entire Management Board, I would like to thank all our employees for their outstanding work and commitment to Gerresheimer. Without their dedication, motivation and resourcefulness, Gerresheimer would not be the company it is today. I also join with everyone on the Management Board in thanking our business partners, our Supervisory Board members and our works council officials for their loyal cooperation. We very much look forward to continuing this working relationship in the future.

And I wish to express gratitude to all of our shareholders for their continued support. We are fully committed to ensuring that Gerresheimer remains a leading partner to the pharma and healthcare industry and thus continues on its path of profitable growth.

With kind regards,

Uwe Röhrhoff

Uwe Röhrhoff

OUR Management Board

OUR NEW HEADQUARTERS IN DUESSELDORF

The members of our Management Board on our roof terrace

Uwe Röhrhoff

Chief Executive Officer, responsible for Primary Packaging Glass

Andreas Schütte

Member of the Board, responsible for Plastics & Devices

Rainer Beaujean

Chief Financial Officer, responsible for Life Science Research

HEALTHCARE SYSTEMS IN EMERGING ECONOMIES ARE BEING EXPANDED

Revenues from medication will grow by around 10% per year in emerging markets from 2013 to 2018, according to experts. Of course, the most important market is China, followed by India and Brazil. But even the vast country of China is still dwarfed by the USA when it comes to pharma revenues. Around USD 100 billion was spent on medication in China in 2013, compared with USD 340 billion in the USA. Calculated per capita, the difference is even starker, with a ratio of around 1:15. So there is still plenty of room for growth, not only in China. That is why we have numerous plants in China, India, Brazil and Mexico.

INCREASING REGULATORY REQUIREMENTS

The US health authority FDA is setting the pace, Europe is following suit, and many other countries are not far behind: zero-defect tolerance for medicines is right. After all, we are talking about people's health. Our goal: zero-defect manufacturing. Hence we are investing heavily in standardization and the expansion of our production machinery, as well as in clean rooms, camera inspection systems, and much more besides.

Especially
biotech medicines

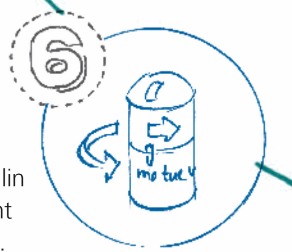
NEW MEDICINES ARE BEING DEVELOPED

New medicines mean new requirements for packaging in which to store them. Even the good old material of glass is reaching its limits for some new medicines. We can step in with innovative solutions made using new materials such as the high-performance plastic COP or tempered glass.

ACUTE AND CHRONIC ILLNESSES ARE ON THE RISE

Diabetes and asthma – just two examples of illnesses that require ongoing treatment. Today, 385 million people suffer from diabetes. In 20 years, this figure could reach 600 million. Together with our customers, we are developing insulin pens, skin-prick aids for diabetics, and asthma inhalers, which are used in their millions and on a daily basis.

LIFE EXPECTANCY AND POPULATION SIZE ARE IN-CREASING



SELF-MEDICATION IS GROWING EVER-MORE IMPORTANT

Most people don't want to have to go to the doctor just to get their insulin treatment. And health insurance funds are also happy about every patient who can take care of themselves. This calls for safe and reliable solutions. Because self-medication also means that lots can go wrong. Thirty to 50% of medicines are not taken at all, or are taken at the wrong time in the wrong dose. This leaves scope for intelligent products, which we are working on.

MEGATRENDS

PATENTS ARE EXPIRING – GENERIC DRUGS ARE ON THE INCREASE
Generic drugs are sometimes regarded as second-rate. But this is not the case. In terms of growth, they will be one of the main drivers on the pharma market over the next few years. Experts believe revenues from generics will grow by around 11% per year between 2013 and 2018, with particularly strong growth in emerging markets. And that's no bad thing. Ultimately, all medicines need packaging, whether or not they are protected by a patent.

SIX megatrends

in the pharma and healthcare industry

"STRATEGICALLY, WE HAVE POSITIONED OURSELVES IDEALLY."

OUR BUSINESS We produce billions of pharmaceutical packaging systems made from glass and plastic for generic drugs, patent-protected medications as well as for completely new medications. → Page 8/9

EXPANSION We manufacture at more than 40 plants around the world and are expanding. We have opened a new development center in China and are broadening our capacities in the USA and India. → Page 10/11

INNOVATION Crucial for us is the continuous improvement of products, processes and quality to benefit customers and users. → Page 12/13

QUALITY Our aspiration is for our customers to be able to rely on the quality we deliver. Because we meet every requirement. To ensure that medicines reach patients safely and that application and dosage are both simple and reliable. → Page 14/15

OUR BUSINESS

Billions of products – and every single one counts

Billions of products are manufactured at our plants around the world. And every one of them counts. In two ways: First, every single product must be flawless. Because before long, a sick child is given its cough syrup from one of our bottles, a diabetic injects vital insulin from one of our pens, and a patient recovering from knee surgery receives heparin from one of our syringes to prevent thrombosis. We carry the responsibility for this, every day. From the plant manager through to the machine operator on the weekend night shift.

Syringes
approx. 400 million

Injection vials
approx. 3 billion

Plastic containers and closures
approx. 4 billion

Cosmetic glass
approx. 1 billion

Pharma bottles

approx. 2.5 billion

Cartridges

approx. 1 billion

Inhalers

approx. 100 million

Ampoules

approx. 2 billion

And secondly, it is important to keep a grip on processes and costs. Because with billions of products, every cent counts. An ongoing task. We are currently replacing nearly all of our machines for making glass pharmaceutical vials with new machines developed by us. These offer significantly higher process security. The new machines are gradually being rolled out to our plants in the USA and Europe, but also, of course, in China and India. Because we want to offer our customers consistent standards worldwide.

MISSION

Date: Open

Project: Quality assurance while keeping costs under control

Plant: All of them

Status: ☐ Completed

☑ In progress

☐ To be done

India, China, USA

FROM THE SOUTH TO THE ENTIRE USA

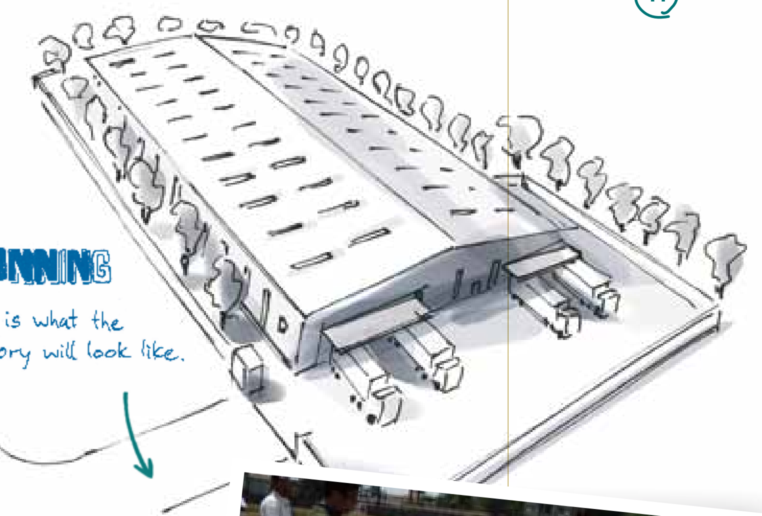
With our inhalers and insulin pens, we have been a market leader in Europe for many years now. In contrast, our US business with these products has been modest so far, although we have been manufacturing medical plastic systems in the south of the US since 1993. In 2009, we added a development center to the site in Peachtree City, near Atlanta. And that's now paying off. Next year will bring expansion of the production area by 5,600 m², the installation of state-of-the-art clean rooms and the creation of 120 new jobs. This development is being driven by the manufacture of an inhaler for the US market for a key account. So the South is our jumping-off point for expansion throughout the USA.

DEVELOPMENT IN SOUTHERN CHINA

The south of China near Shanghai is far from being a developing economy. But, from here on in, developing new medical plastics products and tools there will be important for us. It all began with a development center in Wackersdorf, Germany, which was followed in 2009 by a second center in the USA. In fall 2014, we opened a third development center in Dongguan City, China. Of course, it is located right next to our factory, just like its two large predecessors.

October 22, 2014: Grand opening of the development center in China

Since 2006, the facility has been manufacturing products to help patients dose and take their medicines. These are known as drug delivery devices and include inhalers, skin-prick aids for diabetics and infusion products. Now, we can also develop new products and tools for industrial manufacturing at the site – hand in hand with the development centers in the southern United States and southern Germany.



1 PLANNING

This is what the factory will look like.

2 BREAKING GROUND

In India, laying cornerstones is not a custom. Instead, the ground is blessed before the excavators begin.

GOOD NEIGHBORHOOD IN INDIA

We have been producing pharma bottles for medications for many years at a site around five hours by car north of Mumbai. And we are now building a second facility right next to the existing factory in Kosamba in up-and-coming Gujarat state. From 2015 onward, injection vials and ampoules will be manufactured there. It goes without saying that they will be produced in line with our exacting Gerresheimer standards and international requirements. After all, the drugs filled in vials and ampoules in India could later be used in the United States and in Europe. We already operate ten facilities of this type across the globe and are integrating this experience into the new factory in India. The new facility will cover 7,000 m², with 4,000 m² earmarked for production. Of course, state-of-the-art clean room technology will also be installed right from the start.

3 SHELL CONSTRUCTION

The hall is built quickly. Next steps: Building the clean rooms, delivering the machinery, and much more …

MISSION

Date: 2015

Project: Expansion of production capacity

Plant: Several

Status:
- [ ] Completed
- [x] In progress
- [ ] To be done

INNOVATION

PRODUCT, PROCESS, QUALITY – AND CUSTOMER BENEFIT ABOVE ALL

Innovation – the word brings to mind flashy inventions such as smartphones, electric cars and package-delivering drones. In most cases, though, it is the many incremental improvements that make the real difference and benefit users and customers. For us, innovation long ago ceased to mean just new product creation. An innovation can also be a step up in quality, a new process or "simply" improved usability for customers.

CONCEPTUAL STUDY
Pill crusher
When pills are too big to swallow

GLASS AND PLASTIC: TRIED AND TRUE – BUT STILL FULL OF POTENTIAL

Glass has existed for thousands of years and has been used to store medicines for a long time. So does unrivaled quality mean there is no room for improvement? We don't think so. We strive for continuous improvement and aim to improve glass quality in new ways. Preventing scratches that can make containers more likely to break. Particle-free to ensure that the medication is the only thing in the container. And tempering the glass using a special chemical process to allow it to withstand greater pressure.

Yet glass is not the only material we rely on. We have also developed a plastic in-house to compete with glass. Our MultiShell vials – high-performance plastic injection vials – are composed of three layers of different plastics. Regardless of whether we are innovating glass vials or their plastic equivalents, many improvements in the manufacturing process, materials, handling, packaging and quality testing are required. But in the end, something new is created. Glass or plastic – why should we pick a winner? Our customers can choose for themselves.

IN A CRISIS, RELIABILITY IS CRITICAL

Imagine a summer day. A bee stings your arm, it turns red and swells up. It's an emergency. And a familiar situation if you're an allergy sufferer. At this point, you have to be able to rely on the device in your handbag. Pop off the cap, position, push to trigger, and relief is on the way. These pen-sized products that reliably deliver a dose of the necessary medication to the body in an emergency are called auto-injectors. Clearly, ease of use, reliability and precision are essential for the triggering mechanism, dosing and the shelf-life of the drug in the auto-injector for periods as long as several months. We have worked with our customers to develop auto-injectors like this and manufacture them, too. After all, the bees aren't going anywhere.

CONCEPTUAL STUDY
Pill bottle with electronic dose counter and alarm

WACKERSDORF
Small batch production under industrial conditions in clean rooms

SOMETIMES MILLIONS, SOMETIMES NOT

If a pharmaceuticals company has successfully introduced an insulin pen or inhaler in a number of countries, then it usually needs us to manufacture millions of that product. And we can – no problem. However, before this happens, our customer might only need smaller quantities. These still have to be produced under industrial conditions and in the same high quality. Small batches are important for clinical trials, testing, selective market rollouts, and marketing. We can do that, too. And under the same conditions as for serial production thanks to our small batch production operations in Wackersdorf. The development center is conveniently located right next door. So, if millions of units are required later, our factory is on hand.

Interview with Charlotte Borgensgaard, head of Gerresheimer's Quality Initiative.

MS. BORGENSGAARD, YOU HAVE BEEN HEAD OF GERRESHEIMER'S QUALITY INITIATIVE FOR FOUR YEARS NOW. WHEN WILL YOU HAVE ACCOMPLISHED YOUR GOAL?

Charlotte Borgensgaard: Continuous improvement is in our blood. Our goal will not be achieved until our products help patients receive all of their medications without error. Our customers must be able to rely on the quality we deliver. It doesn't matter whether it's a pill container, an injection vial or an insulin pen from the factory in Denmark, the United States, Brazil, China or India.

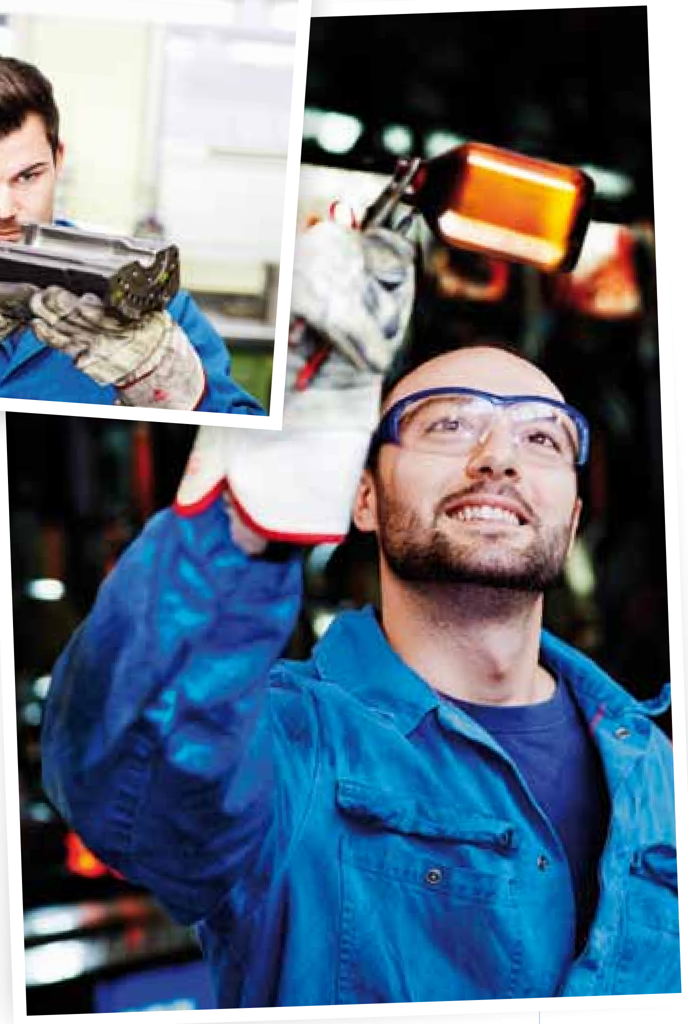
WHAT DOES QUALITY COME DOWN TO?

Charlotte Borgensgaard: We are working to make every employee responsible for a culture of quality. Even the best production facilities only deliver optimum quality when each and every machine operator, every shift supervisor and every production manager internalizes these ambitious quality standards and puts them into practice. In a shift operation that runs 365 days a year, quality depends on employees, on clearly defined, stable and robust processes as well as on production equipment and inspection systems in perfect condition.

HOW DO YOU GUARANTEE QUALITY WORLDWIDE?

Charlotte Borgensgaard: Our Gerresheimer Management System specifies uniform processes worldwide for how we work, manufacture our products as well as proactively prevent, identify and correct defects. Increasingly, we are using the same production equipment the world over, which standardizes workflows. Our international, cross-disciplinary Quality Initiative has ensured that all facilities are working according to the same quality standards. We make sure that the best help those who need it to improve their quality. And, of course, we continually request feedback from our customers. What use is it if we think we have done everything right? Our customers have to tell us that themselves.

The US Food and Drug Administration (FDA) and European and local authorities monitor the pharma market very closely by conducting regular manufacturing process audits, testing drugs, and much more besides. It is vitally important that medications reach patients in optimum condition. The frequency of FDA complaints, product recalls, and warning letters by regulators requesting improvements has increased. Parenteral drugs – in other words, drugs administered by injection or infusion – and their primary packaging specifically must meet a particularly high quality bar. The necessary standards for production processes, filling processes, packaging and drug delivery devices are applicable not just in Europe and the USA. Regulators in Brazil, China and India are following suit. And the FDA is increasingly also monitoring production processes on-site in China and India in cases where drugs are exported to the USA.



OUR GOAL

Zero-defect manufacturing on every shift, 365 days a year

THE PRESSURE PUT ON PHARMACEUTICALS COMPANIES BY THE FDA AND OTHER REGULATORS IS GROWING. HOW DOES THAT AFFECT GERRESHEIMER?

Charlotte Borgensgaard: As a partner to the pharma industry, we are in the same boat, whether the seas are calm or stormy. At the end of the day, tougher standards benefit patients, and that is as it should be. So our job is to deliver reliable, defect-free products to pharma companies. That is my motivation, and it's our collective motivation. There are not many companies able to provide products like this to customers all over the world at a consistently high level of quality. But we can, and our Quality Initiative is a major factor in that accomplishment.

More on the Quality Initiative on page 53

More on the Gerresheimer Management System (GMS) on page 56

Manufacturing our health and wellness products requires the involvement of 11,000 employees. Each individual bears responsibility. Raising awareness of this fact was the aim of the internal "product world" campaign. Following its launch in 2013, the second wave of the campaign ran in 2014. Videos showcased employees who are exemplary in living up to their responsibility. The campaign also included interactive games and quizzes as well as posters and flyers. Monthly newsletters outlined clinical pictures and presented medications and their packaging. At the end of the two-year campaign, each employee received a compilation of all 24 issues.

More on the "product world" on page 50

REPORT OF THE SUPERVISORY BOARD

› **Gerhard Schulze**
Chairman of the Supervisory Board

In the financial year 2014, the Supervisory Board devoted considerable time and attention to the Company's position and fulfilled all its obligations under the law, the Company's Articles of Association and the Rules of the Supervisory Board. Those obligations include consultations on the basis of prompt, regular and comprehensive information provided by the Management Board, involvement of the Supervisory Board in decisions of material importance for the Company and the necessary supervision of management.

The Supervisory Board ensured that it was informed in detail about the Company's business development and financial position, including the risk situation, risk management and compliance. After thorough examination and discussion, the Supervisory Board – in five meetings and once by means of a teleconference – voted on the reports and proposed resolutions submitted by the Management Board to the extent required by law, the Company's Articles of Association and the Rules of the Supervisory Board. In addition, the Chairman of the Supervisory Board was in regular contact with the Management Board and in particular its Chairman. He was regularly and promptly informed by the latter about important developments and upcoming decisions.

PERSONNEL CHANGES ON THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

In the financial year 2014, the Company's Supervisory Board consisted of Gerhard Schulze as Chairman, Francesco Grioli as Deputy Chairman, Sonja Apel, Lydia Armer, Dr. Karin Dorrepaal, Eugen Heinz, Dr. Axel Herberg (since April 30, 2014), Seppel Kraus, Dr. Peter Noé, Hans Peter Peters (until April 30, 2014), Markus Rocholz, Theodor Stuth and Udo J. Vetter.

Throughout the financial year 2014 the Company's Management Board consisted of Uwe Röhrhoff as CEO, Rainer Beaujean and Andreas Schütte. There were no changes to the membership of the Management Board during that period.

MEETINGS OF THE SUPERVISORY BOARD

The regular discussions held by the full Supervisory Board covered the sales and earnings performance of the Company as a whole and of the individual business divisions.

In the course of a teleconference on December 10, 2013, the Supervisory Board discussed the status of a possible acquisition transaction.

At the Supervisory Board meeting on February 12, 2014, the Annual Financial Statements of Gerresheimer AG, the Consolidated Financial Statements and the Combined Management Report for the financial year 2013, the proposal on the appropriation of accumulated net earnings and the Report of the Supervisory Board were approved. The Annual Financial Statements were thereby adopted. At this meeting, the Supervisory Board also approved a Domination Agreement and an Amendment Agreement to the Profit and Loss Transfer Agreement, both agreements with Gerresheimer Holdings GmbH, and dealt with first thought to amend the system of remuneration for Management Board members.

At its meeting after the Annual General Meeting on April 30, 2014, the Supervisory Board elected new members to the Presiding Committee and the Nomination Committee as successors to Hans Peter Peters who had left the Supervisory Board.

At its May 22, 2014 meeting, the Supervisory Board adopted changes in the Management Board remuneration system relating to the variable short-term component, the variable long-term component and stock appreciation rights. The appointment of Mr. Röhrhoff as member of the Management Board was also renewed, as was his nomination as Chief Executive Officer. A number of amendment agreements relating to various domination and profit transfer agreements were approved and a mid-year amendment was made to the declaration of compliance in accordance with Section 161 of the German Stock Corporation Act (Aktiengesetz).

On September 9, 2014, the main focus of the Supervisory Board which afforded considerable time and attention was the corporate strategy drawn up by the Management Board. The Supervisory Board also dealt with the annual declaration of compliance in accordance with Section 161 of the German Stock Corporation Act (Aktiengesetz) and the engagement of the auditor for the financial year 2014.

The main items dealt with at the Supervisory Board meeting on November 24, 2014 were the Group's medium-term planning and the approval of the budget for the financial year 2015. In addition, the results of the efficiency audit conducted by the Supervisory Board were discussed in detail.

All members of the Supervisory Board participated in the five Supervisory Board meetings in the financial year 2014. One member was absent with apologies in the teleconference on December 10, 2013.

At its meeting on February 10, 2015, the Supervisory Board focused on the approval of the Annual Financial Statements of Gerresheimer AG, the Consolidated Financial Statements, the Combined Management Report for the financial year 2014 and the proposal for appropriation of retained earnings. The Supervisory Board also adopted a new pension arrangement for future members of the Management Board.

MEETINGS OF THE COMMITTEES

To ensure that its duties are performed efficiently, the Supervisory Board has set up four committees: the Mediation Committee in accordance with Section 27 (3) of the German Codetermination Act (Mitbestimmungsgesetz), the Presiding Committee, the Audit Committee and the Nomination Committee. These committees prepare topics for resolution by the full Supervisory Board and, in certain cases, also have authority to take decisions autonomously. The Mediation Committee and the Presiding Committee each consists of two shareholder representatives and two employee representatives. The Audit Committee also has an equal number of shareholder and employee representatives and comprises six members. The Nomination Committee has three members and consists solely of shareholder representatives.

The Presiding Committee prepares the Supervisory Board's personnel-related decisions, notably the appointment and dismissal of Management Board members as well as decisions regarding the remuneration of Management Board members. In place of the Supervisory Board, the Presiding Committee decides on the signing, amendment and termination of the service contracts of Management Board members, except in the case of remuneration issues requiring the approval of the full Supervisory Board. The Presiding Committee met on January 20, May 19 and on September 26, 2014 as well as, after the end of the financial year 2014, on December 16, 2014. Topics addressed by the Presiding Committee comprised a review of Management Board remuneration, changes in the structure of remuneration for Management Board members, a new pension arrangement for future members of the Management Board, the reappointment of Uwe Röhrhoff and his nomination as Chief Executive Officer, and the reappointment of Rainer Beaujean. The Presiding Committee also adopted a written circular resolution permitting a Management Board member to engage in ancillary activity.

In particular, the responsibilities of the Audit Committee include preparing Supervisory Board decisions on the adoption of the Annual Financial Statements and the approval of the Consolidated Financial Statements as well as discussing the Quarterly Financial Reports and the Half-Year Financial Report. The Audit Committee's remit also includes monitoring the accounting process, the effectiveness of the internal control system, risk reporting and the risk management system, the internal audit system and compliance. The Audit Committee met four times, on February 11, April 9, July 9 and October 7, 2014. Its discussions focused on the reports on the audit of the Annual Financial Statements and Consolidated Financial Statements for the financial year 2013 as well as the Quarterly Financial Reports and Half-Year Financial Report for 2014. The Audit Committee also looked at the independence of the auditor, submitted the recommendation to the Annual General Meeting regarding the election of the auditor, issued the auditor with the audit engagement for the financial year 2014, and set out and monitored the audit process as well as the focal points of the audit, including the agreement on the audit fee. In addition, the Audit Committee discussed the effectiveness of the internal audit system as well as compliance at Gerresheimer.

The Nomination Committee recommends suitable candidates to the Supervisory Board for the proposed resolutions the latter puts to the Annual General Meeting for the election of Supervisory Board members as shareholder representatives. In the past financial year, the Nomination Committee met on October 22, 2014 and November 26, 2014 as well as, after the end of the financial year 2014, on December 15, 2014. At these meetings, it dealt with the appointment of a successor to Gerhard Schulze as member of the Supervisory Board following his departure as of the close of the 2015 Annual General Meeting and drew up a proposal for submission to the full Supervisory Board.

The Mediation Committee did not meet during the past financial year.

CORPORATE GOVERNANCE

The Supervisory Board continuously monitored the development of corporate governance standards. The Company's Management Board and Supervisory Board report on corporate governance in the Gerresheimer Group on pages 19 to 23 of the Annual Report. On September 9, 2014, the Management Board and Supervisory Board submitted the annual Compliance Declaration in accordance with Section 161 of the German Stock Corporation Act (Aktiengesetz) and made it permanently available to shareholders on the Company's website.

ANNUAL FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS FOR 2014

The Annual Financial Statements and Consolidated Financial Statements drawn up by the Management Board for the financial year from December 1, 2013 to November 30, 2014 and the Combined Management Report were audited by and received an unqualified auditor's opinion from Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Duesseldorf.

The Annual Financial Statements of Gerresheimer AG, the Consolidated Financial Statements, the Combined Management Report, the proposal on the appropriation of accumulated net earnings and the auditor's reports for the financial year 2014 were made available to the Supervisory Board for examination. The Audit Committee discussed and examined the documents in detail at its meeting on February 9, 2015 and issued recommended resolutions to the Supervisory Board. The latter examined the Annual Financial Statements of Gerresheimer AG, the Consolidated Financial Statements, the Combined Management Report, the proposal on the appropriation of accumulated net earnings and the auditor's reports on these at the Supervisory Board meeting on February 10, 2015. The auditor attended the meetings of the Audit Committee and the Supervisory Board, reported on the conduct and main findings of the audit and was available to answer questions.

On completion of the examination by the Audit Committee and on completion of its own examination, the Supervisory Board approves the auditor's findings and declares that there are no objections to be raised. The Supervisory Board has adopted the Annual Financial Statements and approved the Consolidated Financial Statements. The Supervisory Board concurs with the Management Board's proposal for the appropriation of accumulated net earnings.

The Supervisory Board thanks the Management Board and all employees of Gerresheimer AG and its affiliated companies for their contribution to the Gerresheimer Group's successful performance in the financial year 2014.

Duesseldorf, February 10, 2015

Gerhard Schulze
Chairman of the Supervisory Board

CORPORATE GOVERNANCE REPORT

Gerresheimer AG identifies with the objectives of the German Corporate Governance Code and the principles of transparent and responsible management and supervision of the Company with the goal of value enhancement. The Management Board, the Supervisory Board as well as all executives and employees of Gerresheimer AG are obligated to pursue these objectives and principles. Since May 22, 2014 Gerresheimer AG has complied with all recommendations of the German Corporate Governance Code as amended on May 13, 2013.

MANAGEMENT BOARD

The Management Board of Gerresheimer AG consists of a minimum of two members. The Supervisory Board decides on the number of Management Board members subject to this proviso. The Supervisory Board nominates one Management Board member as chairman of the Management Board or as its spokesperson. The Management Board manages the Company autonomously. In so doing, it is bound to act in the Company's best interests and obligated to increase shareholder value on a sustainable basis.

The Management Board informs the Supervisory Board regularly, promptly and comprehensively of all issues relevant to the Company with regard to planning, business performance, the risk situation, risk management and compliance. Some of the key transactions and measures provided for in the Rules of the Management Board require the prior consent of the Supervisory Board.

The composition of the Management Board in the financial year 2014 is presented on page 121 of the Annual Report.

SUPERVISORY BOARD

The Supervisory Board of Gerresheimer AG consists of twelve members, half of whom represent the shareholders and half the employees. The shareholder representatives are generally elected by the Annual General Meeting and the employee representatives by the employees. The term of office of most of the current Supervisory Board members extends until the end of the Annual General Meeting in 2017. However, the term of office of Gerhard Schulze will expire at the end of the Annual General Meeting on April 30, 2015 for reasons of age as stipulated in the Articles of Association of the Company. This Annual General Meeting is expected to decide on his successor.

The Supervisory Board monitors and advises the Management Board in running the business. To fulfill its duties, the Supervisory Board regularly discusses business performance as well as planning, strategy and strategy implementation with the Management Board. The Supervisory Board approves the annual budget drawn up by the Management Board and decides on adoption of the Annual Financial Statements as well as approval of the Consolidated Financial Statements of Gerresheimer AG, notably taking the auditor's reports into account. The Supervisory Board also decides on the appointment and dismissal of Management Board members and their remuneration. In the event of a tied vote in the Supervisory Board, the Chairman of the Supervisory Board will have two votes if a new ballot on the same matter is held and there is still a tie.

The composition of the Supervisory Board in the financial year 2014 is presented on pages 120 and 121 of the Annual Report. The Annual General Meeting on April 30, 2014 elected Dr. Axel Herberg as member of the Supervisory Board for the remaining term of office of Hans Peter Peters who resigned from the Supervisory Board effective at the end of such Annual General Meeting.

The work of the Supervisory Board is supported by committees. According to the Rules of the Supervisory Board, the following Supervisory Board committees must be formed:

The Mediation Committee, set up in accordance with Section 27 (3) of the German Codetermination Act, presents proposals to the Supervisory Board for the appointment of Management Board members if the required majority of two-thirds of the votes of the Supervisory Board members is not obtained in the first ballot. In the past financial year, the Mediation Committee consisted of Gerhard Schulze (Chairman), Dr. Karin Dorrepaal, Francesco Grioli and Eugen Heinz.

The Presiding Committee prepares the Supervisory Board's personnel-related decisions. In place of the Supervisory Board, the Presiding Committee decides on the signing, amendment and termination of the service contracts and pension agreements of Management Board members, except in the case of remuneration issues requiring the approval of the full Supervisory Board. Furthermore, the Presiding Committee is responsible for approving transactions between the Company and members of the Management Board. The Presiding Committee also decides on the approval of contracts with Supervisory Board members in accordance with Section 114 of the German Stock Corporation Act and on granting loans to the group of persons specified in Sections 89 and 115 of the German Stock Corporation Act. In the past financial year, the Presiding Committee was composed of Gerhard Schulze (Chairman), Lydia Armer, Francesco Grioli, Hans Peter Peters (until April 30, 2014) and Dr. Axel Herberg (since April 30, 2014).

The Audit Committee prepares the Supervisory Board's decisions on adoption of the Annual Financial Statements, approval of the Consolidated Financial Statements and the agreement with the auditor, among other things. Furthermore, the Audit Committee discusses the Quarterly Financial Reports and the Half-Year Financial Report. It takes appropriate measures to establish and monitor the independence of the auditor. The Audit Committee also supports the Supervisory Board in monitoring the management. In this context, the Audit Committee deals with supervision of the accounting process, the effectiveness of the internal control system, risk reporting and the risk management system, the internal audit system and compliance. In the past financial year, the Audit Committee was made up of Theodor Stuth (Chairman), Francesco Grioli, Seppel Kraus, Dr. Peter Noé, Markus Rocholz and Gerhard Schulze.

The Nomination Committee presents proposals to the Supervisory Board regarding suitable candidates for its election proposals to the Annual General Meeting with regard to Supervisory Board members as shareholder representatives. In the past financial year, the Nomination Committee was made up of Gerhard Schulze (Chairman), Hans Peter Peters (until April 30, 2014), Dr. Karin Dorrepaal (since April 30, 2014) and Udo J. Vetter.

Pursuant to the German Corporate Governance Code and the Rules of the Management Board and the Supervisory Board, the members of the Management Board and the Supervisory Board must disclose any conflicts of interest to the Chairman of the Supervisory Board. In the event of significant conflicts of interest that are not merely temporary in nature, the Supervisory Board member in question must resign from office. In its report to the Annual General Meeting, the Supervisory Board provides information on any conflicts of interest that have arisen and how they have been handled. No conflicts of interest arose during the reporting period with regard to Management Board or Supervisory Board members.

In compliance with item 5.4.1 of the German Corporate Governance Code the Supervisory Board in its meeting on February 9, 2011 stipulated the following specific objectives with regard to the composition of the Supervisory Board, supplementary to the requirements for Supervisory Board members under the law and the German Corporate Governance Code:

Knowledge, skills and professional experience
The Supervisory Board must be composed in such a way that its members as a group possess the knowledge, skills and professional experience required to properly complete its tasks. Candidates proposed must have the integrity, commitment, independence and personality to enable them to perform the duties of a Supervisory Board member in the parent company of an internationally operating group and to uphold its good reputation among the public.

The various functional areas of the Company should be represented by individual members of the Supervisory Board of Gerresheimer AG. Each Supervisory Board member should be as specialized as possible in areas of relevance to the Company's business operations. Proposals for candidates to the Supervisory Board should be made such as to ensure a balanced composition with the desired areas of expertise represented on the Supervisory Board as broadly as possible. The objective is for

› at least two representatives of the shareholders to have experience in the fields of business management, strategy and human resources;
› at least one representative of the shareholders to have Company-specific knowledge of the industry; and
› at least one representative of the shareholders to have specific industry knowledge on the customer side.

Independence and conflicts of interest
The Supervisory Board should include independent members in a number it deems to be sufficient. A Supervisory Board member is regarded as independent if that member has no business or personal connection with the Company or its Management Board that constitutes a conflict of interest. In the judgment of the Supervisory Board, former members of the Company's Management Board are not deemed to be independent until five years after leaving office. The existence of an employment relationship between a Supervisory Board member and Gerresheimer AG or a Group company or the existence of pension commitments with one of these companies for the benefit of a Supervisory Board member does not in itself constitute such a conflict of interest. In this connection, the Supervisory Board stipulates the following objectives for its composition:

› Supervisory Board members should not perform any functions in a controlling body or any advisory functions for significant competitors of the Company or a Group company;
› Supervisory Board members should not take on any active role with customers or suppliers of the Company or a Group company; and
› at least four out of six representatives of the shareholders on the Supervisory Board should be independent.

Age limit
The term of office of a Supervisory Board member ceases at the end of the first Annual General Meeting following the member's seventieth birthday. The Supervisory Board supports election proposals for candidates who will turn seventy during the statutory election period; however, their terms of office also cease at the end of the first Annual General Meeting following their seventieth birthday.

Internationalism

At least one representative of the shareholders should have several years' professional international business experience or be of foreign nationality.

Diversity

The Supervisory Board aims to achieve an appropriate degree of female representation. At present, having three women on the Supervisory Board is regarded as appropriate.

The Supervisory Board has fulfilled all of the above objectives since the elections by the Annual General Meeting of April 26, 2012 and the election of employee representatives to the Supervisory Board carried out on March 29, 2012 in accordance with the provisions of the Codetermination Act.

ANNUAL GENERAL MEETING

The Annual General Meeting is the representative body of the shareholders and makes fundamental decisions for Gerresheimer AG. These include profit appropriation, formal approval of the acts of the Management Board and Supervisory Board, election of the shareholder representatives to the Supervisory Board and election of the auditor. In addition, the Annual General Meeting decides on amendments to the Articles of Association and key corporate measures, particularly inter-company agreements and conversions, the issue of new shares, convertible bonds and bonds with warrants as well as the authorization to purchase own shares.

The shareholders have the opportunity to exercise their voting rights at the Annual General Meeting themselves or to arrange for these to be exercised through a proxy of their choice or a voting representative of the Company who is bound by instructions. The Annual General Meeting is chaired by the Chairman of the Supervisory Board.

FINANCIAL ACCOUNTING AND AUDITING

Financial accounting in the Gerresheimer Group is based on the International Financial Reporting Standards (IFRS). The Annual Financial Statements of Gerresheimer AG are prepared in accordance with the German Commercial Code (Handelsgesetzbuch/HGB).

The auditor is elected by the Annual General Meeting in accordance with statutory provisions. Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Duesseldorf, was appointed as auditor for the financial year 2014. The Supervisory Board commissions the auditor elected by the Annual General Meeting and determines the key audit priorities as well as the fee. It ensures that the auditor's work is not impaired by any conflicts of interest.

The Company has entered into long-term, variable share-based payment agreements ("Phantom Stock Program") with all members of the Management Board and a number of selected employees. The Phantom Stock Program for the Management Board members is presented and published in the remuneration report included in the Combined Management Report, and the Phantom Stock Plan for the other employees is presented and published in the Notes to the Consolidated Financial Statements. In order to avoid unnecessary duplication, this Corporate Governance Report explicitly adopts the presentations in the Combined Management Report and the Notes to the Consolidated Financial Statements and hereby refers thereto.

RISK MANAGEMENT

Good corporate governance includes responsible management of risks to the enterprise. For this purpose, Gerresheimer AG has set up a systematic risk management system above and beyond the legally required early warning system for going concern risk. The risk management system ensures timely risk identification, evaluation and control. It is subject to continuous improvement, which helps to optimize risk positions.

TRANSPARENCY

Gerresheimer AG communicates openly, actively and comprehensively. It informs shareholders, shareholder associations, analysts and interested members of the public regularly, without delay and on an equal-entitlement basis of the Company's position and of key business changes. The Company's website (www.gerresheimer.com) is one of the primary mediums used for this purpose. The website contains the annual and interim reports, press releases, ad hoc announcements and other notifications in accordance with the German Securities Trading Act, the financial calendar and other relevant information. In addition, Gerresheimer AG regularly organizes analyst and press conferences as well as events for investors.

REMUNERATION OF THE SUPERVISORY BOARD

The remuneration paid to the Supervisory Board in the financial year 2014 is presented and published in the remuneration report included in the Combined Management Report. In order to avoid unnecessary duplication, this Corporate Governance Report explicitly adopts the presentation in the Combined Management Report and hereby refers thereto.

REMUNERATION OF THE MANAGEMENT BOARD

The remuneration paid to the Management Board in the financial year 2014 is likewise presented and published in the remuneration report included in the Combined Management Report. The presentation in the Combined Management Report already complies with the recommendations of the German Corporate Governance Code that are not binding until the financial years beginning after December 31, 2013. Here again, in order to avoid unnecessary duplication, this Corporate Governance Report explicitly adopts the presentation in the Combined Management Report and hereby refers thereto.

On April 29, 2010, the Annual General Meeting of the Company approved the remuneration system for the members of the Management Board. In its meeting on May 22, 2014 the Supervisory Board agreed some items for an amended remuneration system for Management Board members. The new Management Board remuneration system, which applies to Management Board contracts signed, amended or renewed on or after May 22, 2014, takes into account experience gained from the previous system as well as changes in market trends for specific remuneration components. The amended remuneration system also comprises a fixed salary and success-independent ancillary benefits in the form of emoluments in kind as fixed remuneration components and an annual bonus, a sustainability component and stock appreciation rights as variable remuneration components. All the variable remuneration components are limited by payment caps. Payments on premature termination without good cause or due to a change of control are subject to severance payment caps in accordance with the recommendations of the German Corporate Governance Code.

The level of the fixed salary is set individually by the Supervisory Board for each Management Board member in order to ensure market-oriented differentiation between the individual functions. In addition, emoluments in kind, which essentially comprise use of a company car and insurance premiums, are granted. For the members of the Management Board a so-called Directors & Officers liability insurance (D&O insurance) with a deductible of 10% of the loss up to the amount of one and a half times the fixed annual compensation exists.

In the future, the annual bonus as short-term incentive will only be linked to achievement of the three variously weighted financial key figures Adjusted EBITDA, Sales and Net Working Capital. The target key figure Capital Expenditures is no longer applicable, while the net working capital target component has been switched from binary target attainment/non-attainment to a 95–105% target corridor. If all target values are achieved the annual bonus amounts to 50% of the individual fixed salary. The annual bonus is limited to 70% (formerly 60%) of the individual fixed salary.

The sustainability component consists of a rolling bonus system which is linked to the achievement of specific targets over the period of three years. For target achievement, the relevant key figures are organic sales growth and overall capital profitability (ROCE). Instead of being defined with fixed values as before, the ROCE target corridor is now to be set each year for the next three years on the basis of the business plan. Payouts – with reference to the base year – are made after three years. On achievement of the target volume the bonus payable in accordance with the sustainability component amounts to 40% (formerly 30%) of the individual fixed salary. The sustainability component may not exceed 55% (formerly around 40%) of the individual fixed salary.

The stock appreciation rights take the form of virtual share options (Phantom Stock Program) which are issued annually in tranches and do not require shares to be purchased through investment of the Management Board member's own funds. Phantom stock is to be allocated in future on a value rather than a number of shares basis. Members of the Management Board are thus no longer allocated a specific number of stock appreciation rights but are awarded an entitlement (in a specific amount) to a payment in the event that the exercise and payment conditions are met. After a waiting period of five (formerly four) years, the Management Board member is entitled to demand payment within an ensuing period of 24 (formerly 16) months amounting to the appreciation in the value of Gerresheimer stock between the issue date and the exercise date (maturity period) assessed on the basis of the stock exchange price. A condition for payment is that a value appreciation of at least 20% (formerly 12%) or a higher percentage value appreciation than the MDAX occurs over the maturity period and that membership of the Management Board exists for at least one full year during the maturity period. The target-based remuneration is to be 40% of the individual fixed salary for each member of the Management Board on attainment of an exercise target comprising a 20% increase in the share price. If the share price rises during the set period by 40% or more, the entitlement awarded to the members of the Management Board is capped at 80% of their individual fixed salary.

As before, variable remuneration components in the new Management Board remuneration system account for significantly more than 50% of total remuneration.

In addition, at its meeting on February 10, 2015, the Supervisory Board also modified the pension system, which is likewise an integral part of the new remuneration system for Management Board members to be newly elected. The company pension arrangement for current Management Board members, comprising 1.5–2.2% per year of service up to a maximum of 40% of the final salary at age 65, is to be replaced for new Management Board members with a defined contribution scheme.

In future, the amount to be furnished by the Company for new Management Board members' pensions is to be determined as 20% of the fixed salary plus 20% of the attained annual bonus. New Management Board members may choose from three options for how this amount is used: (1) 20% of the fixed salary paid into an insurance policy and 20% of the bonus paid into an investment; (2) 20% of the fixed salary paid into an insurance policy and 20% of the bonus paid out for personal pension provision; (3) 20% of the fixed salary and 20% of the bonus paid out for personal pension provision.

Under the insurance option, a Management Board member earns entitlement on retirement to payment of an annuity-based old age, invalidity or surviving dependents' pension. Alternatively, a Management Board member can elect to have the accumulated capital paid out on retirement. The pension entitlement then lapses.

In the investment-based option, the Company has a top-up obligation up to the amount paid in on retirement (claim event) if the value of the investment falls, as the Company must guarantee capital maintenance to ensure qualification as a company pension arrangement. Any notional underfunding prior to the claim event must therefore be accounted for – only temporarily, if appropriate.

A Management Board member may alternatively have the scheduled annual contribution amount paid out while still in service, as an additional salary component for personal pension provision. In this case, the Company has no further obligation once payment has been made.

The objective of the new pension system is to follow market trends while reaping the benefits of an even spread of expenditure over time and an accounting treatment with minimum balance sheet impact. Besides providing greater transparency in Management Board remuneration, the new pension system is primarily geared to capital maintenance, guaranteeing the amounts paid in to the extent they are not disbursed for personal pension provision after deducting statutory taxes and contributions.

DECLARATION OF COMPLIANCE

Pursuant to Section 161 of the German Stock Corporation Act, the management board and supervisory board of listed German stock corporations are required to make an annual declaration of whether the recommendations of the "Government Commission on the German Corporate Governance Code" as published by the Federal Ministry of Justice in the official section of the Federal Law Gazette (Bundesanzeiger) have been and will continue to be complied with, or which recommendations have not been or are not being applied, and the reasons for this.

On September 9, 2014, the Management Board and the Supervisory Board of Gerresheimer AG approved the following, most recent, Declaration of Compliance:

"Declaration of the Management Board and the Supervisory Board of Gerresheimer AG on the recommendations of the 'Government Commission on the German Corporate Governance Code' according to Section 161 of the German Stock Corporation Act

Since its last amended declaration on May 22, 2014 Gerresheimer AG has complied with all recommendations of the 'Government Commission on the German Corporate Governance Code' as amended on May 13, 2013.

Gerresheimer AG will furtheron comply with all recommendations of the 'Government Commission on the German Corporate Governance Code' as amended on May 13, 2013."

The preceding Declaration of Compliance dated May 22, 2014 is also available on the Company's website at www.gerresheimer.com.

GERRESHEIMER ON THE CAPITAL MARKETS

FINANCIAL YEAR 2014: LACKLUSTER YEAR FOR STOCK MARKETS

The stock markets were not at first able to carry through their strong price trend from the prior year into the first half of the financial year 2014. Generally fair share price valuations combined with still low yields on fixed-income alternatives nonetheless made for a slight upward trend. Despite some relatively large fluctuations between times, this slightly higher level was then maintained in the aggregate over the second half of 2014. The MDAX index rose in the course of the financial year 2014 to register an overall gain of some 4% as of the November 30, 2014 reporting date.

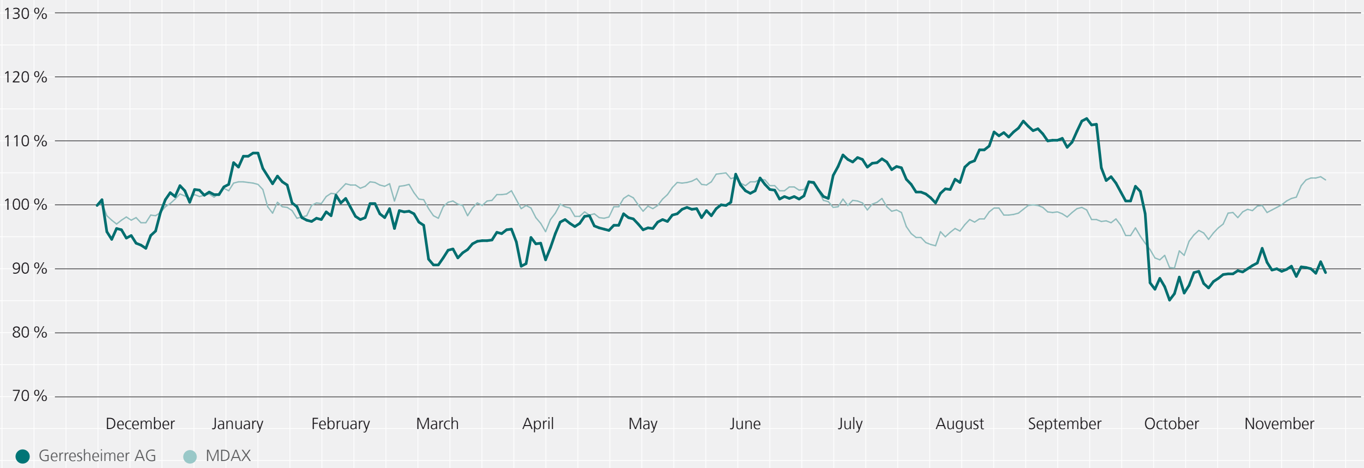
GERRESHEIMER SHARE PRICE SOFTENS AFTER STRONG PRIOR YEAR

After a strong 26.0% increase in the financial year 2013, the Gerresheimer share price (ISIN: DE000A0LD6E6) followed the lackluster performance of the overall market for much of the first half of 2014. Gerresheimer shares then traced an upward trend from May 2014 to mark a new all-time high of EUR 56.42 on September 22, 2014. But then the shares did not manage to keep up this high level through to the end of the financial year on November 30, 2014. Gerresheimer shares closed the financial year with a share price of EUR 44.44, having softened 10.5% year on year.

The Company's market capitalization was EUR 1,395.4m at the end of the financial year on November 30, 2014. According to the German Stock Exchange index ranking, this put Gerresheimer shares at 33rd place in the MDAX index (prior year: 28th place). In terms of stock exchange turnover, the Company's shares occupied 38th place at the reporting date, compared with 34th place at the end of the prior year.

Gerresheimer Shares Versus MDAX

Index: November 30, 2013 = 100%



BUY OR HOLD RECOMMENDATION FROM MOST ANALYSTS

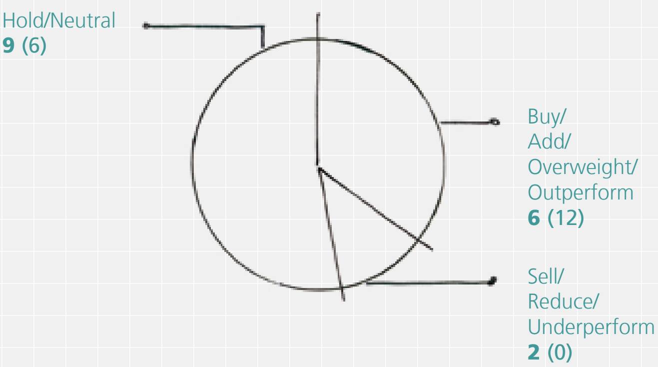
17 bank analysts covered Gerresheimer shares as of the end of the financial year 2014. A majority of nine gave a hold recommendation. Six analysts rated the shares a buy and two recommended to sell. The following charts provide an overview of the banks reporting at the end of the financial year along with their recommendations:

Analyst Coverage

Berenberg Bank	Goldman Sachs	LBBW
Commerzbank	Hauck & Aufhäuser	MainFirst
Credit Suisse	HSBC	Metzler
Deutsche Bank	Independent Research	Montega
DZ Bank	J.P. Morgan Cazenove	SRH AlsterResearch
equinet Bank	Kepler Cheuvreux	

Overview of Analyst Recommendations (as of November 30, 2014)

Number (prior year)



2014 ANNUAL GENERAL MEETING: ONCE AGAIN VERY STRONG SHAREHOLDER ATTENDANCE; DIVIDEND RAISED TO EUR 0.70 PER SHARE

At this year's Annual General Meeting in Duesseldorf on April 30, 2014, 71.8% of the capital stock was represented. Attendance in 2013 was 69.4%. This is a creditable attendance rate considering Gerresheimer shares have a 100% free float. A EUR 0.70 per share dividend was approved by resolution and distributed to shareholders on May 2, 2014. The previous year's dividend was EUR 0.65 per share. All proposed resolutions were passed with a large majority.

Gerresheimer Shares: Key Data

	2014	2013
Number of shares at reporting date in million	**31.4**	31.4
Share price[1] at reporting date in EUR	**44.44**	49.67
Market capitalization at reporting date in EUR m	**1,395.4**	1,559.6
Share price high[1] during reporting period in EUR	**56.42**	50.14
Share price low[1] during reporting period in EUR	**42.31**	37.60
Earnings per share in EUR	**2.11**	1.98
Adjusted earnings per share[2] in EUR	**2.89**	3.08
Dividend per share in EUR	**0.75**[3]	0.70

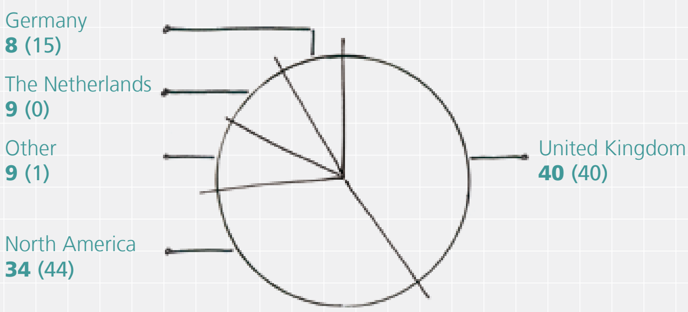
[1] Xetra closing price.
[2] Adjusted net income after non-controlling interests divided by 31.4m shares.
[3] Proposed appropriation of net earnings.

CONTINUED STRONG INTEREST FROM INTERNATIONAL INVESTORS

The ongoing strong international interest in Gerresheimer shares was again reflected in our shareholder structure in the past financial year. As of the November 30, 2014 reporting date, the majority of shares were held by foreign investors. The largest proportion – some 40% – was accounted for by British investors, followed by North American investors with about 34%. Next came Dutch investors with around 9% of the total. A further 8% of shares as of the reporting date were held by German investors. The free float remained unchanged at 100% as of the balance sheet date.

Shareholder Structure by Region

in % (previous year)



TRANSPARENT SHAREHOLDER STRUCTURE

Shareholders are required to notify the company concerned and the Federal German Institute for Supervision of Financial Services (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin) when specified notification thresholds are reached or crossed. According to the notifications we received up to November 30, 2014, the following persons and institutions held more than 3% or 5% of Gerresheimer shares as of the notification dates listed in the table. These investors consequently hold a combined 32.4% of Gerresheimer AG shares:

Company	Share in %	Date of Notification
ING Groep N.V.	5.20	September 17, 2014
Threadneedle Asset Management Limited	4.94	September 9, 2014
Templeton Global Advisors Limited	3.04	June 25, 2014
Templeton Investment Counsel LLC	5.05	March 26, 2014
Black Creek Investment Management Inc.	3.07	March 14, 2014
EP Overseas Fund Ltd. & EP Master Fund Ltd. (Eton Park Capital Management, L.L.C.)	4.92	July 16, 2012
Edinburgh Partners Limited	3.11	May 23, 2012
Gilchrist B. Berg (Water Street Capital, Inc.)	3.10	February 16, 2010

Reference Data for the Shares

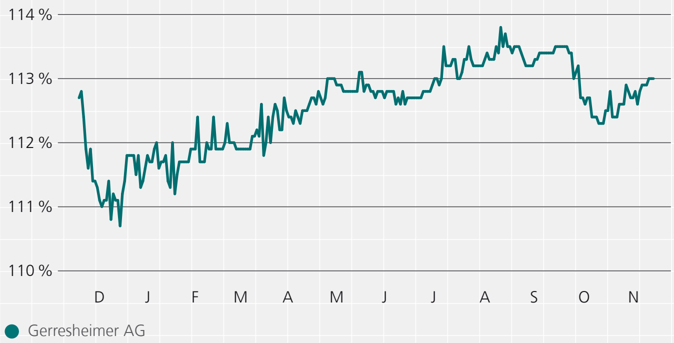
ISIN	DE000A0LD6E6
WKN	A0LD6E
Bloomberg reference	GXI
Reuters reference	GXIG.DE
Stock index membership	MDAX, CDAX, HDAX, Prime All Share, Classic All Share, EURO STOXX TMI, Russell Global Small Cap Growth Index and further sector and size indexes
Listings	Berlin, Duesseldorf, Frankfurt (Xetra and floor trading), Hamburg, Hanover, Munich, Stuttgart

GERRESHEIMER BOND PRICE MAINTAINS HIGH LEVEL OVERALL

After a drop at the beginning of the financial year 2014, the Gerresheimer bond price (ISIN: XS0626028566) subsequently climbed step by step with relatively little volatility to reach its high point for the year at 113.8% on August 27, 2014. The favorable price performance was supported by Moody's, the rating agency, which upgraded Gerresheimer AG's rating from Ba1 by one notch to investment grade Baa3 in July 2014. The agency said that the higher rating was mainly attributed to the resilience of Gerresheimer's business model in recent years despite challenging economic conditions. Additional reasons given were the Company's prudent financial policies, its highly diversified revenue base and the positive fundamentals underlying Gerresheimer's key markets. The bond price remained at a high level, closing at 113.0% as of the November 30, 2014 reporting date. This high level is reflected among other things in the effective interest rate (yield to maturity) on an investment in the bonds, which stood at 1.1% p.a. as of the last day of trading prior to the balance sheet date. The bond can be traded in Frankfurt in floor trading as well as on regional exchanges in Germany.

Gerresheimer AG Corporate Bond: Price Performance

Market price November 30, 2013 = 112.7%



Bond Reference Data

ISIN	XS0626028566
WKN	A1H3VP
Issuer	Gerresheimer AG
Principal amount	EUR 300m
Coupon/coupon date	5% p.a./May 19
Maturity date	May 19, 2018
Bond price[1] at reporting date	113.0%
Effective annual interest rate (yield to maturity)[2] at reporting date	1.1% p.a.
Bond rating at reporting date	Standard & Poor's: BBB-, stable outlook Moody's: Baa3, stable outlook
Corporate rating at reporting date	Standard & Poor's: BBB-, stable outlook Moody's: Baa3, stable outlook
Denomination	EUR 1,000.00 par value
Listings	Berlin, Duesseldorf, Frankfurt (floor trading), Hamburg, Hanover, Munich, Stuttgart

[1] Closing price, Stuttgart Stock Exchange.
[2] Based on the closing price on Stuttgart Stock Exchange.

CONTINUATION OF INTENSIVE DIALOG WITH INVESTORS AND ANALYSTS

We remained in dialog with investors and analysts during the past financial year through numerous road shows, conferences and telephone conference calls as well as a multitude of one-to-one conversations. In addition, we further strengthened our dialog with investors and analysts on the bond side.

As in previous years, members of the Management Board and the Investor Relations & Creditor Relations Team visited key financial centers in Europe and North America. These included Frankfurt, Munich, Berlin, London, Copenhagen, Stockholm, Vienna, New York and San Francisco. Our goal is open, timely and sustained communication with all interested parties. On our website at www.gerresheimer.com/en/investor-relations, you will find an up-to-date financial calendar with the upcoming events at which we will be presenting the Company.

Financial Calendar

February 11, 2015	Annual Report 2014
April 14, 2015	Interim Report 1st Quarter 2015
April 30, 2015	Annual General Meeting 2015
July 9, 2015	Interim Report 2nd Quarter 2015
October 8, 2015	Interim Report 3rd Quarter 2015

HIGH PRIORITY OF CAPITAL MARKET COMMUNICATION

Continuous dialog with investors and analysts is an important part of our corporate philosophy. We are available to answer your questions and listen to your suggestions regarding any aspect related to Gerresheimer shares, Gerresheimer bonds or the Company. You can contact us as follows:

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COMBINED MANAGEMENT REPORT OF THE GERRESHEIMER GROUP AND GERRESHEIMER AG

FINANCIAL YEAR 2014 AT A GLANCE

- 2014 targets attained
  - Revenues up by 1.9% to EUR 1,290.0m; at constant exchange rates and adjusted for portfolio optimization in the past year, revenues increased in line with guidance by 3.7%
  - Adjusted EBITDA at constant exchange rates totals EUR 258.5m, beyond the EUR 255m to EUR 258m target corridor. Excluding the EUR 2.4m in other operating income for the Triveni put option, adjusted EBITDA comes to EUR 256.1m, in the middle of the target corridor
  - Capital expenditure on property, plant and equipment and intangible assets totals EUR 126.6m or 9.8% of revenues, inside the budgeted range of between 9% and 10% of revenues at constant exchange rates

- International expansion continues
  - Successful launch: New Technical Competence Center in China – the third of its kind
  - Foundation stone laid for new pharmaceutical glass production facility in India

- Increased dividend distribution
  - Proposed dividend of EUR 0.75 per share (prior year: EUR 0.70)

THE GERRESHEIMER GROUP

BUSINESS ACTIVITIES

The Gerresheimer Group is a leading international manufacturer of high-quality specialty glass and plastic products for the global pharma and healthcare industry. On the basis of in-house development and the latest production technologies, we provide pharmaceutical primary packaging, drug delivery systems, diagnostic systems, packaging for the cosmetics industry and a full range of glass products for the life science research sector.

The Group consists of Gerresheimer AG together with its direct and indirect subsidiaries and associates. Based in Duesseldorf, Germany, the Group had more than 45 locations in Europe, North and South America and Asia at the end of the financial year 2014, with 11,096 employees worldwide.

Gerresheimer AG is the parent company of the Gerresheimer Group and manages its direct and indirect subsidiaries and associates.

DIVISIONS

The Gerresheimer Group is managed through strategic business units organized as divisions. These are aggregated into reporting segments based on their specific production technologies and the materials used for our products. From the beginning of the financial year 2014, our business is organized in the three reporting and operating divisions Plastics & Devices, Primary Packaging Glass, and Life Science Research.

We follow the management approach in segment reporting in accordance with IFRS 8. External reporting is consequently based on internal reporting.

PLASTICS & DEVICES

Our product portfolio in the Plastics & Devices Division includes complex, customer-specific products for the simple and safe administration of medicines. These include insulin pens, inhalers and prefillable syringes. The division also takes in diagnostics and medical technology products such as skin-prick aids and test systems, as well as pharmaceutical plastic containers for liquid and solid medicines with closure and safety systems.

The Plastics & Devices Division comprises the three business units Medical Plastic Systems, Plastic Packaging and Syringe Systems.

In the Medical Plastic Systems Business Unit, we develop complex systems and system components made of plastic on a project basis. Our target market is made up of customers in the pharma industry, diagnostics and medical technology. In Medical Plastic Systems, we offer individual service across all levels of the value chain. Our Medical Plastic Systems capabilities range from inhalers for the treatment of respiratory diseases to lancets and insulin pen systems for diabetics, as well as an extensive array of test systems and disposable products for laboratory and molecular diagnostics.

In the Plastic Packaging Business Unit, we provide plastic system packaging for liquid and solid medicines. Our broad range of high-quality primary drug packaging products includes application and dosage systems, such as eye droppers and nasal spray vials, as well as special containers for tablets and powders. The range also takes in multifunction closure systems with tamper-evident, child-resistant and senior-friendly closures, and integrated desiccants, as are included under the Duma® trademark.

The Syringe Systems Business Unit supplements our product portfolio with prefillable syringe systems made of glass and plastic with matching accessories. We provide customers in the pharma and biotech industry with high-quality primary packaging on the basis of our highly specialized know-how and pharma-compliant technologies. Today, we generate the lion's share of revenues from syringe systems marketed under our flagship brand of ready-to-fill syringes, Gx RTF®. We supply these syringes to the pharma and biotech industry in a wide range of finishes including washed, siliconized, preassembled and sterilized, and as such completely ready to fill.

PRIMARY PACKAGING GLASS

In the Primary Packaging Glass Division, we produce primary packaging made of glass for medicines and cosmetics. This includes pharma jars, ampoules, injection vials, cartridges, perfume flacons and cream jars, plus special glass containers for the food and drinks industry.

Our range for the pharmaceutical industry covers a wide selection of glass primary packaging products. Moulded glass products meet market and customer needs with a diverse range of injection bottles, dropper bottles and syrup bottles. We also produce borosilicate glass tubing. This in turn is the basic material for a large number of our high-quality specialty products, including ampoules, vials and cartridges. On the basis of these products, we market a virtually complete range of pharmaceutical packaging in flint and amber glass.

Our product portfolio for the cosmetics industry encompasses high-quality glass packaging such as vials and glass containers for perfumes, deodorants, skin-care and wellness products. We process clear, colored and opal glass. All shaping, coloring, printing and exclusive finishing technologies are available to us for this purpose.

For the food and drinks industry, we supply both standard and custom miniature and other sizes of bottles and glass containers for products such as spirit miniatures. Our products include a range of variations such as amber, flint, colored and opal glass, diverse shape variants and numerous finishing options.

LIFE SCIENCE RESEARCH

In the Life Science Research Division, we produce glass containers and systems for special requirements in research, development and analytics. We also supply general laboratory ware.

The product portfolio ranges from standard items for wet chemistry, such as volumetric flasks, beakers, Erlenmeyer flasks and vials for laboratory analytics, to more complex products such as distillation and filtration systems, as well as components for precision lasers. We additionally produce a wide variety of application-specific variants to meet custom requirements.

GROUP STRATEGY AND OBJECTIVES

Worldwide demand for healthcare is continually growing. Key drivers include global trends such as rising life expectancy, world population growth and environmental change. Increasing numbers of out-of-patent drugs and the trend toward self-medication spell ongoing growth potential for the pharma and healthcare industry going forward. Quantitative demand growth is accompanied by rising quality requirements for pharmaceutical packaging. This is especially the case for drugs with complex molecular structures and poses challenges for everyone in the market.

For us as partners in the development and production of quality specialty packaging for the pharma and cosmetics industry, all this creates opportunities for further growth. With our global development and production capabilities, we can meet our customers' increasing needs in terms of impeccable quality standards in industrialized nations and emerging markets alike.

We pursue the vision of becoming the leading global partner for enabling solutions that improve health and well-being.

We will achieve this vision by:

- Understanding our customers and providing them with solutions to both their present and future needs.
- Living our commitment to excellent quality and continuous innovation.
- Leveraging our competence and technological leadership by acting as one team.
- Becoming a preferred employer with highly motivated and passionate employees all over the world.

We aim for profitable and sustainable growth and global market leadership in the markets we serve.

This places the focus on three specific goals:

- Sustained growth
  We target ongoing growth. To attain this goal, we plan to increase revenues with existing customers, launch new products as well as secure new regions and customers. We also intend to make selective acquisitions to this end. Our focus here is on additions to the portfolio that gain us access to new regions or enable us to buy into new technologies.

- Rising profitability
  We aim to attain leading competitive positions in our target markets, in terms of cost as well as technology and product leadership. Key factors here are our highly qualified workforce and global production network. Alongside high product quality, this enables us to have control of the cost side. We focus on profitable growth as mirrored in increasing adjusted EBITDA, higher operating cash flow and, in the medium term, improved ROCE.

- Attractive investment and strong partner
  Sustained profitable growth makes us an attractive investment for existing and future investors and a reliable, financially well-resourced partner to our customers. This is a key factor in the pharma and healthcare industry especially, where long-term, stable customer relationships lend a crucial competitive edge.

The main pillars of our strategy have remained unchanged for several years. In annual operating and strategic planning, we set the trajectory for the years ahead and specific targets for the next financial year. We publish these targets for each year at the beginning of the year.

CONTROL SYSTEM

Our business activities are geared toward profitable growth and global market leadership in the pharma and healthcare segments. The most significant key performance indicators for the Gerresheimer Group are consequently revenue growth, adjusted EBITDA, operating cash flow, capital expenditure, net working capital and return on capital employed (ROCE).

We measure growth on the basis of the organic period-to-period change in revenues for the Gerresheimer Group and its divisions. This growth rate is adjusted to factor out the effects of any acquisitions or divestments and of exchange rate movements. Our goal is to keep the resulting organic growth rate above the market growth rate, with separate growth targets assigned for each division and business unit.

Adjusted EBITDA is our main measure of profitability. This is defined as operating earnings before interest, taxes, depreciation and amortization, less restructuring expenses and one-off income/expenses. One-off income and expenses consist of termination benefits for members of the Management Board, costs of refinancing, reductions in the workforce and large-scale restructuring (structural and strategic) that do not meet the strict criteria of IAS 37, costs of acquisitions (up to the acquisition date) and divestments, corporate legacy costs such as costs of arbitration proceedings, and costs relating to the outcomes of tax audits. We aim for cost, technology, workforce and process leadership relative to competitors. This enables us to excel in serving customers' quality, service, price and innovation needs and to generate above industry average returns (ratio of adjusted EBITDA to revenues).

We attach great importance to generating ample cash flow in order to meet the varied expectations of our stakeholder groups. This is measured as operating cash flow, which we define as follows: Adjusted EBITDA plus/minus the change in net working capital (inventories, trade receivables, trade payables and prepayments made and received), minus capital expenditure. We set individual target levels by division and business unit for the two KPIs adjusted EBITDA and operating cash flow.

Rigorous control of capital expenditure is a further key factor in our success. We appraise each project in each business unit against the same target parameters. Discounted cash flow analysis and payback periods are important elements of the appraisal process. Expansion and rationalization projects are expected to achieve a minimum 18% post-tax internal rate of return and a payback period of less than three years. Strategic projects are normally required to have a payback period of no more than five years. New plants and plant extensions may exceed this.

The third parameter in operating cash flow alongside adjusted EBITDA and capital expenditure is net working capital. This is a further constant focus of our many improvement measures, including changes in payment terms, improved receivables collection and production planning optimization to cut inventory. Our objective is to lower average net working capital measured on a monthly basis for a lasting reduction in tied-up capital.

The focus on adjusted EBITDA, capital expenditure (and hence, indirectly, depreciation) and net working capital also means that we closely monitor on the key operating parameters determining ROCE. This is defined as adjusted EBITA over average capital employed, i.e., equity plus interest-bearing debt less cash and cash equivalents or, using the top-down formula, total assets less non-interest-bearing liabilities and cash and cash equivalents. ROCE is a key medium- to long-term target metric for us in addition to the indicators already covered. Based on the targeted 18% minimum post-tax internal rate of return for expansion and rationalization projects, ROCE should be in excess of 12%.

Alongside the indicators for monitoring the financial development of the business, non-financial management parameters also play an important part in our business success. Notable factors in this regard from the Group's perspective are research and development activity as well as our ability to attract and retain highly qualified staff.

BUSINESS ENVIRONMENT

OVERALL ECONOMIC CONDITIONS

The International Monetary Fund (IMF)[1] in its October 2014 World Economic Outlook forecast stable economic growth of 3.3% for 2014 (2013: 3.3%). Growth in industrialized countries, at 1.8% in 2014, was expected to be somewhat stronger than in the prior year. The 2013 figure stood at 1.4%. Emerging markets were projected to grow in 2014 by 4.4%. Growth in emerging markets is thus likely to have been slightly down on the prior year (2013: 4.7%).

Overall, according to the IMF, the world economy still faced the task of coping with the consequences of the financial crisis, notably increased debt and higher unemployment. The USA was already on the threshold of recovering from the crisis and returning to good growth rates. In contrast, only low rates of growth were predicted for the euro area economies in 2014. The same applies to the Russian economy, where economic growth was forecast to come to a virtual standstill in 2014, with 0.2% growth compared with 1.3% in the prior year. Nonetheless, according to the IMF, the Ukraine crisis has so far only had an impact on the countries immediately affected by it and on their direct neighbors. Growth in emerging markets is estimated to have been well above the growth rate seen in industrialized countries.

The IMF puts GDP growth in the US at 2.2% for 2014, the same as in the prior year. US growth is thus expected to have outstripped industrial economy growth by a fairly large margin for the third year in a row. This favorable forecast was based on supportive monetary policy from the US Federal Reserve, a net overall improvement in the financial position of US households as well as ongoing recovery of the US real estate market. Likewise, the positive trend on the US labor market ought to have had a positive impact on economic growth.

[1] International Monetary Fund: "World Economic Outlook", October 2014.

In the euro area, by contrast, the 0.4% decrease in GDP in the prior year was expected to be followed by slight GDP growth of 0.8% in 2014. According to the IMF, this growth is supported by the monetary policy of the European Central Bank, a lighter tax burden and generally improved access to borrowing. Individual member states contributed non-uniformly to overall euro area growth: While the German, Spanish and Irish economies look to have been among the main drivers of euro area growth in 2014, other economies such as Italy and Finland are expected to have contracted slightly.

For the German economy, the IMF anticipated 1.4% GDP growth in 2014 (prior year: 0.5%). Although the growth prospects for the German economy were revised down a little in light of the recent somewhat weaker recovery of domestic demand, positive trends outweighed in the IMF's analysis. As a result, Germany is likely to have been one of the fastest-growing economies in the euro area in 2014.

Growth of 4.4% was projected for emerging economies in 2014, a slightly less dynamic rate than in 2013. Prior-year growth was 4.7%. The IMF reports that emerging markets are benefiting most of all from strong domestic demand and a recovery of international demand as a result of growth in industrialized countries. While the projected increase for 2014 was slightly down on growth in recent years and, according to the IMF, some structural barriers are only set to be removed in the medium term, the emerging economies are, in all likelihood, expected to have remained the powerhouse of global economic growth in 2014. The estimates for the individual emerging markets most relevant to Gerresheimer were as follows:

For the Chinese economy, growth was assumed to have been 7.4% in 2014. This is slightly down on the prior-year growth of 7.7% and well below Chinese economic growth rates of past years. It nonetheless remains well above the average across all emerging markets. The Chinese government followed growth-enhancing policies in 2014, notably by adopting tax breaks for small and medium-sized enterprises. This was accompanied by domestic infrastructure spending and measures to ease lending.

Economic growth in India is anticipated to have reached 5.6% in 2014, according to IMF projections. Growth was thus expected to be higher than the prior-year level of 5.0%. The Indian economy had adverse weather effects to contend with in 2014. However, growth is likely to have been pushed up slightly, with exports going well and investment spending at high levels.

The IMF anticipated growth of 0.3% for the Brazilian economy in 2014. The projections were thus for a marked slowdown in economic activity compared with the prior-year growth of 2.5%. According to the IMF, growth is likely to have been held back by a fall in private sector investment and significantly weaker consumer confidence. The weaker overall competitiveness of the Brazilian economy is also likely to have obstructed its recovery.

SECTORAL DEVELOPMENT

The global pharma market stayed robust in 2014. While industrialized countries continued to show more moderate growth rates, emerging economies[2)] put in a far more dynamic performance. The pharma sector in emerging markets was able to cash in on rising public healthcare expenditure and higher personal health spending. Policy efforts to curb healthcare inflation in industrialized countries have not so far impaired pharma industry growth to any lasting degree. Makers of generic drugs will continue to gain in importance as time goes on. A number of generics producers, however, are affected by the Ukraine conflict with its larger potential implications for East European markets as a whole.

Overall, the pharma industry nonetheless continues to be seen as largely crisis-proof. It also continues to boast a number of long-term growth drivers. Among these are demographic change and the attendant enhanced healthcare needs of an older populace, advances in medical technology as well as growing numbers of out-of-patent and biotech drugs.

[2)] IMS Health: The emerging economies referred to by the IMS Institute as pharmerging countries include Algeria, Argentina, Brazil, China, Colombia, Egypt, India, Indonesia, Mexico, Nigeria, Pakistan, Poland, Romania, Russia, Saudi Arabia, South Africa, Thailand, Turkey, Ukraine, Venezuela and Vietnam.

The more cyclical market for high-quality cosmetic glass packaging showed more sluggish growth in the year under review. Growth slowed most of all in perfume and care products. Glass packaging with an exclusive look and feel continues to be highly sought after, once again placing a premium in 2014 on glass container design and additional finishing techniques.

Market demand for life science research products continued to be impacted by destocking and budget restrictions in the US. Initial signs of consolidation nonetheless emerged in 2014.

CURRENCY MARKET TRENDS

After appreciating in the wake of the US debt debate in the previous financial year to a closing rate of 1.36 US dollars to the euro, the euro initially stuck to its upward trend in the first part of 2014. The currency reached its high point for the year at 1.39 US dollars to the euro on March 16, 2014. At the beginning of May 2014, the exchange rate subsequently switched to a downward trend. Forex market players increasingly came to realize at that time that the US economy is set to grow more strongly in the years ahead than the euro area economy. The IMF thus anticipates that the US economy will grow by an average of 2.6% a year from 2014 to 2016. This contrasts with expected growth averaging 1.2% a year in the euro area. After drifting downward through the second and third quarter, the US dollar marked its lowest level for the year at 1.24 US dollars to the euro on November 6, 2014. The exchange rate stood at 1.25 US dollars to the euro at the close of the financial year on November 30, 2014. The average exchange rate in the financial year 2014 from December 1, 2013 to November 30, 2014 was consequently 1.34 US dollars to the euro, higher than the prior-year average of 1.32 US dollars to the euro.

Most other currencies potentially subject to translation effects in our quarterly and annual financial statements on translation into the Group reporting currency, the euro, held firm or fell against the euro over the reporting period. The net outcome of a stronger euro against the currencies relevant to the Gerresheimer Group in the reporting period thus consisted of translation effects that slightly held back revenue growth. For this reason, we state revenue growth in the "Revenue Performance" section both at constant exchange rates and on an organic basis, i.e., adjusted for exchange rate effects, acquisitions and divestments. The USD exchange rate assumed for budgeting purposes for the financial year 2014 was USD 1.30 per EUR 1.00. The reporting date and average exchange rates of major currencies for the Gerresheimer Group in the financial year 2014 and the prior year are additionally set out in note (4) of the notes to the consolidated financial statements.

ENERGY AND COMMODITY MARKET TRENDS

A significant portion of production costs relate to raw materials for the manufacture of glass and plastic. We constantly have large energy requirements, mainly because of the energy-intensive combustion and smelting processes in our high-temperature furnaces. A significant rise in energy prices can have a substantial impact on the Gerresheimer Group's results of operations. Accordingly, we make use of the special compensation rule for energy-intensive companies under section 64 of the German Renewable Energy Act (EEG). The Group fully hedges against energy (electricity and gas) price rises to absorb energy cost increases.

In the manufacture of plastic products, we are reliant on primary products such as polyethylene, polypropylene and polystyrene. The prices of these products largely depend on oil price trends.

On the whole, we have negotiated escalation clauses in contracts with major customers to offset increases in these prices to a large extent.

Further information on the Gerresheimer Group's management of fluctuations in energy and commodity prices is provided under the heading "Energy and Commodity Prices" in the "Operational Risks" section.

CHANGES IN THE REGULATORY ENVIRONMENT

Policymakers, especially in European industrialized countries and the US continue to attach great importance to proof of significant therapeutic added value before new drugs are approved. For this reason, the competent authorities usually carry out a detailed cost-benefit analysis before any new drug can be released onto the market. This lent a boost to generic drugs in industrialized countries in the financial year 2014.

Regulatory requirements tend to increase in quantity and scope from year to year. While delivering major benefits to patients, this presents major challenges for everyone in the market. In individual cases during the past financial year, meeting and implementing regulatory requirements occasioned production stoppages for some of our customers, temporarily affecting demand for our pharmaceutical packaging products.

Overall, however, the financial year 2014 did not bring any material change in the regulatory environment as regards the markets relevant to Gerresheimer.

DEVELOPMENT OF THE BUSINESS

EFFECT OF ECONOMIC CONDITIONS ON BUSINESS PERFORMANCE

Business with the pharma and healthcare industry is especially important to the Gerresheimer Group as such business accounts for 83% of total revenues. We achieved 1.9% revenue growth in the financial year 2014, or 3.7% on an organic basis.

As the financial year 2014 did not bring any material change in the regulatory environment for the pharma markets relevant to us, there was no significant regulatory impact on the growth of our business. However, our business was temporarily affected by the increasing quantity and scope of regulatory requirements, which occasioned production stoppages at some of our customers. During the year under review, the more cyclical market for high-quality cosmetic glass packaging was sluggish, the most notable growth slowdown being in perfume and care products. The market for life science research products showed initial signs of consolidation in the financial year 2014, even though it continued to be impacted by destocking and budget restrictions in the US.

The Gerresheimer Group's main focus consists in selling and distributing its high-quality specialty glass and plastic primary packaging products and drug delivery systems. Our fully integrated production capability set us apart from competitors. We aim to be or become first or second in the markets and product segments we serve.

ATTAINMENT OF GUIDANCE IN THE FINANCIAL YEAR 2014

By publishing annual guidance at the beginning of each financial year, we give our shareholders, customers and all other partners the opportunity to assess our business development. Our guidance for the financial year comprises expected figures for revenues, adjusted EBITDA and capital expenditure.

Comparison of our guidance with the reported data for the financial year 2014 shows our assessment of the business to have been accurate. The 3.7% organic revenue growth corresponded to our guidance of approximately 4%. Our adjusted EBITDA of EUR 258.5m at constant exchange rates exceeded the target corridor of EUR 255m to EUR 258m. Deducting EUR 2.4m in other operating income from the remeasurement of the put option on the Triveni acquisition, adjusted EBITDA of EUR 256.1m is within the projected range. Capital expenditure of EUR 126.6m comes to 9.8%, which is also within the estimated corridor of between 9% and 10% of revenues. The table below shows the development of our guidance over the course of the year.

MANAGEMENT BOARD REVIEW OF BUSINESS PERFORMANCE

The financial year 2014 was a year of stable business performance for the Gerresheimer Group. Revenues rose by 1.9% to EUR 1,290.0m (on an organic basis by 3.7%). Net income, at EUR 72.9m, was higher than the EUR 68.5m prior-year figure despite the continuation of restructuring measures in the financial year 2014. Adjusted net income was EUR 97.9m, compared with EUR 103.5m in the prior year.

Our pharma industry revenues once again showed strong growth and broad cyclical resilience in the financial year 2014. In the Primary Packaging Glass Division, destocking and production stoppages at some of our US customers due to Food and Drug Administration (FDA) requirements put a damper on growth overall. Growth was more sluggish in the more cyclical cosmetics packaging business. The Life Science Research Division recorded a slight increase in revenues and earnings in the financial year 2014, despite the ongoing budget restrictions in the US.

Operating business development was also satisfactory for Gerresheimer AG as the parent company. In the separate company financial statements of Gerresheimer AG, which are prepared in accordance with the German Commercial Code (Handelsgesetzbuch/HGB), the result from ordinary activities went down as expected from EUR 55.5m in the prior year to EUR 53.2m in the year under review due to lower income from long-term equity investments. It is important to note that we apply a rigorous management control philosophy at Gerresheimer and do not expect dividend distributions, as is expedient in line with planned capital expenditure in the various regions. This can cause large variations in net investment income from year to year. Net income was EUR 40.4m, compared with EUR 39.7m in the prior year. Equity increased from EUR 646.8m to EUR 665.2m. Further information is provided under "Annual Financial Statements of Gerresheimer AG".

Development of published guidance during the financial year 2014

	FY 2013 as reported	Original guidance FY 2014 as of Feb. 13, 2014	Specification of guidance FY 2014 as of Oct. 8, 2014
Revenues	EUR 1,266m	4% to 6% (at const. FX rates)	Around 4% (at const. FX as well as adjusted for portfolio optimization in 2013)
Adjusted EBITDA	Adj. EBITDA EUR 242.1m (at const. FX rates without Triveni)	Adj. EBITDA corridor of EUR 250m to EUR 265m (at const. FX rates)	Adj. EBITDA corridor of EUR 255m to EUR 258m (at const. FX)
Capital expenditure	EUR 119.1m	Around 9% to 10% of revenues	Around 9% to 10% of revenues

REVENUE PERFORMANCE

Gerresheimer Group revenues increased by 1.9% or EUR 24.1m in the financial year 2014 compared with the financial year 2013. Adjusted for exchange rate effects, acquisitions and divestments, organic revenue growth stood at 3.7%. The increase in revenues is mainly attributable to strong growth in the Plastics & Devices Division. While the Life Science Research Division likewise contributed toward revenue growth, the Primary Packaging Glass Division saw revenues decrease slightly, as expected.

in EUR m	2014	2013	Change in %
Revenues			
Plastics & Devices	598.8	561.6	6.6
Primary Packaging Glass	622.2	635.4	-2.1
Life Science Research	87.3	86.8	0.7
Subtotal	**1,308.3**	**1,283.8**	**1.9**
Intragroup revenues	-18.3	-17.9	-2.2
Total revenues	**1,290.0**	**1,265.9**	**1.9**

The Plastics & Devices Division lifted revenues in the financial year 2014 compared with the prior-year period from EUR 561.6m to EUR 598.8m. This corresponds to growth of 6.6% (10.1% on an organic basis). Revenue growth in the financial year 2014 was mainly generated in the primary packaging and medical systems businesses. Notable gains were made here with inhalers and insulin pens. Engineering and tooling revenues were once again strong in the financial year 2014. The Syringe Systems business generated slight revenue growth.

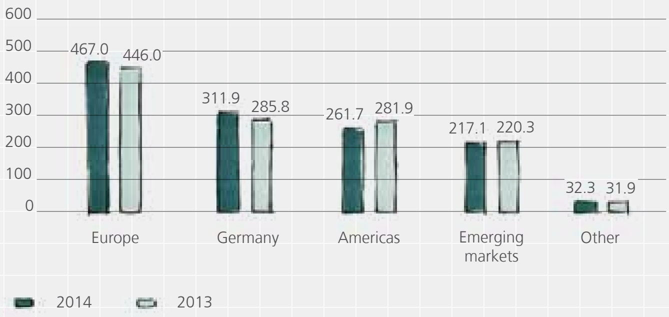
In the financial year 2014, the Primary Packaging Glass Division generated revenues of EUR 622.2m, down 2.1% (1.5% on an organic basis) relative to the prior year. Three main factors affected divisional revenue performance in the reporting period. FDA requirements occasioned production stoppages at some of our customers in the US market, which reduced the quantities we supplied to those customers. Destocking by some of our US pharma customers also meant lower revenues than in the previous financial year. In addition, an unscheduled furnace repair made for significantly smaller quantities able to be sold by us on the US market.

Life Science Research Division revenues in the reporting year came to EUR 87.3m, compared with EUR 86.8m in the prior year – an increase of 0.7% (1.7% on an organic basis).

REVENUES BY ECONOMIC REGIONS

Gerresheimer generates the vast majority of Group revenues outside Germany. International revenues came to EUR 978.1m or 76% of total revenues in the financial year 2014. In the prior financial year, revenue generated internationally amounted to EUR 980.1m, equivalent to 77% of total revenues. Europe and the Americas remain Gerresheimer's most important geographical sales regions. As a growth region, emerging markets also continue to be a focus in terms of revenues. The percentages of revenues generated in the various regions remained on a par with the prior year.

IMS Health extended its definition of emerging markets in the financial year 2014. Some 21 countries are now defined as emerging markets, compared with 17 before. The countries added to the category are Algeria, Colombia, Nigeria and Saudi Arabia. We have brought our reporting into line with this extended definition and have restated the prior-year figures so that they are comparable.



Revenues in Europe rose by EUR 21.0m or 4.7% to EUR 467.0m. Although there was only a slight increase in overall European economic output, the European share of Gerresheimer Group revenues went up from 35.2% in the prior year to 36.2% in the year under review. This increase mainly reflects the positive revenue trend in Spain, Italy and Sweden. Our revenue growth there was 12.1%. Revenues also increased substantially in Germany, growing by EUR 26.1m or 9.1%. The share of Group revenues accounted for by Germany has thus gone up from 22.6% to 24.2%.

With a 20.3% share of Group revenues (prior year: 22.3%), the Americas remain an important market for the Gerresheimer Group. Due to the presence of global pharma giants and the country's demographic potential, the US especially will remain a core region for our business activities. As has already been described, increased regulatory requirements, destocking by some of our customers and an unscheduled furnace repair resulted in lower revenues in the US.

Emerging market revenues accounted for some 17% of total Group revenues in 2014, as they did in 2013. While revenues in Brazil and India were slightly down, primarily due to exchange rate movements, we recorded healthy growth in China. Adjusted for exchange rate effects and portfolio changes in the prior year, the emerging markets showed organic revenue growth of 5.7%, from EUR 214.6m to EUR 226.9m.

RESULTS OF OPERATIONS

The Gerresheimer Group generated adjusted EBITDA of EUR 253.4m in the financial year 2014, slightly higher than the prior-year figure of EUR 249.8m. The adjusted EBITDA margin came to 19.6%, on a par with the prior-year margin of 19.7%. At constant exchange rates, adjusted EBITDA went up to EUR 258.5m. Excluding EUR 2.4m in other operating income in 2014 and EUR 7.5m in 2013 for the Triveni put option, the adjusted EBITDA margin increased from 19.1% in 2013 to 19.5% in 2014.

in EUR m	2014	2013	Change in %
Adjusted EBITDA			
Plastics & Devices	126.1	120.8	4.4
Primary Packaging Glass	134.0	138.0	-2.9
Life Science Research	12.4	11.5	7.8
Subtotal	**272.5**	**270.3**	**0.8**
Head office/consolidation	-19.1	-20.5	-6.8
Total adjusted EBITDA	**253.4**	**249.8**	**1.4**

Adjusted EBITDA in the Plastics & Devices Division rose by EUR 5.3m to EUR 126.1m. The adjusted EBITDA margin was 21.1%, versus 21.5% in the prior year. Included in the adjusted EBITDA figure is EUR 2.4m in other operating income from remeasurement of the Triveni put option at fair value as of the balance sheet date. Without that item, the adjusted EBITDA margin went up from 20.2% in the prior year to 20.7% in 2014, despite the larger share of revenues accounted for by engineering and tooling.

In the Primary Packaging Glass Division, adjusted EBITDA decreased as expected by 2.9% year on year to EUR 134.0m in 2014. As a result of rigorous cost management, the adjusted EBITDA margin held its prior-year level at 21.6%. As has already been explained in the chapter on revenues, temporary production adjustments at some of our US customers led to reduced revenues and hence earnings.

The Life Science Research Division improved on the prior year with adjusted EBITDA of EUR 12.4m in the 2014 reporting year. Compared with 13.2% in the financial year 2013, the adjusted EBITDA margin in the financial year 2014 stood at 14.2%. This positive outcome mainly reflects improved productivity in the division.

The head office expenses and consolidation items come to EUR 19.1m, EUR 1.4m less than in the prior year. Especially personnel expenses at Gerresheimer AG have decreased in the 2014 reporting period.

The table shows the reconciliation of adjusted EBITDA to results of operations:

in EUR m	2014	2013	Change
Adjusted EBITDA	**253.4**	**249.8**	**3.6**
Restructuring expenses	4.4	4.8	-0.4
One-off income/ expenses[1]	1.5	3.8	-2.3
EBITDA	**247.5**	**241.2**	**6.3**
Depreciation	87.5	83.7	3.8
EBITA	**160.0**	**157.5**	**2.5**
Amortization of fair value adjustments[2]	17.5	19.0	-1.5
Portfolio optimization	12.6	5.6	7.0
Results of operations	**129.9**	**132.9**	**-3.0**
Other income (Triveni)	-2.4	-7.5	5.1
Results of operations (without Triveni)	**127.5**	**125.4**	**2.1**

[1] The one-off income/expense item consists of one-off items that cannot be taken as an indicator of ongoing business. These comprise, for example, various reorganization and restructuring measures that are not included in restructuring expenses under IFRS.
[2] Amortization of fair value adjustments relates to the assets identified at fair value in connection with the acquisitions of Gerresheimer Vaerlose in December 2005; Gerresheimer Regensburg in January 2007; the pharma glass business of Comar Inc., USA, in March 2007; the establishment of the Kimble Chase joint venture in July 2007; the acquisitions of Gerresheimer Zaragoza and Gerresheimer Sao Paulo in January 2008; the acquisition of Vedat in March 2011; the acquisition of Neutral Glass in April 2012 and the acquisition of Triveni in December 2012.

Adjusted EBITDA is reconciled to EBITDA by deducting restructuring expenses and one-off income/expense. The restructuring expenses of EUR 4.4m mainly consist of termination benefits in connection with the divisional realignment, streamlining and optimization. As noted in our Q3 interim report, the ongoing standardization and optimization of production locations is expected to incur costs in the low double-digit millions of euros.

The EUR 1.5m net amount under one-off income/expenses in the financial year 2014 consists of EUR 0.8m (prior year: EUR 3.0m) in connection with the divisional reorganization and EUR 0.7m (prior year: EUR 0.8m) in expenditure mostly relating to acquisition projects.

Depreciation is EUR 3.8m higher than in the prior year. This mainly reflects the high level of capital expenditure in the financial year 2014. Deducting depreciation, EBITA was EUR 160.0m in the financial year 2014, an increase of EUR 2.5m on the prior year. Amortization of fair value adjustments, at EUR 17.5m, is EUR 1.5m lower than in the prior year. This is mainly because of amortization relating to past acquisitions reaching zero on the basis of useful life assumptions.

In connection with the announced divisional streamlining and optimization, portfolio adjustments were carried out resulting in the recognition of an impairment loss amounting to EUR 12.6m in the financial year 2014. These arose largely in the USA ahead of the communicated expansion of our plant in Chicago. The EUR 5.6m expense in the financial year 2013 relates, among other things, to the sale of our minority stake in Beijing Gerresheimer Glass Co., Ltd.

In total, the Gerresheimer Group's results of operations thus amounted to EUR 129.9m, down EUR 3.0m on the prior-year results of operations. Adjusting for the earnings impact of remeasuring the Triveni put option as of the balance sheet date, results of operations came to EUR 127.5m, compared with EUR 125.4m in the prior year.

RETURN ON CAPITAL EMPLOYED

Return on capital employed (ROCE) is implemented as a profitability metric at Group level and indicates how efficiently we put the capital employed in the business to work. It is a key medium- to long-term target indicator. ROCE is defined as adjusted EBITA over average capital employed, which is calculated as total assets less non-interest-bearing liabilities and cash and cash equivalents.

Numerator

Adjusted EBITA

Denominator

Total assets

./.

Investments
Investments accounted for using the equity method
Other loans

./.

Cash and cash equivalents

./.

Provisions (without pension provisions)
Deferred tax liabilities
Income tax liabilities

./.

Prepayments received
Trade payables
Other non-interest bearing liabilities

Calculated on the basis of the published figures from the annual financial statements (as the average of the reporting date amounts for the prior year and the year under review), ROCE was 14.0% in 2014 and 14.8% in 2013.

INCOME STATEMENT: KEY ITEMS

	2014 in EUR m	**in % of revenues**	2013 in EUR m	in % of revenues
Revenues	**1,290.0**		**1,265.9**	
Cost of sales	-933.9	-72.4	-901.7	-71.2
Selling expenses	-135.7	-10.5	-140.3	-11.1
General administrative expenses	-86.4	-6.7	-90.9	-7.2
Restructuring expenses	-4.4	-0.3	-4.8	-0.4
Other operating expenses and income	0.3	0.0	4.7	0.4
Results of operations	**129.9**	**10.1**	**132.9**	**10.5**
Net finance expense[1]	-30.5	-2.4	-34.2	-2.7
Income tax	-26.5	-2.1	-30.2	-2.4
Net income	**72.9**	**5.7**	**68.5**	**5.4**
Attributable to non-controlling interests	6.5		6.3	
Attributable to equity holders of the parent	**66.4**		**62.2**	
Adjusted net income	97.9		103.5	
Adjusted earnings per share in EUR	2.89		3.08	

[1] Net finance expense comprises interest income and expenses in relation to the net financial debt of the Gerresheimer Group. It also includes net interest expenses for pension provisions together with exchange rate effects from financing activities and from related derivative hedges.

FUNCTION COSTS

Cost of sales went up by 3.6% to EUR 933.9m (prior year: EUR 901.7m); as a percentage of revenues, it was up 1.2 percentage points. This reflected increased personnel expenses in line with normal pay trends and expenditure relating to product quality improvements. Expenditure for the unscheduled furnace repair in Chicago was also incurred under this item. Selling expenses went down slightly as a percentage of revenues. The improvement is mainly due to sales and distribution enhancements in the prior year. In absolute figures, selling expenses decreased by EUR 4.6m. As planned, general administrative expenses likewise fell slightly as a percentage of revenues. This is mainly a result of the amalgamation of management functions already reported in the prior year.

Net other operating expenses and income went down by EUR 4.4m compared with the prior year. This principally reflects the gain on remeasurement of the Triveni put option to fair value. In connection with the acquisition of the 75% stake in Triveni effective December 20, 2012, Gerresheimer granted the minority shareholders a put option to tender the remaining 25% for sale from April 1, 2016. The purchase price is based on Triveni's local EBITDA for the financial year ending March 31, 2016. The carrying amount of the put option was reduced by EUR 2.4m (prior year: EUR 7.5m) on remeasurement of the put option at fair value as of the balance sheet date.

NET FINANCE EXPENSE

The net finance expense for the financial year 2014 was EUR 30.5m, EUR 3.7m below the prior-year figure of EUR 34.2m. This was mainly attributable to lower interest expenses on syndicated loans, the long-term loan having been paid off as planned. As a result, drawings on the lower interest rate revolving credit facility were higher.

INCOME TAXES

Income taxes come to EUR 26.5m, compared with EUR 30.2m in the prior year. At November 30, 2014, the effective tax rate is 26.7% and thus below the prior-year effective tax rate of 30.6%.

The tax audit for the German tax group was completed in the financial year 2014 for the financial years up to and including 2008. Appropriate provision was made in the financial year 2014 for the resulting additional tax expense. The figures for the prior year included various one-off tax items, as explained in detail in the Annual Report 2013. Adjusting the effective tax rate for the non-recurring factors just mentioned would give an adjusted effective tax rate of 21.7% for reporting year 2013. The main tax-reducing factors consisted of tax attributable to non-controlling interests, a tax-free investment grant for a Czech company as well as tax allowances relating to American domestic production and the retrospective recognition of loss carryforwards from prior years due to positive business performance.

NET INCOME AND ADJUSTED NET INCOME

The Gerresheimer Group achieved net income of EUR 72.9m as of November 30, 2014, an increase of EUR 4.4m on the prior-year figure.

in EUR m	2014	2013	Change
Net income	**72.9**	**68.5**	**4.4**
Amortization of fair value adjustments	17.5	19.0	-1.5
Related tax effect	-5.5	-5.6	0.1
Restructuring expenses	4.4	4.8	-0.4
Related tax effect	-1.3	-1.4	0.1
One-off income/expenses	1.5	3.8	-2.3
Related tax effect	-0.5	-1.1	0.6
Portfolio optimization	12.6	5.6	7.0
Related tax effect	-4.5	-0.8	-3.7
One-off tax effects	0.8	10.7	-9.9
Adjusted net income	**97.9**	**103.5**	**-5.6**
Attributable to non-controlling interests	**6.5**	**6.3**	**0.2**
Amortization of fair value adjustments	0.9	0.7	0.2
Related tax effect	-0.1	-0.2	0.1
Adjusted net income attributable to non-controlling interests	**7.3**	**6.8**	**0.5**
Adjusted Income after non-controlling interests	**90.6**	**96.7**	**-6.1**

Adjusted net income (defined as net income, including net income attributable to non-controlling interests, before non-cash amortization of fair value adjustments, the non-recurring effect of restructuring expenses and the balance of one-off income/expense inclusive of related tax effects) came to EUR 97.9m in the financial year 2014, compared with EUR 103.5m in the prior year. The main changes relative to the prior year result from the portfolio optimization explained earlier and from the tax effects from 2013 already reported. Adjusted earnings per share was thus EUR 2.89, compared with EUR 3.08 in the prior year (both figures after net income attributable to non-controlling interests).

PROPOSAL FOR APPROPRIATION OF RETAINED EARNINGS (PROPOSED DIVIDEND)

At the Annual General Meeting on April 30, 2015, the Management Board and Supervisory Board of Gerresheimer AG will propose that a dividend of EUR 0.75 per share be paid for the financial year 2014 (prior year: EUR 0.70 per share). This represents a total dividend distribution of EUR 23.6m. Furthermore, a proposal will be made to carry forward the Company's remaining retained earnings of EUR 84.5m. In this way, Gerresheimer shareholders participate in the business success of the Gerresheimer Group.

NET ASSETS

BALANCE SHEET

The Gerresheimer Group's net assets changed as follows in the financial year 2014:

Assets in EUR m	**Nov. 30, 2014**	Nov. 30, 2013	Change in %[1]
Intangible assets, property, plant, equipment and investment property	1,140.6	1,115.3	2.3
Investment accounted for using the equity method	0.1	0.1	-5.5
Other non-current assets	13.0	13.4	-2.3
Non-current assets	**1,153.7**	**1,128.8**	**2.2**
Inventories	193.7	194.5	-0.4
Trade receivables	208.5	192.6	8.3
Other current assets	100.0	99.9	0.0
Current assets	**502.2**	**487.0**	**3.1**
Total assets	**1,655.9**	**1,615.8**	**2.5**
Equity and Liabilities in EUR m	**Nov. 30, 2014**	Nov. 30, 2013	Change in %[1]
Equity and non-controlling interests	**604.4**	**563.4**	**7.3**
Non-current provisions	175.2	165.7	5.7
Financial liabilities	386.1	404.6	-4.6
Other non-current liabilities	34.4	48.5	-28.9
Non-current liabilities	**595.7**	**618.8**	**-3.7**
Financial liabilities	124.2	103.8	19.7
Trade payables	125.5	127.0	-1.2
Other current provisions and liabilities	206.1	202.8	1.6
Current liabilities	**455.8**	**433.6**	**5.1**
Total equity and liabilities	**1,655.9**	**1,615.8**	**2.5**

[1] The change has been calculated on a EUR k basis.

Total assets in the Gerresheimer Group came to EUR 1,655.9m as of November 30, 2014. This is EUR 40.1m or 2.5% higher than in the prior year. This rise is primarily attributable to the change in exchange rates, which led especially to an increase in non-current assets.

BALACE SHEET STRUCTURE AND RATIOS

Non-current assets rose to EUR 1,153.7m (prior year: EUR 1,128.8m). This corresponds to growth of EUR 24.9m or 2.2%. Non-current assets decreased to 69.7% of total assets (prior year: 69.9%). Current assets went up by 3.1% to EUR 502.2m at the balance sheet date (prior year: EUR 487.0m). They thus make up 30.3% of total assets (prior year: 30.1%). The main changes on the assets side of the balance sheet in the financial year 2014 relate to higher capital expenditure and higher trade receivables.

NON-CURRENT ASSETS

Intangible assets, property, plant and equipment, and investment property amounted to EUR 1,140.6m as of the balance sheet date (prior year: EUR 1,115.3m). The increase is mainly a result of changes in currency exchange rates. Capital expenditure on intangible assets and property, plant and equipment amounted to EUR 126.6m (prior year: EUR 119.1m) and was reduced by depreciation of EUR 87.5m (prior year: EUR 83.7m) and amortization of fair value adjustments of EUR 17.5m (prior year: EUR 19.0m). Impairment losses totaled EUR 12.6m (prior year: EUR 5.6m). The impairments relate to the portfolio optimization and standardization activities announced in the third quarter of 2014.

Other non-current assets fell by 2.3% to EUR 13.0m (prior year: EUR 13.4m). These primarily comprise EUR 3.9m in refund claims for pension benefits, EUR 1.0m in other loans and EUR 7.3m in deferred tax assets.

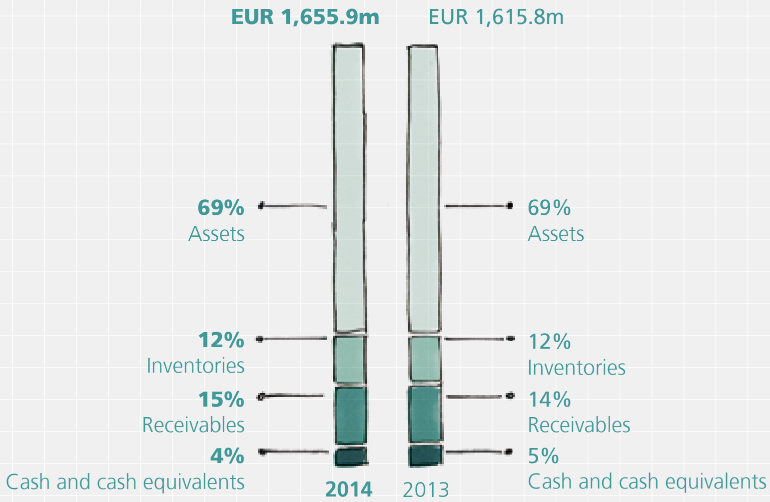
CURRENT ASSETS

Inventories and trade receivables rose by 3.9% compared with the prior year. Inventories came to EUR 193.7m at the balance sheet date (prior year: EUR 194.5m). Trade receivables amounted to EUR 208.5m (prior year: EUR 192.6m). Inventories and trade receivables mainly increased in line with revenue growth. Inventories and trade receivables made up 24.3% of total assets as of the balance sheet date, compared with 24.0% in the prior year.

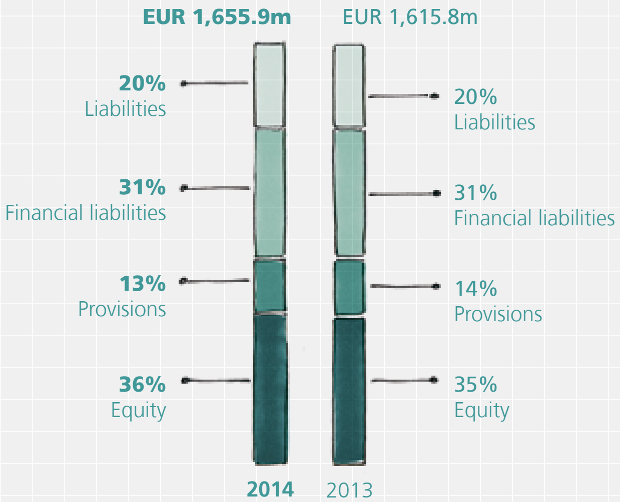
EQUITY

Gerresheimer Group equity, including non-controlling interests, rose by EUR 41.0m to EUR 604.4m. This rise is mainly attributable to the positive impact of net income, which more than offset distributions in the amount of EUR 29.6m. In addition, equity was reduced by actuarial losses (after taxes) of EUR 8.3m that arose on remeasurement of pension provisions as a result of the current trend in interest rates. The equity ratio was 36.5% as of November 30, 2014, compared with 34.9% at the end of the financial year 2013.

Assets



Equity and Liabilities



NON-CURRENT LIABILITIES

Non-current liabilities came to EUR 595.7m (prior year: EUR 618.8m). This represents a decrease of EUR 23.1m on the prior year. Non-current provisions went up by 5.7%. This mainly reflects the increase in pension provisions due to the lower discount rate. Non-current financial liabilities decreased by EUR 18.5m and came to EUR 386.1m at the balance sheet date (prior year: EUR 404.6m). This marks a drop of 4.6%. Non-current deferred taxes decreased as well.

CURRENT LIABILITIES

Current liabilities amounted to EUR 455.8m at the balance sheet date, up 5.1% on the prior year. They thus make up 27.5% of total equity and liabilities (prior year: 26.8%). Trade payables decreased as of the reporting date to EUR 125.5m (prior year: EUR 127.0m). Other current provisions came to EUR 56.5m at the balance sheet date, compared with EUR 45.7m in the prior year. This mainly consists of provisions for guarantees and personnel obligations, which were up on the prior year by EUR 8.2m. Other liabilities amounted to EUR 114.0m (prior year: EUR 119.5m) and mostly related to prepayments received.

NET WORKING CAPITAL

The Gerresheimer Group's net working capital was EUR 233.1m at November 30, 2014, an increase of EUR 31.2m compared with November 30, 2013.

in EUR m	Nov. 30, 2014	Nov. 30, 2013
Inventories	193.7	194.5
Trade receivables	208.5	192.6
Trade payables	125.5	127.0
Prepayments received	43.6	58.2
Net working capital	**233.1**	**201.9**

The rise in net working capital compared with the prior year is due to an increase in trade receivables as of the reporting date. Expressed as a percentage of revenues in the past twelve months, average net working capital increased slightly from 18.7% as of November 30, 2013 to 19.0% as of November 30, 2014. As of the reporting date, net working capital equated to 18.1% of revenues in the past twelve months.

OFF-BALANCE SHEET ARRANGEMENTS

There were operating lease obligations totaling EUR 53.0m at the balance sheet date (prior year: EUR 50.3m). These relate to building, machinery, vehicle and IT-related operating leases and rentals. There were also minor guarantees to lessors.

INFLUENCE OF ACCOUNTING POLICIES

No accounting policies or related accounting options were applied in the consolidated financial statements of the financial year 2014 that differ from prior years and that, if applied differently, would have had a material effect on the Group's results of operations, net assets and financial position. Information on the use of estimates and on the assumptions and judgments applied is provided in the notes to the consolidated financial statements.

FINANCIAL CONDITION AND LIQUIDITY

PRINCIPLES AND OBJECTIVES OF FINANCIAL MANAGEMENT

The control and optimization of the Gerresheimer Group's finances are primarily the responsibility of Group Treasury at Gerresheimer AG. Our overriding objective is to safeguard liquidity at all times through central procurement of funding as well as active control of currency and interest rate risk. We ensure an appropriate level of funding at all times with rolling liquidity planning and central cash management.

In order to institutionalize decision and control processes in connection with safeguarding liquidity, financial planning and associated risk management, the Management Board has appointed an Investment Committee. Comprising the CFO as well as the heads of Controlling, Mergers & Acquisitions and Treasury, the committee normally meets on a quarterly basis. The core remit of the Investment Committee is to discuss and monitor relevant financial operating conditions for the Gerresheimer Group. Potential changes in extraneous factors in line with current market projections are appraised along with the financing situation and strategic growth options. All ideas and upcoming projects with a major financial impact are combined, assessed to determine whether they are fundable and re-examined from a risk management standpoint. We therefore have an additional early warning and control mechanism to supplement universal application of the dual-control principle.

As we operate worldwide, we use a range of tools to ensure effective financial management. In this way, we minimize any negative impact of default, currency and interest rate risk on the net assets, financial position and results of operations or cash flows of the Gerresheimer Group.

The maximum credit risk from receivables faced by the Gerresheimer Group is the aggregate carrying amount of the receivables. We extend trade credit in the ordinary course of business and carry out regular assessments for specific financial status levels (credit checks). Bad debt allowances are recognized for doubtful receivables. Specific customer credit risk is measured using past collection experience and other information such as credit reports. We counter default risk by restricting contractual partners to those of good to very good credit standing. This is based on national and international agency ratings and rigorous observance of risk limits stipulated under trade credit insurance or internally.

Our international focus means that we conduct many transactions in foreign currency. To counter the associated risk that exchange rates may move adversely from our perspective, we use forward exchange contracts to hedge cash flows from unfulfilled foreign currency orders. Orders, receivables and payables are hedged as a rule with forward exchange contracts on inception. To counter interest rate risk, Gerresheimer has taken out swaps for part of its overall financing.

Safeguarding the Gerresheimer Group's liquidity while allowing sufficient reserves for special eventualities is an integral part of ongoing liquidity management. Intragroup cash pooling and intercompany lending permit efficient use of liquidity surpluses at Group companies to meet the cash needs of others. As a result of sufficient cash pool lines and intercompany loans, there were neither financing nor liquidity shortfalls in the financial year 2014.

FINANCING INSTRUMENTS

There are two mainstays to our overall financing. First, there is a EUR 300m bond issued on May 19, 2011, at a price of 99.4%, with a 5.0% coupon and seven-year term ending 2018. Second, a syndicated loan was signed on March 9, 2011, with a five-year term to maturity, comprising a long-term loan of initially EUR 150m (fully drawn in US dollars and repayable in four annual installments of 15% each plus a final repayment equal to 40% of the loan amount) and a EUR 250m revolving credit facility. The syndicated loan is subject to financial covenants – that is, the underlying financial obligations – divided into interest cover ratios (adjusted EBITDA in relation to net finance expense), EBITDA leverage (ratio of net financial debt to adjusted EBITDA), EBITDA ratios (ratio of Group adjusted EBITDA to adjusted EBITDA of jointly liable companies and affiliated companies with a profit and loss transfer agreement) and asset ratios (ratio of adjusted Group assets to the adjusted assets of the jointly liable companies and affiliated companies with a profit and loss transfer agreement). The long-term loan carries a basic rate of interest equal to US dollar LIBOR plus a margin of between 1.10% and 2.40% depending on fulfillment of the EBITDA leverage covenant. The revolving credit facility carries a basic rate of interest equal to EURIBOR for the drawing period plus a margin of between 0.90% and 2.20%, depending on fulfillment of the EBITDA leverage covenant.

Our foreign subsidiaries also have finance in the form of approved bilateral credit lines in an amount equivalent to EUR 15.2m.

FINANCIAL LIABILITIES AND CREDIT FACILITIES

The Gerresheimer Group did not affect any new borrowing in the financial year 2014.

Net financial debt developed as follows:

in EUR m	Nov. 30, 2014	Nov. 30, 2013
Financial debt		
Syndicated facilities		
Long-term loan[1]	91.4	106.7
Revolving credit facility[1]	86.0	68.8
Total syndicated facilities	**177.4**	**175.5**
Senior notes – euro bond	300.0	300.0
Local borrowings[1]	8.6	9.1
Finance lease liabilities	5.7	5.1
Total financial debt	**491.7**	**489.7**
Cash and cash equivalents	67.9	73.1
Net financial debt	**423.8**	**416.6**
Adjusted EBITDA	**253.4**	**249.8**
Adjusted EBITDA leverage	**1.7**	**1.7**

[1] The exchange rates used for the translation of US dollar loans to euros were as follows: As of November 30, 2013: EUR 1.00/USD 1.3611; as of November 30, 2014: EUR 1.00/USD 1.2483.

Net financial debt increased slightly and amounted to EUR 423.8m compared to EUR 416.6m in the prior year. This mainly relates to higher net working capital as well as to changes in the currency exchange rates. The adjusted EBITDA leverage (the ratio of interest-bearing net financial debt to adjusted EBITDA) was – as in prior year – 1.7 at the balance sheet date.

The syndicated loan shown in 2014 comprises the current balance (EUR 177.4m) on the long-term loan for initially EUR 150.0m (fully drawn in US dollars) and the EUR 250.0m revolving credit facility approved under the loan agreement. Drawings on the revolving credit facility were EUR 86.0m as of November 30, 2014, leaving EUR 164.0m available for capital expenditure, acquisitions and other operating needs.

BUSINESS DISPOSALS AND ACQUISITIONS

Effective December 9, 2013, the Gerresheimer Group acquired the remaining 1% shareholding in Gerresheimer Momignies S.A., Momignies, Belgium. On March 5, 2014, we acquired the remaining 2.3% shareholding in Neutral Glass & Allied Industries Private Ltd., Mumbai, India. As a result, the Gerresheimer Group now holds a 100% interest in both companies.

Gerresheimer UK Ltd., Reading, UK, was liquidated with effect from December 26, 2013.

For further information, please see note (2) of the notes to the consolidated financial statements.

ANALYSIS OF CAPITAL EXPENDITURE

Gerresheimer undertook capital expenditure on property, plant and equipment and intangible assets as follows in the financial year 2014:

in EUR m	2014	2013	Change in %
Plastics & Devices	63.5	55.8	13.8
Primary Packaging Glass	60.4	62.4	-3.2
Life Science Research	2.1	0.9	> 100
Head office	0.6	–	> 100
Total capital expenditure	**126.6**	**119.1**	**6.3**
Depreciation	87.5	83.7	4.5
Reinvestment ratio in %	**144.7**	**142.3**	**–**

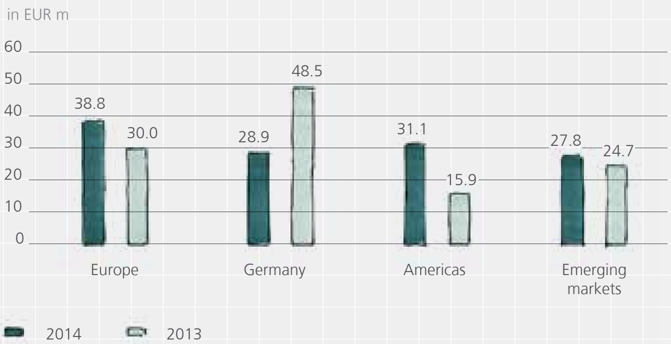
Our capital expenditure in the course of this financial year focused on construction and expansion as well as measures to increase plant availability. As in previous years, projects to increase plant safety, improve quality and ensure compliance with environmental regulations were carried out as planned.

Capital expenditure in the Plastics & Devices Division centered on making further additions to production capacity at our site in Horsovsky Tyn, Czech Republic. Investments were also made to expand production space at our works in Peachtree, USA.

In the Primary Packaging Glass Division, capital expenditure mainly related to the implementation of the machinery strategy in vial production adopted in the last financial year as well as to additions to production capacity in India. Other key investments comprised the routine general overhaul of furnaces and expenditure on molds, tools and modernization.

The reinvestment ratio (capital expenditure to depreciation) was at 144.7% (prior year: 142.3%).

Capital expenditure is divided across economic regions as follows:



From a regional perspective, 24.6% of capital expenditure in the financial year 2014 was accounted for by the Americas (prior year: 13.4%), 22.0% by emerging economies (prior year: 20.7%), 30.6% by Europe (prior year: 25.2%) and 22.8% (prior year: 40.7%) by Germany.

The investments in Europe related mainly to capacity expansion measures in the Plastics & Devices Division and the general overhaul of a furnace in the Moulded Glass Division. In the Americas, capital spending centered primarily on the setting up and expansion of the Technical Competence Center. Further capital expenditure in the Americas related to the machinery strategy in vial production adopted in the last financial year.

OPERATING CASH FLOW

in EUR m	2014	2013
Adjusted EBITDA	**253.4**	**249.8**
Change in net working capital	-23.2	-26.3
Capital expenditure	-126.6	-119.1
Operating cash flow	**103.6**	**104.4**
Net interest paid	-20.6	-22.6
Net taxes paid	-41.6	-29.6
Pension benefits paid	-14.2	-15.3
Other	6.1	-6.6
Free cash flow before acquisitions	**33.3**	**30.3**
Acquisitions	–	-52.2
Financing activity	-41.1	11.5
Changes in cash and cash equivalents	**-7.8**	**-10.4**

Operating cash flow was down by EUR 0.8m year on year, from EUR 104.4m to EUR 103.6m, mainly because capital expenditure was higher than in the prior year. Income taxes paid rose by EUR 12.0m, the main changes relative to the prior year comprising advance tax payments following the exhaustion of tax loss carryforwards.

CASH FLOW STATEMENT

in EUR m	2014	2013
Cash flow from operating activities	158.3	146.7
Cash flow from investing activities	-125.0	-168.6
Cash flow from financing activities	-41.1	11.5
Changes in cash and cash equivalents	**-7.8**	**-10.4**
Effect of exchange rate changes on cash and cash equivalents	2.6	-2.6
Cash and cash equivalents at the beginning of the period	73.1	86.1
Cash and cash equivalents at the end of the period	67.9	73.1

Cash flow from operating activities rose by 7.9% in the financial year 2014 to EUR 158.3m, due to both the increase in net income and the sharp fall in cash outflows from other provisions.

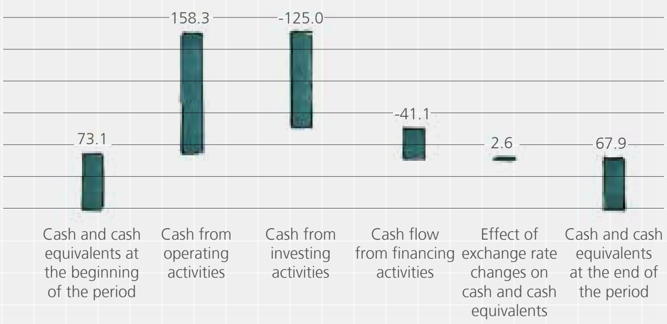
The net cash outflow from investing activities was down on the prior-year figure of EUR 168.6m to EUR 125.0m. Capital expenditure on intangible assets and property, plant and equipment consumed EUR 126.6m, a slightly higher amount than in the prior year (EUR 119.1m). No cash was paid out for acquisitions in the financial year 2014. The prior-year cash outflow from investing activities included EUR 52.2m for the acquisition of Triveni Polymers Private Ltd. in December 2012. Cash received in connection with divestments and disposals of non-current assets came to EUR 0.7m (prior year: EUR 2.6m). Further information on capital expenditure in the financial year 2014 is provided under "Analysis of capital expenditure".

The net cash outflow from financing activities amounted to EUR 41.1m in the reporting year (prior year: cash inflow of EUR 11.5m) and was mainly attributable to distributions to third parties in the amount of EUR 29.9m and the repayment of loans.

The Gerresheimer Group had EUR 67.9m in cash and cash equivalents as of November 30, 2014 (prior year: EUR 73.1m). As of the end of the reporting period, Gerresheimer additionally had at its disposal a EUR 250.0m revolving credit facility, drawings on which were EUR 86.0m as of November 30, 2014. The remaining amount is available to Gerresheimer for purposes such as capital expenditure, acquisitions and other operational requirements.

Change in cash and cash equivalents

in EUR m



MANAGEMENT BOARD'S OVERALL ASSESSMENT OF THE BUSINESS SITUATION

The global economy was in recovery mode in the financial year 2014. In light of the conflict in Ukraine and the situation in the Middle East, however, this trend is not a stable one. For the Gerresheimer Group, too, the financial year 2014 was a year of challenges, mostly affecting the primary packaging business in the US. Despite this, we once again delivered on our targets in 2014.

Capital expenditure was up year on year to EUR 126.6m. Leverage – the ratio of interest-bearing net financial debt to adjusted EBITDA – stood at 1.7, matching the prior-year figure (1.7). Our net asset position remains very solid. Equity and non-current liabilities provided 104.0% coverage of non-current assets (prior year: 104.7%). The equity ratio increased from 34.9% in the prior year to 36.5% in the year under review.

ANNUAL FINANCIAL STATEMENTS OF GERRESHEIMER AG

Gerresheimer AG is the parent company of the Gerresheimer Group and is based in Duesseldorf, Germany. Responsibility for the principal management functions of the Company as a whole lies with the Management Board of Gerresheimer AG. The Management Board formulates corporate strategy, allocates resources and is in charge of financial management. Gerresheimer AG's situation in essence depends on the business success of the Group.

The following relates to the performance of Gerresheimer AG. Gerresheimer AG's annual financial statements are prepared in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch/HGB) and the German Stock Corporation Act (Aktiengesetz/AktG).

GERRESHEIMER AG RESULTS OF OPERATIONS

in EUR m	**2014**	2013
Other operating income	11.2	11.9
Personnel expenses	-13.2	-15.8
Depreciation and amortization	-0.4	-0.4
Other operating expenses	-14.6	-14.7
Net investment income	40.3	44.5
Net finance income	29.9	30.0
Result from ordinary activities	**53.2**	**55.5**
Income taxes	-12.8	-15.8
Net income	**40.4**	**39.7**
Retained earnings	**67.7**	**50.0**
Unappropriated retained earnings	**108.1**	**89.7**

The results of operations of Gerresheimer AG are largely determined by the results of its subsidiaries and by net finance income from Group financing.

Other operating income and other operating expenses from the performance of management and administration functions for the Gerresheimer Group resulted in a EUR 3.4m (prior year: EUR 2.8m) net other operating expense for Gerresheimer AG. Other operating expenses mainly related to IT, insurance, legal, consulting and audit fees, rental, leasing and trade fairs. Where they are commercially attributable to subsidiaries, these expenses are passed on within the Group.

Personnel expenses decreased compared with the prior year, from EUR 15.8m to EUR 13.2m. In 2013, personnel expenses included severance payments in connection with the early departure of a member of the Gerresheimer AG Management Board.

Net investment income in the financial year 2014 included EUR 40.3m in income from profit transfer, compared with EUR 44.5m in the prior year. The decrease in net investment income mostly relates to lower dividend payments from the subsidiaries of GERRESHEIMER GLAS GmbH.

Net finance income, at EUR 29.9m, is on the prior-year level. It mainly relates to income of EUR 45.8m (prior year: EUR 45.8m) on loans to GERRESHEIMER GLAS GmbH and Gerresheimer Holdings GmbH. Interest expenses mostly consist of EUR 15.3m (prior year: EUR 15.3m) in interest on the bond issue.

The result from ordinary activities fell by EUR 2.3m to EUR 53.2m. The tax expense amounted to EUR 12.8m in the financial year 2014 compared to EUR 15.8m in the financial year 2013. The tax expense consists of EUR 14.5m in current tax expense (prior year: EUR 14.8m) and EUR 1.7m in deferred tax income (prior year: deferred tax expense of EUR 1.0m). Deducting the income taxes, net income was EUR 40.4m in the financial year 2014 (prior year: EUR 39.7m). Including retained profits brought forward, net retained earnings amount to EUR 108.1m (prior year: EUR 89.7m).

The Management Board and Supervisory Board jointly decided to propose at the Annual General Meeting that a dividend of EUR 0.75 per share be paid for the financial year 2014.

DEVELOPMENT OF THE NET ASSETS AND FINANCIAL CONDITION OF GERRESHEIMER AG

Assets in EUR m	**Nov. 30, 2014**	Nov. 30, 2013
Non-current assets		
Intangible assets	0.6	0.6
Property, plant and equipment	0.4	0.2
Financial assets	809.5	809.5
	810.5	**810.3**
Current assets		
Receivables and other assets	190.0	172.5
Cash and cash equivalents	–	–
	190.0	**172.5**
Prepaid expenses	**1.5**	**1.5**
Total assets	**1,002.0**	**984.3**

Equity and liabilities in EUR m	**Nov. 30, 2014**	Nov. 30, 2013
Equity		
Subscribed capital	31.4	31.4
Capital reserve	525.7	525.7
Retained earnings	108.1	89.7
	665.2	**646.8**
Provisions		
Tax provisions	10.7	12.1
Other provisions	10.1	9.4
	20.8	**21.5**
Liabilities	**311.3**	**309.6**
Deferred tax liabilities	**4.7**	**6.4**
Total liabilities	**1,002.0**	**984.3**

Gerresheimer AG's net assets and financial condition reflect its holding company function. As the holding company, Gerresheimer AG finances all Group activities. This is most clearly visible in financial assets and in receivables from/liabilities to affiliated companies.

The main items in fixed assets in 2014 were shares in affiliated companies (EUR 117.1m) and loans to affiliated companies (EUR 692.4m). Loans to affiliated companies make up 69% (prior year: 70%) of total assets.

Current assets primarily consist of EUR 188.8m (prior year: EUR 172.4m) in receivables from affiliated companies from cash pooling and from interest-bearing short-term loans. The increase compared with the prior year is primarily attributable to the amount receivable under the cash pooling arrangement with GERRESHEIMER GLAS GmbH.

Equity increased to EUR 665.2m as of the balance sheet date (prior year: EUR 646.8m). The negative impact on equity of the EUR 22.0m dividend payment for 2013 was more than offset by the EUR 40.4m in net income generated in the financial year 2014. The equity ratio went up slightly from 65.7% as of the prior-year balance sheet date to 66.4% as of November 30, 2014.

Liabilities went up slightly in the reporting year from EUR 309.6m to EUR 311.3m. These mainly relate to an amount of EUR 308.0m, including accrued interest, for the bond issued in connection with the refinancing.

Gerresheimer AG and the remaining German Group companies participate in a cash pooling arrangement administered by GERRESHEIMER GLAS GmbH. Gerresheimer AG itself has no bank balances.

NON-FINANCIAL SUCCESS FACTORS OF THE GERRESHEIMER GROUP AND GERRESHEIMER AG

EMPLOYEES

OUR HUMAN RESOURCES MANAGEMENT PRIORITIES

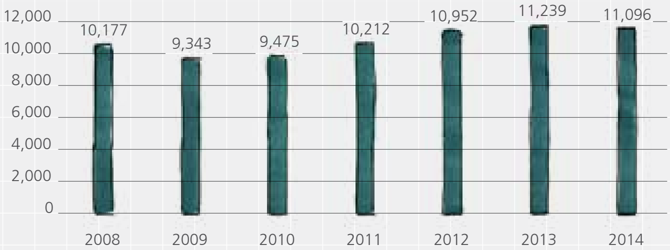
Our employees are our most important resource. Their performance as a team is the springboard to meeting our ambitious goals now and in the future. The primary goal is therefore to create an attractive and challenging work environment to promote our employees' passion and productivity going forward. Accordingly, our long-term human resources strategy is geared toward three areas: cultivating our executive staff; identifying, supporting and hiring new talent; and leveraging and advancing the skills and diversity of our global workforce.

We are a decentralized company that does business globally, an approach reflected in our markets, customers, locations and employees. Recently, we have grown rapidly, notably due to acquisitions. This has not only diversified and internationalized our Company, but has also enriched our organization by exposing us to other cultures and ways of thinking. We are once again gearing up for growth in the coming years, which will be accomplished both organically and by buying companies or entering into joint ventures. That said, we do not consider ourselves a loose confederation of over 40 facilities in Europe, North and South America and Asia – we are "One Gerresheimer", a unified force.

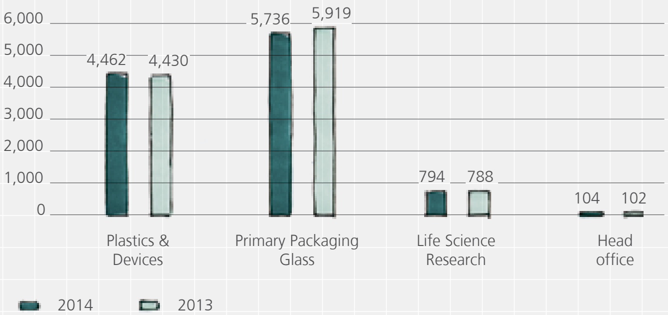
Our human resources management activities aim, above all, to support this change and promote integration. We have developed a common vision, mission and values to guide our employees and ensure that they all understand what is meant by "One Gerresheimer". The values of integrity, responsibility, peak performance, teamwork and innovation are integral to our business activities. Events are being held at all of our sites and with all employees to fill this maxim with life. We are giving all staff the opportunity to experience our vision, mission and values. In addition, they will learn what they can do specifically to assist with implementation and what will be expected of them along the way.

EMPLOYEE STRUCTURE

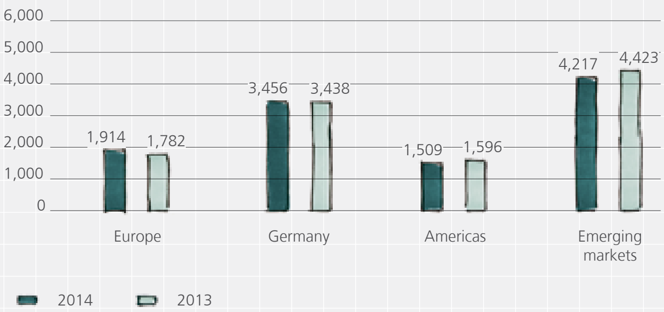
At the end of the financial year, we had 11,096 employees, down 1.3% compared with the prior year.



The size of our divisions has changed slightly year on year in terms of employee numbers. The greatest increase was in the Plastics & Devices Division, whose workforce grew from the previous year by 32 employees to 4,462 total staff. Notably at our site in the Czech Republic, where new production capacity is being added, the number of employees was up. In contrast, the workforce in the Primary Packaging Glass Division shrank to 5,736 as of the reporting date (prior year: 5,919 employees). Whereas the moulded glass plants in Europe were able to add employees, Mexico shed staff due to capacity adjustments. In our Life Science Research Division, staff numbers remained at about the same level. In addition, 15 employees (prior year: 17 employees) worked for the divisions, and Gerresheimer AG had 89 staff as of the reporting date (prior year: 85 employees).



We are a group with a strong focus on technology and production. Hourly-paid employees therefore accounted for 75.9% of our workforce in the last financial year (prior year: 76.1%). Many activities in the Company involve hard physical labor and require above-average physical fitness of the employees performing them. As a result, the share of men in our workforce has traditionally been high. For years, we have been increasing the number of women working for us, although that is often difficult due to the lack of applications by suitable candidates. In Germany, our workforce is 25.5% female, while internationally this figure stands at 39.2%. This represents a slight increase in the share of female employees over the previous year.



In line with our philosophy, we manufacture our products in the countries in which we sell them. The change in the number of employees in Germany is therefore a clear sign of commitment to this location because we have again been able to hire and retain more employees here. One reason the number of employees in the United States declined is capacity adjustments due to destocking by some US pharmaceuticals clients. In addition, less pharmaceutical glass was delivered in the USA in the third quarter, given that regulatory requirements forced some pharmaceuticals companies to endure production halts.

WOMEN IN MANAGEMENT POSITIONS

We have made it our goal to increase the number of female executives at our Company. Throughout the Group, women account for some 11.3% of various management positions in the first two management levels under the Management Board. This represents growth of 3.0 percentage points compared with the prior-year figure. We have continually increased the overall share of female executives in recent years.

On the one hand, we are pleased that turnover in management positions is low. On the other, this results in a situation where we only fill a small number of vacant positions each year, which in turn leads to a minimal number of new hires and changes at management level. As a result, this process is progressing slowly, but surely.

VALUES-DRIVEN HR DEVELOPMENT

Our values are central to how we interact and go about our day-to-day work. They are a key element in evaluating and cultivating our employees. Making our values the cornerstone of our executive training efforts ensures that they will be practiced actively. Accordingly, we have developed a five-module executive development program called “Leadership Powered by Values”. Every year for five years, we are focusing on one of our values. In 2014, the emphasis was on “Innovation”. During this training course, our level-one and level-two managers agreed on a common definition for the concept of innovation as well as on promoting the ability to innovate and to removing barriers for innovation. The executive training course, which is mandatory for these managers, offers support in all phases of their development as leaders and the subsequent management of our Company. This enables us to ensure that our corporate culture is practiced and refined on an ongoing basis across all of our sites.

The 2012 employee survey indicated that we needed to invest more in our employees’ leadership skills. To address this issue, we developed various continuing education programs. In addition to the “Leadership Powered by Values” course intended for top-level management, we also offer a course entitled “Leading White” aimed at middle management. These employees deal mainly with the business and administrative aspects of our activities. Our “Leading Blue” training course is for all managers in industrial units. In 2013/2014, we held 21 executive training sessions for middle managers (4x Leading White, 17x Leading Blue) in which a total of 208 managers participated. Additional events are being planned for around 95 middle managers in the first six months of the coming financial year. We believe that training our employees gives us a clear competitive edge. This is why last year we also organized a wide variety of sessions to develop our employees’ methodological and technical skills in addition to running the management training program already mentioned. The options ranged from specialized seminars on streamlining production processes to training on our Gerresheimer Management System (GMS), through to language courses and quality management seminars. Working through change processes was a special focus.

Our next periodic worldwide employee survey will be conducted in spring 2015. The survey enables us to regularly review the implementation of action plans, obtain quality feedback from our employees on the culture and working conditions in our Company as well as document recommendations and suggestions for improvement.

OCCUPATIONAL SAFETY

We aim to guarantee our employees the safest-possible workplace, so we are pleased to report that the number of on-the-job accidents has dropped continually in recent years. Nonetheless, we will step up our efforts in this area along with increasing investments in industrial safety in the future. All of our locations have occupational safety programs in place that are aligned with local legislation and site-specific workflows. Both internal and external experts audit the implementation of and compliance with these programs. For instance, our moulded glass plants in Germany received the “AMS-Arbeitsschutz mit System” quality seal from VBG-Berufsgenossenschaft (Institution for Statutory Accident Insurance and Prevention). We also regularly review the effectiveness of safety measures to guarantee ongoing optimization. In 2014, we upped our investments in health management. Gerresheimer strives to create attractive working conditions and keep levels of physical as well as psychological stress as low as possible. We want to provide all of our employees with a pleasant and ergonomic working environment. By doing so, we meet the needs brought about by demographic change, optimize interfaces and create an atmosphere that promotes communication across the entire organization. Going forward, we aim to be faster, more productive and more competitive while, at the same time, protecting our employees’ willingness and ability to perform at their peak.

ATTRACTIVENESS AS AN EMPLOYER

Gerresheimer has become a popular employer. And that is not just our opinion. Others outside the Company say so, too. German news magazine *Focus* in conjunction with XING, the leading professional network in the German-speaking countries, and Kununu, the largest German-language employer rating portal, awarded us the designation "Top Employer" in 2014. This award honors innovative working models that deliver solutions to the challenges posed by the working world of tomorrow.

DEMOGRAPHIC RISKS

The demographic change underway in many societies also affects us, exposing our business model to both opportunities and risks. In 2014, we conducted a demographic analysis of our plants as part of strategic human resources planning. The goal was to investigate and quantify possible risks to our employee structure. The results confirmed that there is no heightened risk posed by employees leaving the Company for age-related reasons over the next ten years. Moreover, internal succession planning was also conducted to determine key positions within the Group, identify potential successors and start preparing them to take over. This marked another step toward reducing the long-term risks of employee turnover. Our employees' average length of service of 10.84 years tells us that they value our Company as a reliable employer.

APPRENTICESHIPS

We consider training young people to be part of our responsibility to society as a successful company. As one of the most popular employers in Germany, we offer our apprentices and employees good prospects and foster their individual talents. In Company-wide projects, we support networking and the exchange of information among apprentices, providing venues to become actively involved in the Company. We offer apprenticeships in more than 20 professions in Germany. All apprentices who completed their studies in 2014 were offered employment, and we again hired 64 apprentices. Among these new hires were seven students in dual degree courses. In total, 208 apprentices and students are currently learning a profession at Gerresheimer in Germany. At 6.2%, our apprenticeship quota is significantly higher than that of the glass-processing industry (4.8%). All of our candidates passed their final exams at the Chamber of Industry and Commerce or received their Bachelor's degrees. In an effort to successfully accommodate the rapid growth at our site in Horsovsky Tyn, Czech Republic, we have been training young people there according to the German dual system of vocational training and education since 2013. This model has proven effective and is in high demand there.

MANAGEMENT REMUNERATION SYSTEM

Gerresheimer both supports and promotes peak performance by its employees, and rewards this effort with competitive remuneration. Our management remuneration system takes into account personal accomplishments as well as the Company's performance. The latter is calculated according to attainment of our annual financial targets and also rewards executives for our Company's medium-term performance. In 2012, we overhauled the short-term, variable remuneration system for first- and second-level managers, standardized it worldwide and, on this basis, introduced a medium-term incentive system in 2014. This system, which replaces the previous option program (phantom stocks), places greater emphasis on the sustainable, long-term financial performance of the Company. We are optimistic that this will be advantageous for us in a number of ways, including improving our standing in the competition for talented managers, cementing our position as an attractive employer and successfully supporting the Company's sustainable development for the long term.

INTERNAL "GERRESHEIMER PRODUCT WORLD" CAMPAIGN

During the financial years 2013 and 2014, we conducted the internal "Gerresheimer product world" campaign with the aim of making clear to all employees what contribution each individual's everyday work makes to the success of our Company. The initiative was therefore directed at all of our approximately 11,000 employees worldwide.

Various campaign elements showcasing the Company's product portfolio explained how our products are applied. At the same time, situations were illustrated where people come across our products in their daily lives – at pharmacies, in hospitals, at the doctor's and at home. The campaign aimed not only to improve employees' knowledge of products, but also to increase their sense of responsibility for product quality and enable them to recognize their own contribution to society, health and well-being.

RESEARCH AND DEVELOPMENT

We aim to become the leading global partner for enabling solutions that improve health and well-being. At the same time, our customers' requirements are changing. The market increasingly calls for innovation and quality. For this reason, issues such as rising quality standards as well as innovative products and solutions are part of our growth strategy. We continually invest in enhancing our production and product quality as well as fine-tuning our product portfolio. This entails close collaboration with our customers and with our partners in industry, in the scientific community and at other public institutions.

We manufacture specialized products that come into direct contact with pharmaceuticals and are therefore particularly relevant for the pharmaceutical industry. They are thus subject to extremely strict requirements imposed by the national and international licensing authorities, particularly with regard to manufacturing processes and product quality. Through our cutting-edge technology and innovative resourcefulness, we have established a top ranking position, which we intend to strengthen further.

CUSTOMERS BEAR MAJORITY OF RESEARCH & DEVELOPMENT COST

In the past financial year, a total of EUR 1.5m (prior year: EUR 2.1m) was spent on research and development. A further EUR 1.8m of development costs were capitalized in 2014 (prior year: EUR 1.4m).

Closely aligned to the needs of our customers, our research and development activities are often carried out in close cooperation with them. In some cases, employees of pharmaceutical companies work with us at our Competence Centers. The research and development activities are exclusively carried out by Gerresheimer AG's subsidiaries. The costs associated with these customer-specific research and development projects are borne by our customers.

QUALITY IMPROVEMENT

When developing new products and solutions, we aim to not only expand our product range but also achieve continuous improvement. The basis for this is ongoing quality optimization. We are aware that quality standards cannot be high enough when it comes to safely administering human medications and protecting human health. The core focus of our activities is enhancing technologies and processes in order to prevent defects from occurring in the first place.

The increasing use of clean room technology is another key development in quality enhancement. Moreover, our pharmaceutical customers' requirements for the manufacture of pharmaceutical primary packaging are increasing. They demand ever-greater precision, so tolerance limits are shrinking. We are responding to this trend by continually raising the bar for our production systems. The findings of a joint multiyear study of the delamination propensity of glass (detachment of glass particles) were incorporated into an improved production process for primary packaging such as glass injection vials. This led to a decrease in the propensity of these products to delaminate. We are also working on a better production process to prevent cracks and scratches in glass containers, and thus to greatly increase the break resistance of primary packaging made of glass.

In addition to optimizing production processes, we tirelessly work on the continual and seamless quality control of our products. To this end, we fine-tune our product inspection systems, and only approve products for dispatch if they satisfy our stringent quality standards. We use high-resolution cameras for this purpose, such as our Gx® Tekion™ system. This technology, which we developed ourselves, reduces the number of particles released when cutting glass tubes by 99%. The Gx® G3 inspection system for prefillable syringes allows all areas of the syringe barrel to be inspected with high-resolution cameras. At the same time, the Gx® G3 technology makes it possible to measure injection vials during the glass forming process.

DEVELOPMENT OF SYRINGES AND INJECTION VIALS FOR SPECIAL REQUIREMENTS

Further developing our ready-to-fill, sterile glass syringes is one of our most important activities. "Ready-to-fill" means that the syringes can be filled with medication directly. Once they are subsequently sealed, they are ready to use. The Development and Production Center for Gx RTF® (ready-to-fill) sterile glass syringe systems is located at our production facility in Buende, Germany. Our product development activities additionally extend to practical accessories, which serve to improve injection safety. The new fourth Gx RTF® production line had a new generation of the production process installed, which meets the highest quality requirements. Among other things, this contributed to a significant reduction in particles and scratches because the production process avoids glass-on-glass contact. The washing process meets top standards, and the various control mechanisms implemented after the individual production steps guarantee optimum quality, even while the production process is underway.

In cooperation with a partner, we also offer an innovative drug delivery system made of a special plastic with properties similar to glass called COP (Cyclo Olefin Polymer), which is marketed under the name ClearJect®. As traditional glass syringes are not always appropriate for sensitive pharmaceutical or biopharmaceutical drugs, developers are on the lookout for suitable alternatives. The ClearJect® syringes were developed specifically for these kinds of applications. ClearJect® syringes expand the possibilities for the application of ready-to-fill syringes.

Our MultiShell® plastic vials for packaging highly sensitive liquid medications are another example of our innovative strength. These novel plastic vials are available in various sizes as ready-to-use and ready-to-sterilize products.

CUSTOMIZED DEVELOPMENTS FOR PHARMA AND COSMETICS APPLICATIONS

For many years now, the Plastics & Devices Division has operated two Technical Competence Centers (TCC) especially for designing and developing customized medical plastic products – one in Wackersdorf, Germany, and one in Peachtree City, USA. A third competence center was opened in Dongguan, China, in October 2014. In the TCCs, our product development activities focus on the practical use of systems and components for pharmaceutical, diagnostic and medical technology applications.

In the past, we increasingly built up our design and development expertise, especially in the Medical Plastic Systems Business Unit. This regularly gives rise to new projects and the development of innovative product ideas. We are, for example, researching the development of plastic adaptors, which will substantially improve the break resistance and hence the functioning of the glass syringes used in auto-injectors. Auto-injectors, also known as emergency pens, are used, for instance, to enable allergy sufferers to inject drugs quickly and safely in an emergency. We also work with our customers to develop complete auto-injector systems that we subsequently manufacture for the customer.

Pharmaceutical and medical technology products must wind their way through a long approval process before the idea can proceed to series production. This process requires multiple small batches to be manufactured as clinical samples or stability batches. To meet this need, we have set up a separate small-batch production line in our competence center in Wackersdorf, Germany. It is tailor-made for these customer requirements, for instance, in the clinical phases prior to approval of a new drug. This is where we manufacture small batches in series quality and then later directly incorporate the knowledge gained from this process into large-scale series production. We are therefore able to quickly and easily manufacture a product at any stage of the project, regardless of whether this is for manufacturing development prototypes, clinical samples or products in small batches for special applications.

In the development and production of cosmetic glass for perfume flacons or cream jars, we also place the highest demands on our processes and product quality; and our glass packaging for cosmetics is valued accordingly. We produce these products mainly in our moulded glass plants in Tettau, Germany, and in Momignies, Belgium. In the past financial year, we developed some 100 new glass packaging products for the cosmetics industry. Gerresheimer also produces several hundred variants of these different types of glass cosmetic packaging, in some cases applying elaborate finishing technologies such as spray coating and metallization.

PROCUREMENT

In the past financial year, the Gerresheimer Group's total cost of materials (including raw materials, consumables and supplies, energy costs, packaging materials and purchased services) was EUR 473.0m (prior year: EUR 469.7m). Thus the procurement rate – the cost of procuring materials as a percentage of revenues – stood at 36.7%, somewhat below the prior-year rate of 37.1%. Due to the differences in the activities of our three divisions, Gerresheimer's procurement activities are largely organized decentrally. However, various raw materials and energy are procured on a cross-divisional basis. The same is true for goods and services that are not relevant for production, such as advisory services, data networks, hardware and software. These are procured centrally.

Our interaction with suppliers is governed by the Gerresheimer Compliance Program as well as by purchasing policies and procedural guidelines. It is also extremely important for us that our suppliers comply with the high quality requirements for our business. For this reason, we prefer to work with suppliers certified in accordance with the relevant ISO standards who also comply with the official guidelines on quality assurance in the production of drugs and active ingredients (Good Manufacturing Practices, GMP). We ensure that our suppliers adhere to the "Gerresheimer Principles for Responsible Supply Chain Management" (available on our website at: http://www.gerresheimer.com/en/investor-relations/corporate-responsibility/customers-suppliers.html), which include key precepts on environmental protection, occupational health and ethical business conduct. We carry out regular supplier audits to ensure they continue to meet these criteria.

As a manufacturer of high-quality pharmaceutical primary packaging, we mainly use quartz sand and soda lime as raw materials to make glass, along with various additives in relatively small quantities. These basic products are freely available and we procure them from a range of suppliers. This is why there were no disruptions to supply or shortages with a significant impact on our business development in the reporting period. Moreover, glass production requires energy, primarily electricity and gas. Some customer contracts include automatic adjustments if energy prices change, with a time delay. Since contracts in the glass segment rarely carry an agreed term of more than two years, adjustments for any changes in energy prices are generally made where necessary when agreements are extended. We minimize any residual risks as far as possible using hedges. See the section "Financial risks".

The production of pharmaceutical primary packaging – especially for complex drug delivery systems like insulin pens and inhalers – mainly requires specialist plastic granules and energy. These basic products are also freely available and procured from a range of suppliers. This means there were also no disruptions to supply or shortages of these raw materials with any significant impact on our business development in the reporting period. Given that the contracts for the production of drug delivery systems generally have terms of several years, they usually include provision for adjustments if granule and energy prices should change, with a time delay, so as to minimize the risk of price changes in the named basic products.

PRODUCTION

The same extraordinarily high quality standards that apply to the production of drugs also apply to the production of pharmaceutical primary packaging. Our in-house experts, our customers, external appraisers and supervisory bodies regularly verify our compliance with these standards, which are consolidated under the term "Good Manufacturing Practices" (GMP). Whatever form the production processes in the three divisions take, the GMS principles apply in all Gerresheimer plants worldwide, see the section "Business Excellence". This is how we ensure the consistency of management systems and quality standards.

The production capacities of each division are generally planned centrally based on the order situation, delivery deadlines and regulatory issues, and distributed to the plants in each division at a regional or global level, depending on the order. Efficiency and optimum capacity utilization play a key role. Notably in the Primary Packaging Glass Division, high capacity utilization is crucial to profitability because its production processes involve smelting various raw materials into glass in energy-intensive furnaces. Another key profitability factor is minimizing idle time. Set-up times indicate how much time is required for changing the product being manufactured, i.e., converting the tools. In the last few years, we have continuously improved – notably in our Primary Packaging Glass Division – in terms of optimizing the capacity utilization of our furnaces and reducing set-up times. This represents a key competitive factor considering the large number of different products in this division.

For the pharma industry, security of supply and reliability of deliveries are crucial factors. Accordingly, we use standardized or at least comparable technologies at all of our plants worldwide and consistently apply the GMS. We therefore enjoy the advantage that many of our products can be produced at another site should local production bottlenecks arise. This gives our customers significantly enhanced security of supply – and Gerresheimer an important competitive edge.

QUALITY INITIATIVE AND GLOBAL CERTIFICATIONS

Excellent quality for all our products and production facilities is not only one of our most important goals, it is also a key criterion for our customers in choosing their suppliers. Under the Group-wide quality initiative introduced in 2011, we developed and listed binding quality standards and key performance indicators (KPIs) throughout all divisions and implemented them in the plants. These KPIs measure inter alia core quality factors such as produced quality, scope and completeness of deliveries, complaints indicators, costs due to quality defects, comments in relation to customer audits and planned improvements. Using these KPIs, we continuously monitor both our production facilities and the quality of production. This considerably speeds up our reaction times if there are any deviations from the targets we have set. The monitoring and measurement of internal KPIs is supplemented by the regularly conducted global customer satisfaction survey, which is outlined in more detail in the “Business Excellence” section. We aim to consistently deliver high quality to our customers, regardless of the place of production or type of product. Above and beyond the global quality standards, we also develop additional, tailored quality agreements with our customers.

Certifications serve as objective proof that our production operations and processes conform to specific criteria and standards. We always ensure that we satisfy market requirements, and in some cases we actually surpass them. All of our production facilities have ISO 9001-certified quality management systems. In addition, 16 plants are certified for ISO 15378 to meet the special requirements for the manufacture of pharmaceutical primary packaging materials. Eleven plants have further succeeded in gaining ISO 13485 certification, which stipulates the requirements for a comprehensive management system for the design and manufacture of medicinal products. Thirteen also have ISO 14001 certification for their environmental management systems. Moreover, three of our German moulded glass plants have obtained ISO 50001 certification for their state-of-the-art energy management systems. In the financial year 2014, our plants or sites in Buende, Pfreimd, Wackersdorf, Regensburg and Muenster, all in Germany, also fulfilled the requirements for this standard (see the “Environment” section). The plant in Pfreimd, Germany, additionally has a manufacturing license in accordance with the German Medical Products Act for pharmaceutical secondary packaging during large-scale production and for the production of clinical sample specimens. Another example is the application of the exacting GMP regulations from the field of pharmaceutics to cosmetic packaging (ISO 22716) at our plant in Tettau, Germany.

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

Our commitment to corporate social responsibility is firmly enshrined in our corporate philosophy. The principles of sustainability and corporate social responsibility are integral to our vision, our mission statement and our five values – integrity, excellence, innovation, responsibility and teamwork. At all our sites across the globe, we work and do business in accordance with these principles. Details of our vision can be found online at: www.gerresheimer.com/en/company/vision-mission-values.

Sustainability in every sense of the word is important to us. Our main focus is on our products and the benefits they provide. By developing and manufacturing products for the sustainable packaging of drugs as well as their simple and safe dosage and administration, we make a valuable contribution to the health and well-being of society. Responsible development and production processes are therefore a high priority. Our own, constantly rising standards in terms of quality excellence, conservation of resources, avoidance of waste as well as the ease of use and maximum safety of our products are important drivers for us.

But our corporate social responsibility and our commitment to sustainability go far beyond our products and their further development. To this end, we have committed to observing Corporate Social Responsibility Guidelines, in which we highlight aspects of our responsibility toward society, our employees, investors, customers, suppliers and the environment. These are the principles by which we wish to be judged in the public arena.

For us, corporate social responsibility and doing business in a sustainable manner are inextricably linked with ecological, social and economic factors. We not only ensure compliance with statutory requirements as a matter of course, but also set our own standards – and are committed to continual improvement. Our sustainability principles are integrated in the GMS and provide guidance for production, purchasing and improvement processes at our production facilities worldwide. For additional information, see the “Business Excellence” section. At the same time, the employees in our production facilities regularly participate in local projects, thus taking responsibility for their respective region, particularly with a view to promoting education and training. Our Group also participates in the Carbon Disclosure Project and implements other green production projects at our production facilities to promote the responsible use of natural resources. For additional information, see the “Environment” section. We involve our suppliers and partners in these projects and obtain undertakings for them to comply with our responsible supply chain management policy. We foster a culture of continuous improvement in the areas of sustainability and corporate social responsibility, which is also expected by our customers and the capital markets. Our individual plants and the Gerresheimer Group as a whole undergo regular successful audits in this regard.

For further information about Gerresheimer's corporate social responsibility and sustainability policies, as well as our principles for responsible supply chain management, go to www.gerresheimer.com/en/company/corporate-responsibility.

COMPLIANCE

It is vital to the success of the Gerresheimer Group that all of the Group's companies are managed in accordance with ethical business principles, responsibly and in compliance with the laws and rules of fair competition. Gerresheimer's Compliance Program aims to help our employees apply laws and Company guidelines correctly and avoid any violations. Instrumental in this endeavor are the Group guidelines and instructions, which set down minimum standards of conduct for all Group employees. The Compliance Program focuses on the areas of combating corruption, cartel law and capital market law and is available online at: www.gerresheimer.com/en/company/compliance.

In order to improve the understanding of compliance and to increase the readiness to act accordingly, the training of our employees is a key part of our compliance system. We offer worldwide regular training as classroom sessions. In October 2014, we also began making web-based e-learning programs on the most important compliance issues available to our employees. All employees must successfully complete these programs, but they can integrate the training into their daily work and complete it at their workstations.

While implementing compliance guidelines and organizing preventive training courses are important, what ultimately matters is whether employees are following regulatory rules and reporting violations, and whether the Company is imposing consequences. For this reason, we rolled out a web-based whistleblower system in May 2014 aimed at shedding light on compliance violations. This system ensures the anonymity of the whistleblower, regardless of whether they are an employee, customer, supplier or third party. In order to make it as easy as possible to use, the whistleblower system is available on the Internet in all of the relevant languages.

ENVIRONMENT

Taking a responsible approach to the use of natural resources, protecting the environment and avoiding waste are core components of our corporate social responsibility. Our sustainable business activities focus on ecological as well as economic and social aspects. As a manufacturing company, we have a special responsibility toward the environment. Our environmental initiatives often go well beyond the statutory requirements of the countries in which we operate. Our global GMS revolves around using green production methods, reducing waste and emissions, and making sustainable use of natural resources. This is also reflected in our corporate social responsibility principles and our responsible supply chain management policy.

Due to the substantial variation in production processes in our different business units, local managers are responsible for ensuring the sustainable use of resources at their own locations. The production plants regularly exchange information so that they can learn from each other and have the opportunity to adopt and adapt effective measures. We introduce new initiatives on an ongoing basis to enable us to continuously improve in the areas of environmental protection and resource conservation. The majority of ecological improvements also bring long-term economic advantages.

The certification of our production plants is hugely important as a means of documenting and verifying our ecological progress to customers and the general public. To date, 13 of our large production plants have already been certified as being compliant with the ISO 14001 standard for modern environmental management, including the plant for pharmaceutical plastic packaging in Kundli, India, and the Chinese plants for the manufacture of injection vials and ampoules in Danyang and Zhenjiang. We ensure that our energy-intensive moulded glass plants have state-of-the-art energy-management systems installed. All German moulded glass plants in Essen, Tettau and Lohr are certified compliant with the latest ISO 50001 standard for energy management systems. In the financial year 2014, the plants in Lohr and Tettau successfully passed a review audit, and the Essen plant was recertified three years after its initial certification. All three facilities received high marks for their good progress in improving energy efficiency. In the Medical Plastic Systems Business Unit, all plants in Germany and the sites in Pfreimd, Wackersdorf, Regensburg and Muenster successfully met the requirements for ISO 50001 certification for the first time. The same goes for our syringe plant in Buende, Germany.

ENVIRONMENTAL PROTECTION IN PRODUCTION

At Gerresheimer, environmental protection goes hand in hand with energy efficiency. That is why we regularly overhaul and replace the Group's energy-intensive equipment such as the furnaces in our moulded glass plants. This allows us to install state-of-the-art glass-melting technology and modernize other production systems. As a result, we consistently achieve improvements in energy efficiency, whether furnace repairs are large or small. In a thorough overhaul of a furnace at the Essen plant in Germany, we achieved a significant reduction in energy consumption and decreased carbon emissions per unit of glass produced after the furnace was rebuilt in 2014. The right mix of firing using natural gas and heating of the furnace using current electrodes led to increased efficiency and reduced the energy consumption per unit of glass. In India, rebuilding the furnaces substantially cut energy consumption per ton of glass smelted.

In the moulded glass plants in Europe, we additionally launched projects to identify the potential for conserving resources and boosting energy efficiency. This involved reviewing all of the motors in use to determine their efficiency class on the basis of hours in operation. In the reporting year, we also made preparations for implementing a control technology for the compressor systems in the four European moulded glass plants for more energy-efficient provision of compressed air.

Energy conservation at Gerresheimer starts as early as the product development stage. In the past financial year, we increasingly used computer-based simulations for developing and prototyping new miniature bottles for pharmaceutical applications as well as for cosmetics, food and beverages. This enabled us to reduce the number of samples and therefore the associated energy usage.

We succeeded in further reducing the energy used in the glass-melting process by using sorted recycling cullet. As a result, in 2014, cosmetic packaging such as cream jars and perfume flacons was produced in a special glass category using up to 35% cullet at our cosmetic glass plant in Momignies, Belgium, for wide-ranging orders from international cosmetic glass customers.

The manufacture of pharmaceutical-grade tubular glass as an intermediary product for glass syringes, injection vials, cartridges and ampoules also requires considerable amounts of energy. Energy could be saved here, too, by using sorted recycling cullet, but this practice is heavily restricted by pharmaceuticals regulations because only single-type cullet may be used for this application. That is why, as early as 2010, our US tubular glass plant in Vineland (NJ) began collecting the cullet from neighboring plants in which the glass tubes are processed into the final product. After it is sorted, this material can then be reused in the glass-melting process. In addition to the neighboring plants in Vineland, Forest Grove and Rockwood, we have included the facility in Morganton in this recycling loop since 2013. This has several positive effects: We use far less virgin raw materials, avoid the otherwise commonplace disposal of cullet in landfills and require less energy for the glass-melting process. Moreover, this approach cuts costs compared to using virgin raw materials. We are striving to continuously improve this system going forward.

Increasingly, we are turning to renewable energy to meet our plants’ energy needs. In summer 2012, we commissioned one of the biggest photovoltaic systems in the US at our plant in Vineland. The 44,000 m^2 photovoltaic system covers an area around the size of ten American football fields. It was installed on the roof of our US tubular glass plant. This move has reduced our plant’s CO_2 emissions by 1,350 tons per year. The photovoltaic system is owned by an American photovoltaic company, which also installed it and guarantees its seamless operation. Over the next 13 years, we will use all of the power generated there for our production facility.

In September 2014, our first combined heat and power plant was commissioned at the production site in Buende, Germany. The aim here was similarly to reduce primary energy consumption and cut carbon dioxide emissions. The combined heat and power plant produces electricity and heat according to the principle of cogeneration. At its core is a gas-fired engine that produces electricity. The waste heat from the engine is recovered by a system of heat exchangers and used for heating and hot water. The advantage of this technology is its ability to very efficiently generate electricity and heat directly on-site – without any transport losses. Due to this system, we attain overall efficiency of around 90%, which means we can make use of almost all the energy we produce.

As part of the Medical Plastic Systems Business Unit’s building and expansion work, we succeeded in standardizing and improving construction, especially in the area of building technology – notably at our sites in Pfreimd, (Germany), Horsovsky Tyn, (Czech Republic), Kuessnacht, (Switzerland) and Peachtree City, (USA). This allows a qualitative comparison of operating consumption across all sites and makes operation of our production facilities more energy-efficient. We used new technologies in this process, such as a dual-circuit cooling system for hydraulics and tool cooling for the injection-molding machines. Additionally, increased use is being made of recovered heat from compressed-air systems, free cooling systems are used instead of cooling machines, LED lighting technology was installed in the newly built production facility in Peachtree City, and coolant waste heat is diverted to heat the exterior ground area of the logistics yard in Pfreimd, thus avoiding the use of salt in winter.

As part of the ISO 50001 certification of the Medical Plastic Systems Business Unit’s sites in Germany, a uniform management system and energy management manual were implemented in 2014. In addition, all employees holding jobs relevant to energy usage were trained. Another project involved documenting all consumers of energy at every site while preparing space allocation plans focusing on energy. These form the core of our energy management system and are continually updated. They are used to derive energy-related performance indicators, which in turn provide a basis for comparisons and action plans. In the financial year 2015, we aim to review our lighting technology with a view to its usage times, or analyze the possible use of rooftop photovoltaic systems at our production plants.

In the Plastic Packaging Business Unit, we conducted a pilot project where for the first time we transitioned from a hydraulic to a purely electric injection-molding machine. This uses between 30% and 40% less energy.

THE CARBON DISCLOSURE PROJECT

We regularly publish the goals, strategies and positive results of our initiatives and measures to protect the environment through our participation in the Carbon Disclosure Project (CDP), the world’s largest-scale environmental initiative to reduce CO_2 emissions. For six years now, we have been actively involved in the CDP. We measure, analyze and manage our CO_2 emissions at all production locations, and report annually on their composition and any changes that have occurred as well as various measures adopted to reduce CO_2 emissions. The data for the financial year 2013 was collected internationally using standardized methods in spring 2014, and published by the CDP in fall 2014. The aim of our environment strategy is to reduce the ratio of emissions to revenues. This means that our revenues must grow faster in the future than the unavoidable emissions produced in revenue generation. We met our target once again in the financial year 2013: The ratio of emissions to revenues fell by 4.7%. This was the largest percentage improvement since we began participating in the CDP. The multi-year comparison also shows a positive trend.

Our results at a glance:

	2008	2009	2010	2011	2012	**2013**
Total emissions in tons	760,076	716,702	733,576	775,372	825,235	817,097
Revenues in EUR k	1,060,130	1,000,227	1,024,804	1,094,681	1,219,068	**1,265,931**
Emissions in relation to revenues (t/EUR k)	0.717	0.717	0.716	0.708	0.677	**0.645**

After our commitment was recognized in the financial year 2012 by the organizers of the CDP with an award for the greatest year-on-year improvement, we were able to improve once again in the financial year 2013. Success is measured in two categories, the degree of publication and transparency (disclosure), and the achievement of defined target criteria in projects (performance). In the disclosure category, a company can earn up to 100 points. The jury awarded us 84 points in 2013 (prior year: 81 points). In the performance category, we received a C, the third-best ranking out of the possible five.

Further information and definitions are available at: www.gerresheimer.com/en/investor-relations/corporate-responsibility/carbon-disclosure-project and www.cdproject.net.

The corporate social responsibility principles and the guidelines for responsible supply chain management are published on the Internet at: www.gerresheimer.com/en/company/corporate-responsibility.

BUSINESS EXCELLENCE

"Standing still means falling behind" – we aim to breathe life into this maxim and, in doing so, meet our customers' expectations with regard to the highest quality for our products and services. To this end, we introduced the GMS, which consolidates existing initiatives for continuous improvement. We aim to continually raise standards for our customers with regard to quality, service and costs, to increase the efficiency of our operational structures and processes, and to enable constant improvement in all business areas.

To achieve these aims, the GMS was used to set Group-wide standards as well as define methods and tools for continuously improving processes at every link in the value chain. The methods and tools provided by the GMS are used by our employees. They learn how to apply the GMS principles through systematic training. This enables them to boost efficiency for our customers and ensure the consistently high quality of our products and services throughout the Group. In 2014, the GMS training program was further expanded due to the development and implementation of standardized training aimed at honing our employees' skills in managing production-related teams as well as in teamwork. The success of the GMS is down to its acceptance, the fact that is has been introduced and implemented at all organizational levels of the Gerresheimer Group, and not least because of its continual application over the past ten years.

We develop and define plant-specific plans for improvement as part of the operational and strategic planning process. Using what are known as operational excellence (OPEX) indicators and a standardized evaluation system, we regularly measure and verify whether we have met these goals and complied with the GMS-defined standards. For this purpose, over 200 employees have already been trained as auditors to ensure that the system is effectively implemented long-term. We are particularly interested in the internal character of the evaluations because this considerably raises acceptance of the GMS. Based on the evaluations, recommendations and action plans specific to each location are developed to ensure ongoing, selective improvement.

CUSTOMER SATISFACTION STUDY

Continuously improving our processes is also the focus of our global customer satisfaction study, which we conduct regularly with the help of a reputable market research institute. We aim to gain an in-depth understanding of our customers' needs in terms of customer satisfaction and customer loyalty. This is done using a standardized customer survey, which is available in ten different languages. The insights we gain are leveraged to improve customer service, on the one hand, and to derive specific recommendations for optimizing processes, on the other.

The survey is conducted Group-wide, covering our operating companies and their customers from Argentina, Brazil, Mexico and the USA, through to the European plants and the sites in China and India. The survey focuses in particular on our development work, the product portfolio, customer-specific system solutions, order processing and logistics, the expertise and dedication of our sales staff as well as our technical support and complaints handling. Our customers' responses highlight focal areas that are particularly important to them, where they are already happy with our performance, and where we need to improve.

As such, the survey findings offer us a wide range of opportunities for action. We explain and discuss the results with experts in a number of different configurations and at all levels. On the basis of these findings, expert teams in all divisions develop action plans that are implemented gradually.

By conducting the Group-wide, global customer satisfaction study on a regular basis, we also comply with the requirements of the ISO audits and our own guidelines under the GMS. Additionally, this lets us track over time whether improvements introduced after the previous survey have been perceived by customers and achieved success. In this way, we constantly explore new ways to improve how we work with our customers and increase customer satisfaction.

REMUNERATION REPORT

The Remuneration Report complies with the requirements of the German Commercial Code (Handelsgesetzbuch/HGB), the recommendations of the German Corporate Governance Code (DCGK) and International Financial Reporting Standards (IFRS). In the financial year 2014, the structure of the Management Board remuneration was reviewed and some changes were made. These changes are already effective for the financial year 2014 for Mr. Röhrhoff, and will apply in the future when extending the contracts of existing Management Board members or appointing new Management Board members. The changes are explained below.

MANAGEMENT BOARD REMUNERATION

STRUCTURE OF REMUNERATION

The total remuneration of active members of the Management Board consists of several components. These are a fixed salary, a short-term performance-based bonus, a component with a long-term incentive effect, stock appreciation rights, customary fringe benefits and pension benefits.

NON-PERFORMANCE-BASED REMUNERATION

The non-performance-based components are a fixed salary and non-cash fringe benefits. The latter mainly consist of insurance premiums (including Group insurance and invalidity insurance) as well as the use of a company car. There is also directors and officers liability (D&O) insurance for members of the Management Board; this provides for a deductible in accordance with section 93 (2) sentence 3 of the German Stock Corporation Act (Aktiengesetz/AktG).

PERFORMANCE-BASED REMUNERATION

Short-term variable cash remuneration

The short-term variable remuneration is tied to attainment of annual targets agreed in each member's contract of employment; the target figures are derived from a budget approved by the Supervisory Board.

Until now, these targets have related to four key performance indicators: adjusted EBITDA, revenues, net working capital and total capital expenditure. If all targets are met, the short-term variable cash remuneration is 50% of the individual fixed salary. The short-term variable cash remuneration is capped at 60% of the individual fixed salary and is paid out in the subsequent year after approval of the consolidated financial statements by the Supervisory Board.

For Mr. Röhrhoff, and in the future when extending the contracts of existing Management Board members and appointing new Management Board members, the annual bonus, as short-term variable cash remuneration, will only be tied to the attainment of the three variously weighted financial KPIs adjusted EBITDA, revenues and net working capital. The total capital expenditure target component is no longer applicable. The net working capital target component has been switched from binary target attainment/nonattainment to a 95% to 105% target corridor. If all target values are achieved, the annual bonus amounts to 50% of the individual fixed salary. The annual bonus is limited to 70% of the individual fixed salary.

Long-term variable cash remuneration

The component with a long-term incentive effect consists of a rolling bonus system tied to attainment of specific targets over a three-year period. The key performance indicators relevant to target attainment are organic revenue growth and return on capital employed (ROCE).

Until now, target attainment has been measured against the arithmetic mean of the annual figures in the three-year period. The bonus payable on target attainment is 30% of the individual fixed salary. It is capped (on 133% target attainment) at just under 40% of the individual fixed salary. The bonus is paid out three years after the base year.

For Mr. Röhrhoff, and in the future when extending the contracts of existing Management Board members and appointing new Management Board members, instead of being defined with fixed values as before, the ROCE target corridor is now to be set each year for the next three years on the basis of the business plan. Bonuses are paid out three years after the base year. The bonus payable on target attainment due to the sustainability component is 40% of the individual fixed salary. The sustainability component is capped at 55% of the individual fixed salary.

Long-term, share-price-based variable cash remuneration (phantom stocks)

The Company has additionally agreed long-term share-price-based variable remuneration with all members of the Management Board. Under the agreements, members are granted a specific number of stock appreciation rights (phantom stocks), according to the share price, for each year of service on the Management Board. Each stock appreciation right entitles the holder to a payment based on the change in the share price, subject to a performance threshold: at the exercise date, the Company's share price must exceed the initial price for the relevant tranche by at least 12% or have increased by a larger percentage than the MDAX. For stock appreciation rights relating to 2014, the initial price is the EUR 48.82 issue price. The performance threshold is relevant to vesting but not to determination of the payment amount. Stock appreciation rights can be exercised during a 16-month exercise period following a four-year waiting period. The payment amount is equal to the absolute increase in the share price between the issue date of the stock appreciation rights and the exercise date. The payment amount is capped, however, at 25% of the initial price of all stock appreciation rights in the same tranche. All unexercised stock appreciation rights expire on departure of the holder except in the event of death or permanent incapacity or if the holder has not been a member of the Management Board for at least one year of the term of each tranche. All entitlements to future stock appreciation rights likewise expire on departure. The Company reserves the right to settle stock appreciation rights with shares; however, cash settlement is planned.

The new agreement, which is already effective for Mr. Röhrhoff and will apply in the future when extending the contracts of existing Management Board members or appointing new Management Board members, provides for each Management Board member to receive an allocation based on value not number. Members of the Management Board are thus no longer allocated a specific number of stock appreciation rights but are awarded an entitlement (in a specific amount) to a payment in the event that the exercise and payment conditions are met. After a vesting period of five years, a Management Board member is entitled, within an ensuing period of 24 months, to demand payment in the amount of the appreciation in the stock market price of Gerresheimer stock between the issue date and the exercise (maturity) date. Payment is conditional on the percentage appreciation being at least 20% or being greater than the percentage increase in the MDAX over the maturity period and on at least one full year's membership of the Management Board. The target-based remuneration is to be 40% of the individual fixed salary for each member of the Management Board on attainment of an exercise target comprising a 20% increase in the share price. If the share price rises during the set period by 40% or more, the entitlement awarded to the members of the Management Board is capped at 80% of their individual fixed salary.

Pension benefits

Management Board pensions vested up to May 1, 2007 are administered through a pension fund. These pensions are funded out of a once-only payment made in the financial year 2007. They therefore incur no further ongoing payments. Pensions vesting since May 1, 2007 are generally administered through a provident fund.

After leaving the Gerresheimer Group, Management Board members are normally eligible to pension benefits from age 65. The annual pension is between 1.5% and 2.2% of the final fixed salary, depending on age on joining the pension plan. This percentage increases with years of service as a member of the Management Board to a maximum of 40%. Surviving dependants' pensions are provided for at 60% of the deceased's pension for the spouse and 20% per child for any surviving children. Surviving dependants' pensions are limited in total to 100% of the deceased's pension.

Termination benefits

Severance pay caps are provided for, as recommended in the DCGK, the event of premature termination of a Management Board member's contract other than for cause and premature termination as a result of a change of control. Severance payments, including fringe benefits, in the event of termination of a Management Board member's contract other than for cause are therefore capped to a maximum of two years' remuneration and do not compensate more than the remaining term of the contract. The severance pay cap is determined with reference to total remuneration for the past financial year. The Supervisory Board has agreed with Mr. Röhrhoff a two-year post-employment non-compete clause, which normally provides for compensation relative to Mr. Röhrhoff's fixed salary in the year preceding termination of his contract.

In the event of a change of control, Management Board members have a once-only special right to terminate their contracts at six months' notice effective as of the end of the month and to resign as of the end of the notice period. The special right of termination applies solely within three months of a Management Board member gaining knowledge of the change of control. The special right of termination only applies if at the date notice is given the contract has been in effect for at least one year and has a remaining term of at least nine months. If a Management Board member exercises his or her special right of termination, the Company is required to pay compensation equal to three times the annual remuneration less amounts paid during the notice period. Annual remuneration is defined for this purpose as remuneration for the full financial year prior to the notice of termination, including variable remuneration components and entitlements from the stock appreciation rights program. In the financial year 2014, when extending Mr. Röhrhoff's employment contract, the provision concerning severance pay in case of special termination was modified, so that now any entitlements from the stock appreciation rights program do not increase the claim to severance pay.

MANAGEMENT BOARD REMUNERATION IN THE FINANCIAL YEAR

The recommendations of the German Corporate Governance Code on the determination of Management Board remuneration were implemented.

Total remuneration of active Management Board members came to EUR 5,263k in the financial year 2014 (prior year: EUR 6,432k). This consists of EUR 1,910k in non-performance-based remuneration (prior year: EUR 2,327k) and EUR 2,142k in performance-based remuneration (prior year: EUR 1,923k). Service cost of pensions in the financial year 2014 was EUR 491k (prior year: EUR 530k) and vested stock appreciation rights in the year under review came to EUR 720k (prior year: EUR 1,652k). The prior-year figures also include the remuneration of the Management Board members Mr. Grote and Mr. Wiecha, who left the Company in the financial year 2013. For details of the remuneration pertaining to these individual Management Board members, please see the Annual Report 2013.

Remuneration (HGB basis) of individual Management Board members in the financial year 2014 is presented in the table below:

Benefits granted in EUR k	Uwe Röhrhoff CEO Primary Packaging Glass				Rainer Beaujean CFO Life Science Research				Andreas Schütte Plastics & Devices			
	2014	2014 min.	2014 max.	2013	2014	2014 min.	2014 max.	2013	2014	2014 min.	2014 max.	2013
Fixed remuneration	741	741	741	720	570	570	570	570	537	537	537	490
Non-cash remuneration	25	25	25	25	19	19	19	19	18	18	18	18
Total	**766**	**766**	**766**	**745**	**589**	**589**	**589**	**589**	**555**	**555**	**555**	**508**
Short-term variable remuneration	370	–	519	360	285	–	342	285	268	–	322	245
Long-term variable remuneration	**296**	**–**	**1,593**	**216**	**171**	**–**	**228**	**516**	**161**	**–**	**215**	**147**
Plan 2012–2015	–	–	–	–	–	–	–	–	–	–	–	–
Plan 2013–2016	–	–	–	216	–	–	–	171	–	–	–	147
Plan 2014–2017	296	–	407	–	171	–	228	–	161	–	215	–
Phantom stocks	–	–	1,185	–	–	–	–	345	–	–	–	–
Total	**1,433**	**766**	**2,877**	**1,321**	**1,045**	**589**	**1,159**	**1,390**	**984**	**555**	**1,091**	**900**
Service cost (IAS 19)	264	264	264	286	–	–	–	–	227	227	227	244
Total remuneration	**1,697**	**1,030**	**3,141**	**1,607**	**1,045**	**589**	**1,159**	**1,390**	**1,211**	**782**	**1,318**	**1,144**

In the financial year 2014, Mr. Röhrhoff received new stock appreciation rights (tranches 9 and 10) in connection with the extension of his employment contract. The tranches are described in detail in the section "Long-term, share-price-based variable cash remuneration (phantom stocks)." Given that it is a value-based commitment, there is no fair value at the grant date.

Allocation in EUR k	Uwe Röhrhoff CEO Primary Packaging Glass		Rainer Beaujean CFO Life Science Research		Andreas Schütte Plastics & Devices	
	2014	2013	2014	2013	2014	2013
Fixed remuneration	741	720	570	570	537	490
Non-cash remuneration	25	25	19	19	18	18
Total	**766**	**745**	**589**	**589**	**555**	**508**
Short-term variable remuneration	275	327	218	–	187	224
Long-term variable remuneration	**884**	**226**	**–**	**–**	**578**	**167**
Plan 2010–2013	–	226	–	–	–	167
Plan 2011–2014	259	–	–	–	172	–
Plan 2012–2015	–	–	–	–	–	–
Plan 2013–2016	–	–	–	–	–	–
Phantom stocks	625	–	–	–	406	–
Total	**1,925**	**1,298**	**807**	**589**	**1,320**	**899**
Service Cost (IAS 19)	264	286	–	–	227	244
Total remuneration	**2,189**	**1,584**	**807**	**589**	**1,547**	**1,143**

Long-term share-price-based variable cash remuneration

The table on Management Board remuneration (HGB basis) includes share-based payment at fair value at the grant date.

In accordance with IFRS, total remuneration includes the fair value of the benefit vested in the financial year. With a four-year vesting period, this means that the fair value is recognized as expense over four years from the grant date. Details of outstanding phantom stocks are provided below in accordance with IFRS 2:

Phantom stocks IFRS

		Uwe Röhrhoff (CEO)	Rainer Beaujean	Andreas Schütte
Portion of total expenses in EUR k	2014	409	81	230
	2013	694	126	504
Fair value in EUR k	2014	1,684	397	1,238
	2013	2,062	462	1,719
Number of phantom stocks	2014	340,000	110,000	265,000
	2013	360,000	110,000	330,000

Pension benefits

The service cost for each member of the Management Board is given in the Management Board remuneration table. The present value of the defined benefit obligation must additionally be stated in accordance with IFRS. This is shown in the table below:

in EUR k		Uwe Röhrhoff (CEO)	Andreas Schütte
Present value	2014	4,105	1,643
	2013	3,130	1,017

Total compensation in accordance with IFRS is presented in the following table:

in EUR k	2014
Fixed remuneration	1,848
Non-cash remuneration	62
Total short-term non-performance-based remuneration	**1,910**
Short-term variable remuneration	680
Total short-term variable remuneration	**2,590**
Long-term variable remuneration	1,462
Phantom stocks vested in the financial year	720
Service cost of pension vested in the financial year	491
Total long-term remuneration	**2,673**
Total	**5,263**

REMUNERATION OF THE SUPERVISORY BOARD

Supervisory Board remuneration is governed by Gerresheimer AG's Articles of Association. A number of the components of Supervisory Board remuneration were changed in the financial year 2014. Gerresheimer AG's Articles of Association, which were amended with regard to Supervisory Board remuneration, were presented at the Annual General Meeting on April 30, 2014, and approved by the Annual General Meeting in the form presented. The amendments made were to base variable Supervisory Board remuneration on the Company's long-term performance by introducing a three-year basis for calculating adjusted consolidated earnings per share, and to revise the rules for fixed remuneration for the Chairman of the Supervisory Board and members of the Audit Committee.

Supervisory Board members receive fixed annual remuneration of EUR 30,000. The Chairman of the Supervisory Board is granted two and a half times (until 2013: two times) and the Deputy Chairman one and a half times this amount. The Chairman of the Audit Committee receives an additional fixed remuneration of EUR 20,000 (until 2013: EUR 10,000) and further members of the Audit Committee each receive an additional fixed remuneration of EUR 10,000 (until 2013: EUR 5,000). Chairmen of other committees receive an additional fixed remuneration of EUR 10,000 for each chairmanship and further members of other committees each receive an additional remuneration of EUR 5,000 for each committee membership. This provision does not apply to the committee in accordance with section 27 (3) MitbestG. Remuneration for the chairmanship and membership of the Nomination Committee is restricted to years in which the Committee meets. In addition to their annual remuneration, Supervisory Board members each receive a EUR 1,500 attendance fee for meetings of the Supervisory Board and of Supervisory Board committees to which they belong, capped at a maximum of EUR 1,500 per calendar day. Reasonable expenses are reimbursed against receipts.

Supervisory Board members additionally receive variable remuneration. This comprises EUR 100.00 for each EUR 0.01 of Gerresheimer AG's average adjusted consolidated earnings per share in the past financial year and the two preceding financial years, provided that this amount is at least EUR 0.50. If Gerresheimer AG's average adjusted consolidated earnings per share exceeds EUR 3.00, the excess is not taken into account in calculating the variable remuneration. Adjusted consolidated earnings per share is defined as net income in the consolidated financial statements before non-cash amortization of fair value adjustments, the non-recurring effect of restructuring expenses, impairments and the net sum of one-off income/expense (including significant non-cash expenses) inclusive of related tax effects, based on net income attributable to non-controlling interests, divided by shares issued at the balance sheet date. The Chairman of the Supervisory Board is granted two and a half times, and the Deputy Chairman one and a half times, the amount of this variable remuneration.

Total remuneration of Supervisory Board members for their activity on the Supervisory Board of Gerresheimer AG in the financial year 2014 came to EUR 1,085,866.63.

The remuneration of individual Supervisory Board members is made up as follows (amounts in EUR):

Name	Attendance fees	Fixed remuneration	Variable remuneration	**Total**
Sonja Apel	7,500.00	30,000.00	28,633.33	**66,133.33**
Lydia Armer	10,500.00	35,000.00	28,633.33	**74,133.33**
Dr. Karin Louise Dorrepaal	10,500.00	32,931.50	28,633.33	**72,064.83**
Francesco Grioli	16,500.00	60,000.00	42,950.00	**119,450.00**
Eugen Heinz	7,500.00	30,000.00	28,633.33	**66,133.33**
Dr. Axel Herberg	9,000.00	20,520.55	16,787.76	**46,308.31**
Seppel Kraus	13,500.00	40,000.00	28,633.33	**82,133.33**
Dr. Peter Noé	13,500.00	40,000.00	28,633.33	**82,133.33**
Hans Peter Peters	3,000.00	16,547.95	11,845.57	**31,393.52**
Markus Rocholz	13,500.00	40,000.00	28,633.33	**82,133.33**
Gerhard Schulze	21,000.00	105,000.00	71,583.33	**197,583.33**
Theodor Stuth	13,500.00	50,000.00	28,633.33	**92,133.33**
Udo J. Vetter	10,500.00	35,000.00	28,633.33	**74,133.33**
	150,000.00	**535,000.00**	**400,866.63**	**1,085,866.63**

Supervisory Board member Lydia Armer receives appropriate remuneration for her membership in the Supervisory Board of Gerresheimer Regensburg GmbH after the end of each financial year. The remuneration amount is determined by resolution of the ordinary shareholders' meeting of Gerresheimer Regensburg GmbH. The shareholders' meeting set the amount of remuneration for the financial year 2013 at EUR 5,000.00, which was paid out in the financial year 2014.

Supervisory Board member Markus Rocholz receives remuneration of EUR 5,000.00 after the end of each financial year for his membership in the Supervisory Board of Gerresheimer Tettau GmbH. The remuneration for the financial year 2013 was paid out in the financial year 2014.

DISCLOSURES PURSUANT TO SECTION 289 (4) AND SECTION 315 (4) HGB AND EXPLANATORY REPORT

Gerresheimer AG is a German stock corporation (Aktiengesellschaft) and has issued voting stock that is listed on the regulated market of the Frankfurt Stock Exchange (Prime Standard), a regulated market within the meaning of section 2 (7) of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz/WpÜG).

Structure of subscribed capital

The subscribed capital (capital stock) of Gerresheimer AG totaled EUR 31.4m as of November 30, 2014. It is divided into 31.4 million ordinary no-par-value bearer shares with a nominal share in capital stock of EUR 1.00 each. The Company's capital stock is fully paid in.

Restriction on voting rights or on the transfer of securities

As of the balance sheet date, there are no restrictions on voting rights or on the transfer of Gerresheimer AG shares by law, under the Articles of Association or otherwise, known to the Management Board. All no-par-value shares in Gerresheimer AG, issued as of November 30, 2014, are fully transferable and carry full voting rights and grant the holder one vote in the Annual General Meetings.

Shareholdings exceeding 10% of voting rights

As of November 30, 2014, we are not aware of any direct or indirect shareholdings in the Company's capital stock exceeding 10% of voting rights.

Shares carrying special rights with regard to control

None of the shares issued by Gerresheimer AG carry rights that confer special control to the holder.

System of control of any employee share scheme where the control rights are not exercised directly by the employees

We have no information with regard to the system of control of any employee share scheme where the control rights are not exercised directly by the employees.

Legal provisions and provisions of the Articles of Association on the appointment and replacement of Management Board members and on amendments to the Articles of Association

The Management Board is the legal management and representative body of Gerresheimer AG. In accordance with the Company's Articles of Association, it comprises at least two members. In all other respects, the Supervisory Board determines the number of members of the Management Board. The Supervisory Board is able to appoint deputy members of the Management Board. It appoints one member of the Management Board as CEO or chairperson.

In accordance with section 84 of the German Stock Corporation Act (Aktiengesetz/AktG), members of the Management Board are appointed by the Supervisory Board for a maximum of five years. Repeat appointments or extensions of the term of office are permissible, in each case for a maximum of five years. The Supervisory Board may revoke the appointment of a Management Board member prior to the end of the term of office for cause such as gross breach of duty or if the Annual General Meeting withdraws its confidence in the member concerned.

The Company is either represented by two members of the Management Board or by one member of the Management Board and an authorized signatory (Prokurist).

In accordance with section 179 AktG, amendments to the Articles of Association normally require a resolution of the Annual General Meeting. Excepted from this rule are amendments to the Articles of Association that relate solely to their wording. The Supervisory Board is authorized to make such changes.

Except as otherwise required by law, Annual General Meeting resolutions are adopted by simple majority of votes cast. If a majority of capital is additionally required by law, resolutions are adopted by simple majority of the capital stock represented upon adoption of the resolution.

Authority of the Management Board to issue or buy back shares

Under section 4 (4) of the Articles of Association, the Management Board is authorized, subject to Supervisory Board approval, to increase the Company's capital stock by issuing new or no-par-value bearer shares for cash or non-cash consideration in one or more issues up to a total of EUR 15.7m by or before April 25, 2017. Shareholders must normally be granted a subscription right to the shares. The subscription right may also be granted in such a way that the shares are taken up by one or more banks or equivalent undertakings within the meaning of the first sentence of section 186 (5) of the AktG with an obligation to offer them to the Company's shareholders for subscription (indirect subscription right).

The Management Board is authorized, subject to Supervisory Board approval, to exclude shareholders' subscription rights in the following instances:

- To exclude fractional amounts from the subscription right;
- to the extent necessary to grant holders of conversion rights or warrants or parties under obligation to exercise conversion rights or warrants attached to bonds issued or yet to be issued by the Company or a Group company a subscription right to new shares to the same extent as they would be entitled as shareholders after exercise of the warrant or conversion right or fulfillment of the obligation to exercise the warrant or conversion right;
- in the event of capital increases for non-cash consideration in connection with business combinations or acquisitions of companies in whole or part or of shareholdings, including increases in existing shareholdings or other assets;
- in the event of capital increases for cash consideration, if the issue price of the new shares is not substantially below that of the existing, listed shares at the time of final fixing of the issue price by the Management Board within the meaning of section 203 (1) and (2) and section 186 (3) sentence 4 AktG, and the percentage of capital stock attributable to the new shares for which the subscription right is excluded does not exceed 10% of the capital stock in existence at the time the authorization comes into effect or at the time the authorization is exercised, whichever amount is smaller. Shares issued or sold during the period of this authorization under exclusion of shareholders' subscription rights in direct or analogous application of section 186 (3) sentence 4 AktG are to be set against the maximum limit of 10% of the capital stock. The same set-off rule applies to shares to be issued to service bonds with a conversion right or warrant or obligation to exercise a conversion right or warrant to the extent that the bonds are issued during the period of this authorization under exclusion of the subscription right by analogous application of section 186 (3) sentence 4 AktG.

The total amount of shares issued for cash or non-cash consideration subject to exclusion of subscription rights under this authorization may not exceed a EUR 6.28m share of capital stock (20% of the current capital stock).

The Management Board is authorized, subject to Supervisory Board approval, to stipulate other details of the share increase and its execution, including the substantive details of rights attached to shares and the conditions of issue.

We further refer in this connection to our disclosures under "Restrictions on voting rights or on the transfer of securities".

The capital stock is conditionally increased by up to EUR 6,280,000 by the issue of up to 6,280,000 new no-par-value bearer shares. The conditional capital increase serves the purpose of granting no-par-value bearer shares to holders of convertible bonds or warrant bonds (or combinations of these instruments) (together "bonds") with conversion rights or warrants or obligations to exercise conversion rights or warrants, which on the basis of the authorization approved by resolution of the Annual General Meeting on April 26, 2012 are issued by or before April 25, 2017 by the Company or a Group company within the meaning of section 18 AktG. The new shares will be issued at a conversion or warrant price to be determined in each case in accordance with the authorization resolution described above. The conditional capital increase is to be carried out only to the extent that conversion rights or warrants are exercised or obligations to exercise conversion rights or warrants are fulfilled and no other form of fulfillment is employed. New shares issued because of the exercise of conversion rights or warrants or fulfillment of obligations to exercise conversion rights or warrants participate in earnings from the beginning of the financial year in which they are issued. The Management Board is entitled to stipulate further details with regard to execution of the conditional capital increase subject to Supervisory Board approval.

Material agreements conditional on a change of control following a takeover bid

The loans under the credit facilities with a total facility amount of EUR 400m, of which EUR 177.4m were drawn at the reporting date, may be terminated by the lenders, and would consequently be repayable early in full by the borrowers, if a third party or several third parties acting in concert were to acquire 50.01% or more of voting rights in Gerresheimer AG.

Gerresheimer AG is obliged to notify holders of the EUR 300m bond in the event of a change of control. Holders then have the right to call due all or individual bonds at face value plus accrued interest. A change of control applies if one or more parties acquire or otherwise control at least 50.01% of shares or voting rights in Gerresheimer AG and 90 days thereafter the bond no longer has an investment-grade rating.

Some of our customer contracts include change-of-control agreements. These are usual change-of-control clauses that give the right to the customer to terminate the contract prematurely. Thus, under certain conditions a change of control following a takeover bid would impact these customer contracts.

Compensation agreements for the event of a takeover bid

In the event of a change of control, the members of the Management Board have a once-only special right to terminate the contract of employment with a term of six months' notice to the end of the month and to resign at the end of the term of notice. The special right of termination applies solely within three months of a Management Board member gaining knowledge of the change of control. The special right of termination only applies if at the date notice is given the contract has been in effect for at least one year and has a remaining term of at least nine months. If a Management Board member exercises his or her special right of termination, the Company is required to pay compensation amounting to the total of three times the annual remuneration less the payments made during the term of special notice. Annual remuneration is defined for this purpose as remuneration for the full financial year prior to the notice of termination. In the financial year 2014, when extending Mr. Röhrhoff's employment contract, the provision concerning severance pay in case of special termination was modified, so that now any entitlements from the stock appreciation rights program do not increase the claim to severance pay.

DECLARATION ON CORPORATE GOVERNANCE PURSUANT TO SECTION 289A HGB

The declaration on corporate governance under section 289a of HGB is part of the Combined Management Report. Under section 317 (2) sentence 3 HGB, the disclosures under section 289a HGB are not included in the audit.

STATEMENT OF COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE

The Management Board and the Supervisory Board of Gerresheimer AG issued their most recent statement of compliance with section 161 of the AktG on September 9, 2014, as follows:

"Declaration of the Management Board and the Supervisory Board of Gerresheimer AG on the recommendations of the 'Government Commission on the German Corporate Governance Code' according to Section 161 of the AktG.

Since its last amended declaration on May 22, 2014 Gerresheimer AG has complied with all recommendations of the 'Government Commission on the German Corporate Governance Code' as amended on May 13, 2013.

Gerresheimer AG will furtheron comply with all recommendations of the 'Government Commission on the German Corporate Governance Code' as amended on May 13, 2013."

INFORMATION ON CORPORATE GOVERNANCE PRACTICES

RISK MANAGEMENT SYSTEM

The Gerresheimer Group considers effective risk management a key factor in sustaining value for the long term. The management of opportunities and risks is therefore integral to the Gerresheimer Group's organizational structure and processes. Identification and mitigation of operational risks using monitoring, planning, management and control systems in Group companies and the management holding company constitutes the central element of the risk management system.

We have defined guidelines on risk reporting for subsidiaries and key head office functions. Furthermore, we continuously develop our early warning system and adapt it to current developments. Core elements of the risk management system are described in the "Opportunities and Risks" section of the Annual Report, which is available on the Internet at: www.gerresheimer.com/en/investor-relations/reports.

CORPORTE RESPONSIBILITY

Gerresheimer is a leading global partner to the pharma and healthcare industry. As manufacturers of products made of glass and plastic for packaging and drug delivery, we make a meaningful and significant contribution to health and well-being.

In this age of increasing globalization and growing social as well as ecological challenges, we are aware of our corporate responsibility. This goes far beyond our products. We fulfill our corporate responsibility actively, comprehensively and sustainably and live up to our own principles. Our actions are a reflection of our responsibility to society, our employees, investors, customers, suppliers and the environment.

Gerresheimer's principles are set out in a publication, "Our Corporate Responsibility", available on the Internet at: www.gerresheimer.com/en/company/corporate-responsibility.

DESCRIPTION OF MANAGEMENT BOARD AND SUPERVISORY BOARD PROCEDURES AND OF THE COMPOSITION AND PROCEDURES OF THEIR COMMITMENTS

The composition of the Management Board and Supervisory Board can be found in the Annual Report under "Supervisory Board and Management Board". The working practices of the Management Board and Supervisory Board, as well as the composition and working practices of Supervisory Board committees, are described in the Annual Report as part of the Corporate Governance Report. The Annual Report is available on the Internet at: www.gerresheimer.com/en/investor-relations/reports.

REPORT ON OPPORTUNITIES AND RISKS

UNIFORM GROUP-WIDE MANAGEMENT OF OPPORTUNITIES AND RISKS

As we operate worldwide, we are exposed to a wide range of risks. It is only our willingness to enter into entrepreneurial risks that enables us to seize opportunities. Up to a defined risk-tolerance level, we therefore consciously enter into risks if they offer a balanced profile of opportunities and risks.

We generally view risk management and opportunity management separately. Our risk management system identifies, assesses and documents risks and supports their monitoring. Opportunities, on the other hand, are identified and communicated as an integral part of regular communications between the subsidiaries and the control function at Gerresheimer AG in its capacity as holding company.

The risk management system centers on identifying and mitigating operational risks through the monitoring, planning, management and control systems in place within the entities and the management holding company. The aim of our risk management strategy is to promptly identify, evaluate, avoid and mitigate risks and to transfer them to third parties. Not even a risk management system can provide an absolute guarantee that risks will be avoided. But it does help us to avoid them and thus reach company targets.

The Management Board and Supervisory Board of Gerresheimer AG are responsible for establishing and effectively maintaining the risk management system. The process of monitoring, promptly identifying, analyzing, managing and communicating risks involves the legal representatives of the operating companies and the heads of key head office functions. We have drawn up guidelines on risk reporting for our subsidiaries and key head office functions. Furthermore, we continuously develop our risk management system and adapt it to current developments and conditions.

Key elements of the system are as follows:

› uniform, periodic risk reporting by the subsidiaries to head office,
› regular risk assessment in key central departments,
› the segmentation of risks by category, namely market, customer, finance, environmental protection, legal relationships, external political and legal requirements, and strategic decisions,
› the quantification of risks in terms of the potential loss and probability of occurrence,
› the recording of the effects on profit or loss by business segment and
› mitigation through loss prevention and risk transfer.

If identified risks have already been included in the operational and strategic plans, the forecast or the monthly, quarterly or annual financial statements, they are excluded from risk reporting. Otherwise, risks would be recorded twice in Gerresheimer AG's risk management system. Likewise, risks are not required to be reported if, even without any further assessment, their occurrence can almost certainly be ruled out (e.g., an earthquake in Germany with devastating effects).

A number of principles of risk management apply in the Gerresheimer Group. They stipulate zero risk tolerance when it comes to breaches of official regulations and laws or the Company's compliance requirements, as well as zero tolerance of the risk of defective products or inadequate product quality.

As an element of the risk early warning system that is independent of all processes, our internal audit department regularly examines the effectiveness and proper functioning of the risk management system. In addition, the external auditors assess the risk early warning system as part of the audit of the annual financial statements and report on it to the Group's Management Board and Supervisory Board. The system meets the statutory requirements for a risk early warning system without qualification and is in accordance with the German Corporate Governance Code.

INTERNAL CONTROL SYSTEM IN RELATION TO THE ACCOUNTING PROCESS

Gerresheimer's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRSs) published by the International Accounting Standards Board (IASB) as adopted by the European Union and in accordance with section 315a (1) HGB. The annual financial statements of Gerresheimer AG are prepared in accordance with the provisions of the HGB and the AktG.

Gerresheimer AG prepares a combined management report for both the Gerresheimer Group and Gerresheimer AG.

The overriding objective of our internal control and risk management system in relation to the financial reporting process is to ensure compliance in financial reporting. Establishing and effectively maintaining adequate internal controls over financial reporting is the responsibility of the Management Board and Supervisory Board of Gerresheimer AG, which at each financial year-end assesses the adequacy and effectiveness of the control system. As of November 30, 2014, the internal controls over financial reporting were found to be effective.

The consolidated financial statements are prepared in a multistage process using recognized consolidation systems. The audited, consolidated financial statements of the subgroups and the audited or reviewed financial statements of the other subsidiaries are combined to produce the consolidated financial statements of Gerresheimer AG. In this context, Gerresheimer AG has central responsibility for the uniform Group-wide chart of accounts, for carrying out central consolidation adjustments as well as for scheduling and organizing the consolidation process.

Uniform guidelines on accounting in accordance with IFRSs are in place for the companies included in the consolidated financial statements. These include a description of the general consolidation methods as well as the applicable accounting policies in accordance with IFRSs. The guidelines are continuously updated to reflect changes to the IFRSs and are available to all subsidiaries on the Gerresheimer intranet. There is also a binding schedule for the accounting process.

In the course of the financial closing process, balance sheets, income statements and statements of comprehensive income are entered into the system along with information relevant to the cash flow statement, the statement of changes in equity, the notes and the management report. The system is effectively maintained centrally by Group Accounting. In addition to the automated checks that are in place, manual checks on the data's completeness and accuracy are carried out by the operating companies and head office. The professional aptitude of employees involved in the financial reporting process is examined during their selection process, after which they receive regular training. As a rule, the dual control principle is applied. Other control mechanisms include target-performance comparisons as well as analyses of the content of, and changes in, the individual items. Accounting ensures that function-related information is reported by the relevant departments and incorporated into the consolidated financial statements. The internal audit department reviews the effectiveness of the controls implemented at the subsidiaries and head office in order to ensure compliance with financial reporting guidelines. As part of the 2014 year-end audit, the auditors examined our risk early warning system in accordance with section 317 (4) HGB in conjunction with section 91 (2) AktG and confirmed its compliance.

The annual financial statements of Gerresheimer AG are prepared using SAP software. The processes comprising day-to-day accounting and the preparation of the annual financial statements are divided into functional steps. Either automated or manual controls are integrated into all processes. The organizational arrangements ensure that all business transactions and the preparation of the annual financial statements are completed in a timely and accurate manner and are processed and documented within the appropriate time frame. The relevant data from Gerresheimer AG's single-entity financial statements are transferred into the Group consolidation system and adjusted as necessary to comply with IFRSs.

The Supervisory Board is also involved in the control system through the Audit Committee. In particular, the Audit Committee monitors the financial reporting process, the effectiveness of the control, risk management and internal audit systems, as well as the audit of the financial statements. It is also responsible for checking the documents related to Gerresheimer AG's single-entity financial statements and the consolidated financial statements, and discusses Gerresheimer AG's single-entity financial statements, the consolidated financial statements and the combined management report on those financial statements with the Management Board and the auditors.

OPPORTUNITIES OF FUTURE DEVELOPMENTS

The Gerresheimer Group faces a wide range of opportunities and risks due to its global and extensive business activities. We aim to continue making the best-possible use of opportunities into the future.

Research and development is one area that holds major potential for us. By investing in technology centers for glass syringes and medical plastic systems, for example, we would like to capitalize on ongoing opportunities in the future in order to enhance existing products in collaboration with customers and to increase the diversity of our product portfolio as a whole. More details on our research and development activities are given in the "Research and Development" section.

We also see strategic opportunities in the further globalization of our business. We plan to benefit from the dynamic growth of emerging markets by extending our local presence and significantly increasing revenues in such markets in the years ahead. In recent years, we have laid the foundation for further growth with selective investment in Brazil, India and China. Expanding the business activities of our Plastics & Devices Division to North America promises additional growth.

Generic drugmakers will gain in importance in future years. We aim to gain a share of the expected volume growth, because generics too require proper packaging and administration. Another segment set to rise in importance comprises drug packaging that enhances safety and ease of use.

We see additional growth opportunities in demographic change as well as in increased medical care needs among older people, advances in medical technology and in the field of biotech drugs.

RISKS OF FUTURE DEVELOPMENTS

The Gerresheimer Group is exposed to a wide range of risks due to its global and extensive business activities. Appropriate provision has been made for all identifiable risks to the extent that the applicable accounting criteria are met.

The following sections describe risks that could affect the Gerresheimer Group's results of operations, financial position and net assets. The probability of occurrence of these risks is assessed according to the following criteria:

› Improbable = Probability of occurrence < 10%
› Possible = Probability of occurrence between 10% and 50%

Risks with a probability of occurrence of more than 50% are recorded or are taken into account in the planning.

The potential financial implications of these risks are assessed by the following criteria:

› Moderate = Net loss of between EUR 1m and EUR 10m
› Significant = Net loss of more than EUR 10m

OVERVIEW OF RISKS AND THEIR FINANCIAL IMPLICATIONS

	Probability	Possible implications
Business strategy risks		
Risks from acquisition	improbable	moderate
Operational risks		
Risks from the overall economic development	possible	significant
Energy and raw material price	possible	significant
Product liability risks	possible	significant
Risks from the future development of state healthcare systems	possible	significant
Pension cash out	possible	moderate
Personnel risks	possible	moderate
IT risks	possible	significant
Tax risks	possible	moderate
Legal risks	possible	moderate
Financial risks		
Currency and interest rate risk	improbable	moderate
Credit risk	possible	significant
Liquidity risk	improbable	moderate

Existing risks are discussed in the following:

BUSINESS STRATEGY RISKS

Acquisitions are an integral part of our strategy. As such decisions carry corresponding risks and acquisition plans are subject to due diligence. The process as a whole is overseen by our central Mergers & Acquisitions department. Despite careful due diligence, changes in circumstances can mean that initial targets are not met in whole or part. We endeavor to identify business strategy risks of this kind as early as possible by regular, close market and competition monitoring and take appropriate action to avoid or minimize them.

The market launch of innovative products is a key component of our growth strategy. In the context of our management responsibility, we are fully aware that this entails risks as well as opportunities. Despite our best efforts, we cannot guarantee that all products will be commercially successful on the market. On the basis of comprehensive market analyses, we ensure that the opportunities arising from a successful product launch are maximized and the possible risks minimized.

OPERATIONAL RISKS

Besides business risk, we also include organizational, human resources and safety risk in our definition of operational risk. Such risks are mitigated by taking out adequate insurance cover and by placing stringent requirements on production, project and quality management. We cover liability risks through third-party liability insurance and insure possible own loss or damage at replacement value under all-risk property and other insurance policies. An all-risk business interruption policy, subject to appropriate deductibles, protects us against potential loss of earnings in the event of business interruption at the plants.

RISKS FROM THE OVERALL ECONOMIC DEVELOPMENT

The performance of the global economy has a key impact on growth for the Gerresheimer Group. As in the previous year, a general recovery of the overall risk situation could not be made out in the course of the financial year 2014. No one can currently tell with absolute certainty how the euro and financial crisis will affect the real economy, customers and suppliers, and how long the crisis will last.

We meet this risk by constantly monitoring global economic trends. In case of any change, we focus capacity utilization on high-productivity production plants, for example.

ENERGY AND RAW MATERIAL PRICES

Our energy requirements are consistently high, due in particular to the energy-intensive combustion and smelting processes in our high-temperature furnaces. A significant rise in energy prices may have a substantial impact on the Gerresheimer Group's results of operations. Hence we have benefited from the special compensation rule for energy-intensive companies according to section 64 of Germany's Renewable Energy Act (EEG).

Another significant portion of production costs relates to raw materials for the manufacture of glass and plastic. In the manufacture of plastic products, Gerresheimer is reliant on primary products such as polyethylene, polypropylene and polystyrene. The prices of these products depend largely on the oil-price trends.

The Group hedges against energy-cost rises on a large scale. Some customer contracts also contain escalation clauses.

PRODUCT LIABILITY RISKS

Despite internal measures to ensure product quality and safety, the Gerresheimer Group cannot rule out the possibility of loss or damage for customers and consumers from the use of packaging products and systems it has manufactured. This is illustrated in the following examples: The supply of defective products to customers could result in damage to production facilities or even cause business interruption. For us, this could also mean loss of reputation for the Gerresheimer Group. Furthermore, in combination with medications and ingredients sold by its pharma and healthcare industry customers, faulty products produced by the Gerresheimer Group could pose a health hazard to consumers. In any such event, it cannot be ruled out that the Group might lose customers. This could have a significant impact on the Gerresheimer Group's net assets, financial position and results of operations. Gerresheimer could also be exposed to related liability claims such as claims for damages from customers or product liability claims from consumers. Any product liability claims made against Gerresheimer, especially in class actions in the US, could be substantial. There is also the risk of the Group potentially having to bear substantial costs for recalls. Moreover, there is no guarantee that Gerresheimer will be able to obtain adequate insurance cover in the future at present terms and conditions. As these examples show, negative impacts on the Gerresheimer Group's net assets, financial position and results of operations cannot be ruled out.

To avoid product liability claims, the Gerresheimer Group applies extensive quality assurance measures. In addition, product liability and recall-cost insurance is intended to largely cover any claims incurred.

RISKS FROM THE FUTURE DEVELOPMENT OF STATE HEALTHCARE SYSTEMS

In the financial year 2014, Gerresheimer generated 83% of Group revenues in the pharma and healthcare segment. Governments and health insurance funds in Europe and the US have endeavored in recent years to curb the rate of increase in healthcare costs. This has resulted in increased price pressure in the pharma industry, where the need for cost control has intensified due to limited patent protection and constantly rising product development costs. This trend can lead to increasing price pressure on our products, although generally only a small percentage of the total costs a consumer pays for medication relates to pharmaceutical primary packaging. If the price pressure is not offset by cost reductions or enhanced efficiency, this could have a significant negative impact on our net assets, financial position and results of operations.

Early identification of such developments as they emerge and active portfolio management are therefore important elements of our corporate management. Its international and multi-market presence also means that the Gerresheimer Group is better placed to make up for cyclic fluctuations in individual markets and countries than other companies lacking such a global lineup.

PERSONNEL RISKS

A skilled workforce is a key success factor in implementing our growth-focused corporate strategy. If in future years we do not succeed in training, recruiting and securing the long-term loyalty of sufficient numbers of qualified personnel for our Company, this could have a considerable impact on our business success. Demographic change and the resulting potential skills shortage pose additional personnel risks in the medium to long term.

We counter these risks by positioning ourselves, to a greater extent than before, as an attractive employer worldwide. Elements in this include competitive pay, occupation-specific continuing education and training, structured succession planning and the targeted promotion of young talent. We also operate diversity-oriented personnel policies and employ target group-specific personnel marketing.

IT RISKS

Increasing use is being made of computer-aided business and production processes as well as of IT systems for internal and external communications. Major disruption to, or even failure of, such systems can cause data loss and obstruct business and production processes.

IT systems are standardized, harmonized, reviewed and improved Group-wide to safeguard and enhance the security and efficiency of our business processes. Minimum sectoral IT standards such as backups, redundant data links and distributed data centers help to minimize downtime risk for mission-critical systems such as SAP, websites and IT infrastructure components.

In the financial year 2014, the Management Board approved a revised Group IT strategy, the continued optimization of the SAP applications and the Infor consolidation software, completion of the operating system conversion from XP to Windows 7, the rollout of SAP to a further company and the ongoing implementation of security-relevant infrastructure projects such as antivirus software, internet protection, Active Directory and LAN standardization.

Gerresheimer continues to systematically harmonize ERP systems using SAP ECC 6.0 as well as to standardize IT network, hardware, communications and security infrastructure. IT Governance and IT Compliance functions aim to ensure the implementation and fulfillment of statutory, internal corporate and contractual requirements applying to Gerresheimer AG.

TAX RISKS

Due to the globalization of its business, the Gerresheimer Group must take into account a number of international and country-specific regulations laid down by tax authorities. Tax law-related risks may arise due to the failure to give tax regulations adequate consideration or due to differences in the tax assessment of items and transactions. In particular, tax audits and any resulting audit findings involving interest and additional tax payments may have a negative impact on the Group.

Tax risks are regularly and systematically examined and assessed. Any resulting risk mitigation measures are agreed between Gerresheimer AG Group Taxes and the national companies.

LEGAL RISKS

As an international enterprise, the Gerresheimer Group must comply with differing laws in different jurisdictions. This can result in a wide range of risks relating to contract, competition, environment, trademark and patent law.

We limit such risks by means of legal appraisal by our internal legal departments and by consulting external specialists on national law in the jurisdictions concerned.

We have established a global Compliance Program to ensure compliance with laws and regulations worldwide, especially in the areas of corruption prevention, cartel law and capital market law. All board members and employees of Gerresheimer AG and all Group companies must abide by our Compliance Guidelines. Adherence to the law and conformity with the guidelines under the Gerresheimer Group Compliance Program are of foremost importance to Gerresheimer AG and its affiliates.

We have no knowledge of risks from legal disputes that could have a significant impact on the net assets, financial position and results of operations of the Gerresheimer Group.

FINANCIAL RISKS

We are exposed to financial risks in our operating activities. The responsible Corporate Treasury department centrally monitors the financial risks facing the Group by means of Group-wide financial risk management. The Group manages identified risk exposures by using appropriate hedging strategies on the basis of clearly defined guidelines.

CURRENCY AND INTEREST RATE RISK

As a company headquartered in Germany, Gerresheimer's Group and reporting currency is the euro. Given that we conduct a large part of our business outside of the euro area, exchange rate fluctuations can have an impact on earnings. The greater volatility of exchange rates in recent years has increased opportunities and risks accordingly. We limit exchange rate risks in operating activities by using forward exchange contracts. The Group uses derivative financial instruments exclusively to hedge risk in connection with commercial transactions.

We are additionally exposed to interest rate risk in borrowing. Interest rate fluctuations can alter the interest burden on existing debt and the cost of refinancing. We enter into interest rate swaps to limit interest rate risk.

CREDIT RISKS

We use credit and receivables management as well as operating company sales functions to monitor credit risks resulting from the Group's trade relationships. Our customers undergo ongoing internal credit checks in order to avoid losses on receivables. Receivables from customers lacking a top credit rating are insured where insurance cover is available. To avoid credit risks from financial instruments, such instruments are only entered into with parties having top credit ratings.

LIQUIDITY RISK

The risk of not being able to fulfill existing or future payment obligations due to insufficient availability of funds is centrally managed in the Gerresheimer Group by Gerresheimer AG. The Group's liquidity situation is monitored and managed on the basis of multi-year financial planning and monthly liquidity planning. To safeguard liquidity, the Gerresheimer Group additionally has available a long-term loan, a revolving credit facility and a euro bond issue.

A detailed presentation of the financial risks and their management can be found in the Notes to the Consolidated Financial Statements under Note 6 "Financial Risk Management and Derivative Financial Instruments".

OVERALL ASSESSMENT OF THE GROUP RISK SITUATION

The basis for the Management Board's overall assessment of the risk situation is provided by our risk management system. The risk reporting process collates all risks reported by subsidiaries and head office functions. Risk reporting is made regularly to the Management Board and the Supervisory Board.

The Gerresheimer Group's risks did not change significantly in the financial year 2014 compared with the prior year. Based on our overall risk assessment, there are currently no risks that raise doubt about the ability of the Gerresheimer Group or Gerresheimer AG to continue as a going concern or could have a material effect on its net assets, financial position or results of operations.

Gerresheimer's credit rating is regularly assessed by the leading rating agencies Standard & Poor's and Moody's. Standard & Poor's assigned an investment-grade rating to Gerresheimer, with a BBB- rating and a stable outlook, as did Moody's, with a Baa3 rating and a stable outlook.

The senior facilities are subject to financial covenants. These are described in the "Financing instruments" section. The stipulated financial covenants were complied with in the financial years 2013 and 2014. Based on our multiple-year budget, we project that the financial covenants will continue to be met in the future.

EVENTS AFTER BALANCE SHEET DATE

No events have arisen since November 30, 2014 that are expected to have a material impact on the net assets, financial position or results of operations of the Gerresheimer Group or Gerresheimer AG.

OUTLOOK

GROUP STRATEGIC OBJECTIVES

The forward-looking statements on the business performance of the Gerresheimer Group and Gerresheimer AG presented in the following and the assumptions deemed significant regarding the economic development of the market and industry are based on our own assessments, which we currently believe realistic according to the information we have available. Such assessments entail uncertainty, however, and the unavoidable risk that projected developments may not correlate in direction or extent with actual developments.

DEVELOPMENT OF THE ECONOMIC ENVIRONMENT

GLOBAL AND REGIONAL ECONOMIC DEVELOPMENT[3)]

The International Monetary Fund (IMF) forecasts global economic growth of 3.8% for 2015. Development is expected to vary widely from region to region and hence remains susceptible to downward risks. Substantial rises in oil prices, for example, could impair global economic growth, as could an unexpected deterioration in financing terms and conditions driven by, for instance, rising long-term interest rates in the US or a general increase in risk aversion. The low demand that has persisted for some time now in industrial countries could ultimately impair growth worldwide.

On IMF projections, the biggest growth stimulus for the global economy in 2015 at the regional level is set to come from the US. US economic growth is expected to be slightly stronger compared with the prior year, at about 3.1%. The 2014 figure was around 2.2%. In the meantime, it is vital that monetary policy is gradually normalized so as to further bolster the economic recovery.

In Europe, economic growth is anticipated to increase by some 1.9% – after an increase of around 1.5% in 2014. But the distribution of growth within Europe is very uneven and there is always the risk of low-level growth being established at the same time as low-level inflation. Hence, the primary objective in Europe is to support the economic recovery, to increase inflation and, in the medium term, to increase growth. To this end, a supportive monetary policy is desirable, coupled with a strengthening of the balance sheets of both banks and companies. Ultimately, Europe is well advised to implement structural reforms to enable it to meet the challenges of economic growth in the medium term.

For the Russian economy, economic growth is expected to be once again very restrained in 2015 at 0.5%, after 0.2% in the prior year. Nonetheless, according to the IMF, the Ukraine crisis has so far only had an impact on the countries immediately affected by it and on their direct neighbors. The economic consequences for the Gerresheimer Group's markets, although difficult to estimate, should therefore be limited.

The same applies with regard to the potential consequences of developments in the Middle East. Given that the Gerresheimer Group's annual revenues for the entire Middle East region stand at less than EUR 10m, the economic consequences for the Group's markets should also be limited here.

The IMF forecasts around 1.5% GDP growth for Germany in 2015, following around 1.4% growth in 2014. Having successfully consolidated its tax budget, one of Germany's next priorities is to drive forward public investments in upgrading and maintaining the transport infrastructure.

The IMF's growth rate forecast for emerging economies in 2015 is 6.6%, more or less on a par with the prior-year figure of 6.5%. This remains a far more dynamic rate of growth than in industrialized countries. At the same time, the anticipated growth in production does not match the peak rates attained in the past. From today's perspective, the emerging markets nonetheless remain the powerhouse of the global economy in 2015. China and India in particular continue to be regarded as growth drivers of global trade. The growth forecasts for China in 2015 are around 7.1%, compared with 7.4% in the prior year. Indian GDP is expected to grow by around 6.4% in 2015, versus 5.6% in the prior year. The projections for Brazil put economic growth at 1.4% in 2015, after around 0.3% in 2014.

SECTORAL DEVELOPMENTS

Global demand for pharma and healthcare products is likely to keep on growing due to demographic change alone. Growth in the global population as well as population aging and the resulting increased demand for healthcare are expected to continue contributing to growth in the Group's business. While spending on pharmaceuticals in mature markets such as the US and Europe will increase by around 3% per year from 2013 to 2018 according to the IMS Institute[4)], emerging markets[5)] are projected to generate above-average growth as increasing affluence drives the expansion of healthcare provision. For emerging economies, IMS experts anticipate an increase in spending on pharmaceuticals by some 10% per year in the period from 2013 to 2018. This gives an average increase of around 5% per year across all regions.

The issue of patent protection is also a relevant one. IMS experts anticipate growth in patent-protected medicines of some 2% per year from 2013 to 2018. Out-of-patent drugs are predicted to grow by around 11% in the same period. This similarly gives an average expected annual growth rate of around 5%.

These developments are mainly driven by the steadily rising number of chronic diseases including, for example, asthma, chronic obstructive pulmonary disease or diabetes, which are becoming increasingly common due to changes relating to civilization and the environment. But the industry's growth is also driven by increasing requirements for packaging and drug delivery for self-medication.

[3)] International Monetary Fund: "World Economic Outlook", October 2014, p. 45 ff.

[4)] IMS Health, "Pharma: Transformation in turbulent times", March 2014.

[5)] The emerging economies, referred to by the IMS Institute as the "Pharmerging countries", include Algeria, Argentina, Brazil, China, Colombia, Egypt, India, Indonesia, Mexico, Nigeria, Pakistan, Poland, Romania, Russia, Saudi Arabia, South Africa, Thailand, Turkey, Ukraine, Venezuela and Vietnam.

MARKET AND BUSINESS OPPORTUNITIES FOR THE GERRESHEIMER GROUP

PROSPECTS FOR THE FINANCIAL YEAR 2015

On IMF projections, the global economy will grow at a moderate rate in 2015. At the same time, the experts call for caution since it cannot be ruled out that momentum will slow down or level off in some regions. Despite a more difficult market environment for our customers in the US and potential further limitations on customer revenue growth targeting the Eastern European market, we expect to further expand our core business with primary packaging and drug delivery systems for the pharma and healthcare industry in the financial year 2015.

Recent years have seen emerging economies step up the establishment and development of healthcare provision. This has brought more widespread use of out-of-patent drugs. We expect this trend to continue unabated and demand to go on rising in 2015.

EXPECTED RESULTS OF OPERATIONS

THE GROUP

Our Group objective is to become the leading global partner for enabling solutions that improve health and well-being. To achieve this, we aim to expand our global presence and generate profitable, sustained growth.

As the Group parent, Gerresheimer AG derives income from the main German subsidiaries under profit-transfer agreements. This can include income from long-term equity investments abroad. The business performance of subsidiaries thus has a direct impact on the annual financial statements of Gerresheimer AG. Given corresponding earnings performance in the Group, we once again expect that Gerresheimer AG will generate net income in the financial year 2015.

PLASTICS & DEVICES

We anticipate further growth for our customer-specific glass and plastic products for safe drug delivery in 2015. Our prescription drug delivery devices are still the main revenue driver in this segment. These products primarily include insulin pens and inhalers, but also products related to diabetes care. Regionally speaking, our business with prescription drug delivery devices will retain its European focus. We expect lower revenue growth in 2015 than in the prior year. This is down to two main factors. As a necessary precursor to these revenues, we expect business based on the development and fabrication of tooling for prototypes to normalize again in 2015 after the record year in 2014. We also anticipate the volume growth of a product to be slower than originally anticipated. Nevertheless, our business remains firmly on track for growth due to clear, intact long-term trends. This is also reflected in expansion investments at sites in the US and the Czech Republic aimed at bringing new production lines into operation.

Revenues from our plastic pharmaceutical packaging for over-the-counter drugs should continue to perform well, still driven by emerging markets in the financial year 2015.

PRIMARY PACKAGING GLASS

In our Primary Packaging Glass Division, we forecast slight revenue growth with our glass primary packaging, such as pharma jars, ampoules, injection vials, cartridges, perfume flacons and cream jars. Additionally, a range of measures are aimed at further boosting productivity in 2015, including the modernization of one of our US facilities as well as investments in the standardization of our glass-production machinery.

As in prior years, we expect revenue growth above all in our emerging market operations. Due to favorable forecasts for the development of the pharma market in the emerging economies, we have started construction on a new facility in Kosamba, India, in order to expand our product capacity beyond the existing plant.

Revenues with glass pharmaceutical packaging are expected to show robust growth. We anticipate a favorable operating environment for the cosmetics business, and expect to increase revenues with glass cosmetic products slightly in the financial year 2015.

LIFE SCIENCE RESEARCH

The Life Science Research Division does not have the same forward visibility as other divisions because of the way the business model is structured: we sell our products here through distributors rather than directly, and lead times on orders are very short. As business performance is closely tied to the development of the US economy, projections are highly uncertain. Revenue is likely to remain stable on the assumption that our customers will tend to retain their cautious spending policies in 2015 due to budget restrictions.

EXPECTED DEVELOPMENT OF NON-FINANCIAL SUCCESS FACTORS

EMPLOYESS

In light of the expected growth, the Group workforce will also continue to increase in size. With ongoing globalization, there will be a shift in the regional weighting in favor of emerging markets.

RESEARCH AND DEVELOPMENT

We will continue to place a major focus on our research and development activities in order to secure the Company's long-term growth through innovation.

PROCUREMENT

We will continue our lasting optimization of the procurement function in 2015. Prices, terms and most of all quality are key factors in further earnings growth. Based on current trends on the financial and real markets, we expect that prices will remain volatile.

PRODUCTION

Our goal is to work toward zero-defect manufacturing in mass production. This represents a huge challenge given that we make products in extremely large quantities for the pharmaceuticals industry, i.e., billions of bottles, containers and ampoules. In order to enhance the quality of our products while, at the same time, reducing complexity in our plants, we will also make substantial investments in standardization as well as in fine-tuning our production machinery in the financial year 2015. As part of this initiative, almost all of our machines for making glass pharmaceutical vials are being replaced by machines with greater process reliability, which we have developed for our needs.

ENVIRONMENT

We have an ongoing commitment to responsible use of natural resources and protection of the environment. In line with this commitment, we participated in the Carbon Disclosure Project for the sixth consecutive year. This requires us to measure, analyze and manage carbon emissions at all production locations and submit a comprehensive annual report stating the composition of, and changes in, emissions and, most importantly, detailing adopted mitigation measures. Our environment strategy target is to reduce the ratio of emissions to revenues. This means that our revenues are to grow faster in the future than the unavoidable emissions produced in revenue generation. We will participate in CDP once again in 2015.

EXPECTED FINANCIAL SITUATION AND LIQUIDITY

The Gerresheimer Group had EUR 67.9m in cash and cash equivalents as of November 30, 2014 (prior year: EUR 73.1m). In addition, EUR 164.0m remained undrawn on the revolving credit facility as of the balance sheet date (prior year: EUR 181.2m). This places us in a sound financial situation and we will continue to have sufficient liquidity in the financial year ahead to finance capital expenditure and meet our other financial obligations.

DIVIDEND POLICY

At the Annual General Meeting on April 30, 2015, the Management Board and Supervisory Board will be jointly proposing that a dividend of EUR 0.75 per share be paid out for the financial year 2014. This represents an increase of 7.1% against the prior-year dividend. The dividend ratio amounts to 26% of adjusted net income after non-controlling interests. In line with our operating performance, we plan to retain our dividend policy and distribute 20% to 30% of adjusted net income after non-controlling interests to our shareholders in the financial year 2015.

MEGATRENDS

In our business development forecasts, we primarily attempt to identify highly probable trends in our markets. Of particular importance in this regard are long-term global trends – also referred to as megatrends. These are generally very stable trends not particularly susceptible to setbacks. It is crucial for us to identify such trends in order to be able to make strategic decisions for our Company. They relate to issues such as the development of new growth markets as well as changes in the nature and scope of demand for our products. In order to evaluate these issues, it is necessary to look into which of the currently evident trends are based on short-term developments and which are expected to be long-term and largely unaffected by political or economic events. There are six main megatrends to mention that we expect to have a positive impact on our business development.

1. GENERIC DRUGS ARE ON THE RISE

Experts believe revenues from generics will grow by around 11% per year between 2013 and 2018, with particularly strong growth in emerging markets since medicines become affordable for many patients once patent protection expires.[6] This is a very positive development for us, as the price of the product is of no importance to us, but every pack sold counts.

[6] IMS Health, "Pharma: Transformation in turbulent times", March 2014.

2. HEALTHCARE SYSTEMS IN EMERGING ECONOMIES ARE GROWING

Revenues from medications will grow by around 10% per year in emerging markets from 2013 to 2018.[7] The most important markets are China, followed by India and Brazil. But even densely populated China is still small compared to the US in terms of pharma revenues. Around USD 100 billion was spent on medication in China in 2013, compared with more than USD 350 billion in the US. In view of their large populations, we see huge growth potential in strengthening healthcare systems in the emerging markets and already have a strong presence with numerous plants in China, India, Brazil and Mexico.

3. REGULATORY REQUIREMENTS ARE ON THE INCREASE

Healthcare authorities, especially the US health authorities, impose increasing numbers of regulations. These no longer relate solely to the manufacture of the drugs but also to the production of the packaging. Ultimately, it is all about patients' health. That is why we are investing globally in quality.

4. NEW MEDICINES ARE BEING DEVELOPED

Sometimes, new drugs require packaging to have new properties. We can offer innovative solutions made using new materials such as the high-performance plastic COP or tempered glass. Our materials expertise and large number of products give us the edge.

5. ACUTE AND CHRONIC ILLNESSES ARE ON THE RISE

The prevalence of chronic illnesses is growing. Today, 385 million people suffer from diabetes. In 20 years, this figure could reach 600 million.[8] The ongoing need for treatment of a growing number of patients calls for the provision of increasing volumes of drugs. Every single medicine requires suitable packaging and drug delivery systems. For this reason, together with our customers, we are developing insulin pens, skin-prick aids for diabetics, and asthma inhalers, which are used in their millions on a daily basis.

6. GROWING TREND TOWARD SELF-MEDICATION

When patients need to medicate themselves, reliable, simple solutions are required. Some 30% to 50% of medicines are not taken at all, are taken at the wrong time or in the wrong dose. We offer many intelligent products that make it easier for patients to take medication and avoid mistakes.

OVERALL OUTLOOK ASSESSMENT

Our Company is well prepared for the coming financial years. Due to completed and forthcoming investment in profitable markets coupled with past acquisitions, we are in an outstanding position to seize the opportunities and address the developments that lie ahead in the pharma sector. We have a sound financial basis, long-range financing and a clear corporate strategy based on long-term megatrends. We will continue to globalize our Company, consolidate markets and add attractive technologies to our portfolio. The goal in all activities is to sharpen our focus on the pharma and healthcare industry. Alongside organic growth that we plan to finance out of operating cash flow, an instrumental role will continue to be played by acquisitions subject to careful appraisal of opportunities and risks. We are well positioned relative to our competitors.

Our expectations for the financial year 2015, in each case assuming constant exchange rates, are as follows. For the US dollar, which has the largest currency impact on our Group currency, accounting for 20% of Group revenue, we have assumed an exchange rate of around EUR 1.30.

Revenue:
We expect organic revenue growth of 1% to 3%. This corresponds to a revenue corridor of some EUR 1,300m to EUR 1,330m.

Adjusted EBITDA:
We anticipate an increase in adjusted EBITDA in a target corridor of EUR 255m to EUR 265m.

Capital expenditure:
Largely due to our growth prospects and as a result of our initiatives to boost productivity and quality, capital expenditure in the financial year 2015 will amount to around 9% to 10% of revenues at constant exchange rates.

In addition, we have set the long-term targets for the financial years 2016 to 2018, in each case at constant exchange rates. We are aiming for average annual organic revenue growth of 4% to 6% in this period. For the adjusted EBITDA margin, we defined a target value of 21% for 2018. This means the operating cash flow margin in 2018 should remain above 10% and the ROCE at the level of our long-term target. In order to achieve these targets, we will, in all probability, require an annual investment volume in the range of 9% to 10% of revenue at constant exchange rates. Average net working capital is to amount to around 18% in 2018.

[7] IMS Health, "Pharma: Transformation in turbulent times", March 2014.

[8] IDF, "Diabetes Atlas", 6th edition, 2014. (www.idf.org/diabetesatlas/update-2014).

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

Financial year 2014 (December 1, 2013 to November 30, 2014)

in EUR k	Note	2014	2013
Revenues	(8)	1,290,016	1,265,931
Cost of sales	(9)	-933,894	-901,707
Gross profit		**356,122**	**364,224**
Selling and administrative expenses	(10)	-222,105	-231,158
Other operating income	(11)	23,880	22,690
Restructuring expenses	(13)	-4,387	-4,836
Other operating expenses	(14)	-23,644	-17,536
Share of profit or loss of associated companies	(22)	30	-436
Results of operations		**129,896**	**132,948**
Finance income	(15)	3,497	2,821
Finance expense	(15)	-34,044	-37,015
Net finance expense		**-30,547**	**-34,194**
Net income before income taxes		99,349	98,754
Income taxes	(16)	-26,498	-30,267
Net income		**72,851**	**68,487**
Attributable to equity holders of the parent		66,336	62,155
Attributable to non-controlling interests	(29)	6,515	6,332
Earnings per share (in EUR)[1]	(17)	**2.11**	**1.98**

[1] The basic earnings per share figure stated here also corresponds to diluted earnings per share as no further shares have been issued.

Notes (1) to (43) are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Financial year 2014 (December 1, 2013 to November 30, 2014)

in EUR k	Note	2014	2013
Net income		**72,851**	**68,487**
Items that will not be reclassified subsequently to profit or loss			
Changes in actuarial gains (+)/losses (-) on defined benefit plans		-11,921	18,448
Income taxes		3,643	-6,134
Total income and expense recognized directly in equity that will not be reclassified subsequently to profit or loss		**-8,278**	**12,314**
Items that will be reclassified subsequently to profit or loss when specific conditions are met			
Changes in the fair value of interest rate swaps		2,601	2,418
Fair value of interest rate swaps recognized in profit or loss	(15)	-1,331	-1,660
Income taxes		-484	95
Changes in the cash flow hedge reserve		**786**	**853**
Currency translation		5,220	-28,259
Changes in the currency translation reserve		**5,220**	**-28,259**
Total income and expense recognized directly in equity that will be reclassified to profit or loss when specific conditions are met		**6,006**	**-27,406**
Other comprehensive income		**-2,272**	**-15,092**
Total comprehensive income		**70,579**	**53,395**
Attributable to equity holders of the parent		58,970	50,436
Attributable to non-controlling interests		11,609	2,959

Notes (1) to (43) are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

As of November 30, 2014

ASSETS

in EUR k	Note	Nov. 30, 2014	Nov. 30, 2013
Non-current assets			
Intangible assets	(20)	557,597	572,500
Property, plant and equipment	(21)	579,144	538,310
Investment property	(21)	3,861	4,471
Investments accounted for using the equity method	(22)	86	91
Other financial assets	(23)	5,787	5,796
Deferred tax assets	(25)	7,282	7,586
		1,153,757	**1,128,754**
Current assets			
Inventories	(26)	193,665	194,460
Trade receivables	(27)	208,480	192,562
Income tax receivables		5,363	3,015
Other financial assets	(23)	2,695	2,960
Other receivables	(24)	24,033	20,626
Cash and cash equivalents	(28)	67,936	73,092
Assets held for sale	(2)	–	300
		502,172	**487,015**
Total assets		**1,655,929**	**1,615,769**

EQUITY AND LIABILITIES

in EUR k	Note	Nov. 30, 2014	Nov. 30, 2013
Equity			
Subscribed capital	(29)	31,400	31,400
Capital reserve	(29)	513,827	513,827
Cash flow hedge reserve	(6)	-263	-1,016
Currency translation reserve		-31,655	-31,814
Retained earnings	(29)	30,108	-6,512
Equity attributable to equity holders of the parent		**543,417**	**505,885**
Non-controlling interests	(29)	60,955	57,520
		604,372	**563,405**
Non-current liabilities			
Deferred tax liabilities	(30)	32,588	46,652
Provisions for pensions and similar obligations	(31)	169,793	161,336
Other provisions	(33)	5,444	4,443
Other financial liabilities	(34)	386,123	404,645
Other liabilities	(35)	1,799	1,733
		595,747	**618,809**
Current liabilities			
Provisions for pensions and similar obligations	(31)	13,866	14,773
Other provisions	(33)	56,454	45,716
Trade payables	(34)	125,483	127,042
Other financial liabilities	(34)	124,241	103,760
Income tax liabilities		21,791	22,786
Other liabilities	(35)	113,975	119,478
		455,810	**433,555**
		1,051,557	**1,052,364**
Total equity and liabilities		**1,655,929**	**1,615,769**

Notes (1) to (43) are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Financial year 2014 (December 1, 2013 to November 30, 2014)

in EUR k	Subscribed capital	Capital reserve	Cash flow hedge reserve	Currency translation reserve	Retained earnings	Equity holders of the parent	Non-controlling interests	**Total equity**
As of November 30/December 1, 2012 pro forma[1)]	**31,400**	**513,827**	**-1,933**	**-7,523**	**-42,473**	**493,298**	**44,909**	**538,207**
Change in the consolidated group	–	–	–	–	–	–	19,456	19,456
Put option	–	–	–	–	-16,419	-16,419	–	-16,419
Acquisition of non-controlling interests	–	–	–	–	-1,020	-1,020	-1,381	-2,401
Net income	–	–	–	–	62,155	62,155	6,332	68,487
Other comprehensive income	–	–	917	-24,291	11,655	-11,719	-3,373	-15,092
Total comprehensive income	**–**	**–**	**917**	**-24,291**	**73,810**	**50,436**	**2,959**	**53,395**
Distribution	–	–	–	–	-20,410	-20,410	-8,423	-28,833
As of November 30/December 1, 2013	**31,400**	**513,827**	**-1,016**	**-31,814**	**-6,512**	**505,885**	**57,520**	**563,405**
Put option	–	–	–	–	819	819	–	819
Acquisition of non-controlling interests	–	–	–	–	-277	-277	-552	-829
Net income	–	–	–	–	66,336	66,336	6,515	72,851
Other comprehensive income	–	–	753	159	-8,278	-7,366	5,094	-2,272
Total comprehensive income	**–**	**–**	**753**	**159**	**58,058**	**58,970**	**11,609**	**70,579**
Distribution	–	–	–	–	-21,980	-21,980	-7,622	-29,602
As of November 30, 2014	**31,400**	**513,827**	**-263**	**-31,655**	**30,108**	**543,417**	**60,955**	**604,372**

[1)] Retrospective restatement due to early adoption of IAS 19 (revised 2011) from December 1, 2012.

Notes (1) to (43) are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

Financial year 2014 (December 1, 2013 to November 30, 2014)

in EUR k	Notes	2014	2013
Net income		72,851	68,487
Income taxes	(16)	26,498	30,267
Depreciation of property, plant and equipment	(21)	85,508	82,018
Amortization of intangible assets	(20)	19,474	20,582
Portfolio optimization		12,601	5,648
Share of profit or loss of associated companies	(22)	-30	436
Change in other provisions		7,702	-2,097
Change in provisions for pensions and similar obligations		-11,458	-11,909
Loss/gain on the disposal of non-current assets		235	-185
Net finance expense	(15)	30,547	34,194
Interest paid		-22,156	-23,959
Interest received		1,494	1,359
Income taxes paid		-42,615	-29,788
Income taxes received		990	191
Change in inventories		5,862	-7,378
Change in trade receivables and other assets		-15,660	-8,408
Change in trade payables and other liabilities		-11,013	-10,765
Other non-cash expenses/income		-2,544	-2,017
Cash flow from operating activities		**158,286**	**146,676**
Cash received from disposals of non-current assets		325	967
Cash paid for capital expenditure			
in property, plant and equipment		-122,151	-115,998
in intangible assets		-3,497	-3,050
Cash received in connection with divestments	(7)	338	1,643
Cash paid out for the acquisition of subsidiaries and associated companies, net of cash received		–	-52,153
Cash flow from investing activities		**-124,985**	**-168,591**
Acquisition of non-controlling interests	(7)	-829	-2,401
Distributions to third parties		-29,938	-28,906
Distributions from third parties		56	21
Raising of loans		122,745	183,574
Repayment of loans		-132,667	-139,198
Repayment of finance lease liabilities		-476	-1,571
Cash flow from financing activities		**-41,109**	**11,519**
Changes in cash and cash equivalents		**-7,808**	**-10,396**
Effect of exchange rate changes on cash and cash equivalents		2,652	-2,599
Cash and cash equivalents at the beginning of the period	(28)	73,092	86,087
Cash and cash equivalents at the end of the period	(28)	**67,936**	**73,092**

Notes (1) to (43) are an integral part of these consolidated financial statements.

SEGMENT DATA BY DIVISION

Financial year 2014 (December 1, 2013 to November 30, 2014)

By division in EUR k	Plastics & Devices		Primary Packaging Glass		Life Science Research		Head office/ consolidation		Group	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
Segment revenues	598,756	561,629	622,255	635,386	87,321	86,755	–	–	1,308,332	1,283,770
Intragroup revenues	-987	–	-17,328	-17,839	-1	–	–	–	-18,316	-17,839
Revenues with third parties	**597,769**	**561,629**	**604,927**	**617,547**	**87,320**	**86,755**	**–**	**–**	**1,290,016**	**1,265,931**
Adjusted EBITDA	126,101	120,826	133,963	137,981	12,362	11,464	-19,041	-20,439	253,385	249,832
Depreciation and amortization	-36,105	-31,905	-49,383	-49,515	-1,532	-1,717	-469	-512	-87,489	-83,649
Adjusted EBITA	89,996	88,921	84,580	88,466	10,830	9,747	-19,510	-20,951	165,896	166,183
Net working capital	94,849	78,358	113,809	100,992	26,755	24,874	-2,357	-2,319	233,056	201,905
Operating cash flow	47,394	51,418	65,168	61,741	10,674	10,937	-19,660	-19,612	103,576	104,484
Capital expenditure	63,459	55,795	60,411	62,309	2,055	903	674	94	126,599	119,101
Employees (average for the year)	4,462	4,433	5,862	5,918	796	831	104	105	11,224	11,287

The segment data by division is an integral part of the notes. See note (38) for explanatory information.

SEGMENT DATA BY REGION

Financial year 2014 (December 1, 2013 to November 30, 2014)

By region in EUR k	Europe		Germany		Americas		Emerging markets		Other regions		Group	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
Revenues by target region	466,990	445,972	311,874	285,829	261,711	282,068	217,069	217,633	32,372	34,429	1,290,016	1,265,931
Revenues by target region pro forma[1]	–	445,972	–	285,829	–	281,867	–	220,298	–	31,965	–	1,265,931
Revenues by region of origin	269,144	254,273	538,008	505,198	269,405	292,409	213,459	214,051	–	–	1,290,016	1,265,931
Non-current assets	172,173	156,316	648,828	666,859	135,416	107,927	184,185	184,179	–	–	1,140,602	1,115,281
Employees (average for the year)	1,880	1,747	3,474	3,441	1,553	1,591	4,317	4,508	–	–	11,224	11,287

[1] Retrospective restatement due to the expansion of the definition of emerging markets according to IMS Health in the reporting period.

The segment data by region is an integral part of the notes. See note (38) for explanatory information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

of Gerresheimer AG for the Financial Year December 1, 2013 to November 30, 2014

(1) General

The Gerresheimer Group is a leading international manufacturer of high-quality specialty glass and plastic products for the global pharma and health-care industry. Based on in-house development and the latest production technologies, Gerresheimer offers pharmaceutical primary packaging, drug delivery systems, diagnostic systems, and the full range of glass products for the life science research sector.

The consolidated financial statements as of November 30, 2014 were prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as adopted by the European Union (section 315a of the German Commercial Code (Handelsgesetzbuch/HGB)).

Other than as noted below, the accounting policies are consistent with the prior year. The following new or revised standards were additionally adopted for the first time:

- IFRS 1, First Time Adoption of IFRS – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters; Government Loans
- IFRS 7, Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
- IFRS 13, Fair Value Measurement
- IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine

From the fourth set of annual improvements published in May 2012 by the IASB, the amendments for IFRS 1, IAS 16, IAS 32 and IAS 34 were adopted.

Adoption of the above-mentioned standards, where applicable to the Group's business operations, have not had any significant effect on the consolidated financial statements in the period of adoption.

The IASB and IFRIC have also published the following standards and interpretations not yet applicable in the financial year:

- IFRS 9, Financial Instruments (not yet endorsed by the EU)
- IFRS 10, Consolidated Financial Statements
- IFRS 11, Joint Arrangements
- IFRS 12, Disclosure of Interests in Other Entities
- IFRS 10, IFRS 11, IFRS 12, Transition Guidance
- IFRS 10, IFRS 12, IAS 27, Investment Entities
- IFRS 10, IAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (not yet endorsed by the EU)
- IFRS 11, Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations (not yet endorsed by the EU)
- IFRS 14, Regulatory Deferral Accounts (not yet endorsed by the EU)
- IFRS 15, Revenue from Contracts with Customers (not yet endorsed by the EU)
- IAS 16, Property, Plant and Equipment and IAS 38, Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation (not yet endorsed by the EU)
- IAS 16, Property, Plant and Equipment and IAS 41, Agriculture: Bearer Plants (not yet endorsed by the EU)
- IAS 19, Defined Benefit Plans – Employee Contributions (not yet endorsed by the EU)
- IAS 27, Separate Financial Statements (revised 2012)
- IAS 27, Separate Financial Statements – Equity Method in Separate Financial Statements (not yet endorsed by the EU)
- IAS 28, Investments in Associates and Joint Ventures (revised 2011)
- IAS 32, Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
- IAS 36, Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets
- IAS 39, Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting
- IFRS Annual Improvements
  In December 2013, the IASB published the fifth and sixth set of annual improvements with a total of eleven amendments modifying nine different standards. The amendments are effective for annual periods beginning on or after July 1, 2014.
- IFRS Annual Improvements
  In September 2014, the IASB published the seventh set of annual improvements with a total of five amendments modifying four different standards. The amendments (not yet endorsed by the EU) are effective for annual periods beginning on or after January 1, 2016.
- IFRIC 21, Levies

The application of the above-mentioned standards will not generally have any material effect on the consolidated financial statements. From today's perspective, the future application of IFRS 15 will tend to lead to later revenue recognition in construction contracts. The potential impact of IFRS 9 on the consolidated financial statements cannot yet be conclusively assessed.

Preparation of the consolidated financial statements in compliance with the financial reporting principles applied requires estimates, assumptions, and judgments that affect the recognition and measurement of assets and liabilities as of the balance sheet date, the disclosure of contingent liabilities and assets as of the balance sheet date, and the amounts of income and expenses reported in the reporting period. Although estimates are made to the best of management's knowledge with respect to current events and transactions, actual future results may differ from the estimated amounts. The main future-related assumptions subject to estimation uncertainty relate to option pricing for phantom stocks (see note (32)), measurement of recoverable amounts for goodwill and brand names in impairment testing (see note (20)), measurement of deferred tax assets (including on initial recognition; see note (25)), the determination of parameters for the measurement of pension provisions (see note (31)), and purchase price allocation (see note (12)).

To improve the clarity and information value of the financial statements, certain items are combined in the balance sheet and the income statement and disclosed separately in the notes. The income statement has been prepared using the function of expense method.

The consolidated financial statements are presented in euros, the functional currency of the parent company.

The consolidated financial statements of Gerresheimer AG are published in German in the Federal Law Gazette and on the Internet at www.gerresheimer.com.

(2) Consolidated Group

In the **financial year 2014,** the consolidated group of Gerresheimer Group changed as follows:
With effect from December 9, 2013, the Gerresheimer Group acquired the remaining 1% shareholding in Gerresheimer Momignies S.A., Momignies, Belgium, and thus also in the subsidiary Nouvelles Verreries de Momignies Inc., Larchmont, NY, USA. The purchase price was EUR 183k. Thus, the shareholding of the Gerresheimer Group in the company is 100%.

Gerresheimer UK Ltd., Reading, UK, was liquidated and deconsolidated with effect from December 26, 2013. The deconsolidation had no significant impact on the net assets, financial position and results of operations or cash flows of the Gerresheimer Group.

Furthermore, the option for the transfer of shares of Gamma Grundstücks-Vermietungsgesellschaft mbH, Duesseldorf, Germany, with which a real estate lease as lessor of the production site of Gerresheimer Essen GmbH, Essen, Germany, exists, was exercised on December 31, 2013. Gamma Grundstücks-Vermietungsgesellschaft mbH, Duesseldorf, Germany, was merged with Gerresheimer Essen GmbH, Essen, Germany, with effect from January 1, 2014. Due to the classification of the lease as a finance lease, the relevant assets were already included in the consolidated financial statements in prior years. The legal change therefore has no impact on the consolidated financial statements.

On March 5, 2014, the remaining 2.34% shareholding in Neutral Glass & Allied Industries Private Ltd., Mumbai, India, was acquired as a result of the founding families exercising their put option. The purchase price was EUR 646k. The Gerresheimer Group consequently holds 100% in the company.

On May 20, 2014, the transfer of shares of Beijing Gerresheimer Glass Co. Ltd., Huangcun, Beijing, China, to the former company partner became effective. The Gerresheimer Group held 45.70%. In the financial year 2013, the shareholding was remeasured in accordance with IFRS 5 "Assets held for sale" in light of the intention to sell the shareholding and the commencement of negotiations with a view to a sale. The sale was made at carrying amount and therefore no gain or loss has been incurred.

With economic effect from August 31, 2014, Gerresheimer Hallenverwaltungs GmbH & Co. Objekt Lohr/Main KG, Duesseldorf, Germany, was merged under commercial law with Gerresheimer Lohr GmbH, Lohr/Main, Germany.

In the **financial year 2013,** the consolidated group of Gerresheimer Group changed as follows:
On December 17, 2012, a sale and purchase agreement was signed for a 75% stake in the Indian company Triveni Polymers Private Ltd. (Triveni), New Delhi, India. The transaction was completed on December 20, 2012 and the company has been included in the consolidated financial statements of Gerresheimer AG since that date. Commencing April 1, 2016, Gerresheimer can also exercise a call option to acquire the remaining 25% stake. Commencing the same date, the seller can exercise a put option to tender the remaining 25% stake for sale to Gerresheimer. The acquisition cost was paid in cash and amounted to the equivalent of EUR 52,208k.

On November 22, 2013, an additional 8.7% shareholding with a purchase price of EUR 2,401k was acquired in Neutral Glass & Allied Industries Private Ltd. (Neutral Glass), Mumbai, India, as a result of the founding families partially exercising their put option. The Gerresheimer Group consequently held a 97.66% stake in Neutral Glass as of November 30, 2013. The put option for the remaining 2.34% was accounted for in the Group balance sheet under consolidated equity and under the current financial liabilities including interests with a value of EUR 770k.

Furthermore, the decision to liquidate Gerresheimer UK Ltd., Reading, UK, was made on September 24, 2013.

Gerresheimer Wilden AB, Ronneby, Sweden, was also liquidated and deconsolidated with effect from October 10, 2013. The deconsolidation had no significant impact on the net assets, financial position, and results of operations or cash flows of the Gerresheimer Group.

In the prior financial year the Gerresheimer Group also informed the markets about its plans to part with its 45.70% shareholding in Beijing Gerresheimer Glass Co., Ltd., Huangcun, Beijing, China. This company had been accounted for as an associate using the equity method in accordance with IAS 28 up until this point in time. In light of the intention to sell the shareholding and the commencement of negotiations with a view to a sale, we remeasured the shareholding and a loan in accordance with IFRS 5 and recognized an impairment loss totaling EUR 3,598k in the income statement under the Moulded Glass segment (from December 1, 2013: Primary Packaging Glass). The remeasured investment had been reclassified to assets held for sale.

The full list of shareholdings of Gerresheimer AG as of November 30, 2014 is set out below:

in %	Investment (direct and indirect)
Entities included in the consolidated financial statements	
Asia	
Gerresheimer Medical Plastic Systems Dongguan Co. Ltd., Wang Niu Dun Town, Dongguan City (China)	100.00
Gerresheimer Pharmaceutical Packaging Mumbai Private Ltd., Mumbai (India)	100.00
Gerresheimer Shuangfeng Pharmaceutical Glass (Danyang) Co. Ltd., Danyang, Jiangsu (China)	60.00
Gerresheimer Shuangfeng Pharmaceutical Packaging (Zhenjiang) Co. Ltd., Zhenjiang, Jiangsu (China)	60.00
Kimble Bomex (Beijing) Labware Co. Ltd., Beijing (China)	70.00[1]
Neutral Glass & Allied Industries Private Ltd., Mumbai (India)	100.00
Triveni Polymers Private Ltd., New Delhi (India)	75.00
Europe	
DSTR S.L.U., Epila (Spain)	100.00
Gerresheimer Boleslawiec S.A., Boleslawiec (Poland)	100.00
Gerresheimer Buende GmbH, Buende/Westfalia (Germany)[2]	100.00
Gerresheimer Chalon SAS, Chalon-sur-Saone (France)	100.00
Gerresheimer Denmark A/S, Vaerloese (Denmark)	100.00
Gerresheimer Essen GmbH, Essen-Steele (Germany)[2]	100.00
GERRESHEIMER GLAS GmbH, Duesseldorf (Germany)[2]	100.00
Gerresheimer Group GmbH, Duesseldorf (Germany)[2]	100.00
Gerresheimer Hallenverwaltungs GmbH, Duesseldorf (Germany)[2]	100.00
Gerresheimer Hallenverwaltungs GmbH & Co. Objekt Duesseldorf KG, Duesseldorf (Germany)[3]	100.00
Gerresheimer Holdings GmbH, Duesseldorf (Germany)[2]	100.00
Gerresheimer Horsovsky Tyn spol. s r.o., Horsovsky Tyn (Czech Republic)	100.00
Gerresheimer item GmbH, Muenster (Germany)[2]	100.00
Gerresheimer Kuessnacht AG, Kuessnacht (Switzerland)	100.00
Gerresheimer Lohr GmbH, Lohr/Main (Germany)[2]	100.00
Gerresheimer Medical Plastic Systems GmbH, Regensburg (Germany)[2]	100.00
Gerresheimer Momignies S.A., Momignies (Belgium)	100.00
Gerresheimer Moulded Glass GmbH, Tettau/Upper Franconia (Germany)[2]	100.00
Gerresheimer Pisa S.p.A., Pisa (Italy)	100.00
Gerresheimer Plastic Packaging AB, Malmoe (Sweden)	100.00
Gerresheimer Plastic Packaging SAS, Besancon (France)	100.00
Gerresheimer Regensburg GmbH, Regensburg (Germany)[2]	100.00
Gerresheimer Spain S.L.U., Epila (Spain)	100.00
Gerresheimer Tettau GmbH, Tettau/Upper Franconia (Germany)[2]	100.00
Gerresheimer Vaerloese A/S, Vaerloese (Denmark)	100.00
Gerresheimer Valencia S.L.U., Masalaves (Spain)	99.84
Gerresheimer Werkzeugbau Wackersdorf GmbH, Wackersdorf (Germany)[2]	100.00
Gerresheimer Wertheim GmbH, Wertheim (Germany)[2]	100.00
Gerresheimer Zaragoza S.A., Epila (Spain)	99.84
Scherf-Praezision Europa GmbH, Meiningen-Dreissigacker (Germany)	100.00[1]
VR-Leasing SALMO GmbH & Co. Immobilien KG, Eschborn (Germany)[4]	100.00

in %	Investment (direct and indirect)
Americas	
Gerresheimer Buenos Aires S.A., Buenos Aires (Argentina)	99.84
Gerresheimer Glass Inc., Vineland, NJ (USA)	100.00
Gerresheimer Mexico Holding LLC, Wilmington, DE (USA)	100.00
Gerresheimer MH Inc., Wilmington, DE (USA)	100.00
Gerresheimer Peachtree City (USA) L.P., Peachtree City, GA (USA)	100.00
Gerresheimer Peachtree City Inc., Peachtree City, GA (USA)	100.00
Gerresheimer Plasticos Sao Paulo Ltda., Embu (Brazil)	100.00
Gerresheimer Queretaro S.A., Queretaro (Mexico)	100.00
Gerresheimer Sistemas Plasticos Medicinais Sao Paulo Ltda., Indaiatuba (Brazil)	100.00
Kimble Chase Life Science and Research Products LLC, Vineland, NJ (USA)	51.00
Kimble Kontes LLC, Vineland, NJ (USA)	100.00[1]
Kontes Mexico S. de R.L. de C.V., Queretaro (Mexico)	100.00[1]
Associated companies	
Gerresheimer Tooling LLC, Peachtree City, GA (USA)	30.00
PROFORM CNC Nastrojarna spol. s r.o., Horsovsky Tyn (Czech Republic)	30.15
Non-consolidated companies [5]	
Nouvelles Verreries de Momignies Inc., Larchmont, NY (USA)	100.00

[1] The percentage shareholding represents the direct investment held by Kimble Chase Life Science and Research Products LLC.
[2] Entities exempted under section 264 (3) of the German Commercial Code (Handelsgesetzbuch/HGB) from preparing notes and a management report and from disclosing annual financial statements.
[3] The Company made use of the exemption offered by section 264b of the German Commercial Code (Handelsgesetzbuch/HGB).
[4] Entity consolidated as a special-purpose entity in accordance with SIC 12. Gerresheimer Regensburg GmbH is a limited partner. Company exempted under section 264b of the German Commercial Code (Handelsgesetzbuch/HGB) from disclosing annual financial statements.
[5] Company not consolidated as not material to the net assets, financial position, and results of operations or the cash flows of the Group.

(3) Consolidation Principles

The consolidated financial statements include Gerresheimer AG and the domestic and foreign subsidiaries it directly controls.

Consolidation of subsidiaries normally begins from the date the parent company obtains control. Subsidiaries are deconsolidated at the date control is lost. Non-controlling interests in equity, profit or loss, and comprehensive income are presented separately in the balance sheet, income statement, and statement of comprehensive income. In the consolidated balance sheet, non-controlling interests are presented separately from equity attributable to equity holders of the parent.

Acquisitions of subsidiaries are accounted for using the acquisition method. This stipulates that all identifiable assets, liabilities, and contingent liabilities of an entity acquired in a business combination are measured at their full acquisition date fair values. Any excess after purchase price allocation is recognized as goodwill. Any gain from a bargain purchase (negative goodwill), after careful reassessment, is recognized immediately under other operating income in profit or loss.

Investments in associates are accounted for using the equity method, according to the Group's share in equity. Interim financial statements are prepared as of the Group's balance sheet date.

The financial statements of consolidated domestic and foreign entities are prepared using uniform accounting policies in accordance with IAS 27.

Intragroup transactions are eliminated. Receivables and payables between consolidated entities are set off against each other, intragroup profits and losses are eliminated, and intragroup income is set off against corresponding expenses. Deferred taxes are recognized for temporary differences on consolidation in accordance with IAS 12.

(4) Currency Translation

In separate financial statements, transactions in foreign currency are measured at the transaction date exchange rate.

Non-monetary items are translated into the functional currency at the transaction date exchange rate. Monetary items are translated using the closing rate at the reporting date. Exchange gains or losses from the translation of monetary assets and liabilities denominated in foreign currency at year-end exchange rates are recognized in profit or loss unless they qualify as cash flow hedges and are recognized in other comprehensive income until realized.

The consolidated financial statements are presented in the functional currency (IAS 21). Balance sheet items of all foreign entities whose functional currency is not the euro are translated using the mid-market rates at the balance sheet date published by the European Central Bank.

Income and expense items and cash flows of foreign entities are translated into the Group currency using the average exchange rate. Any resulting exchange differences are recognized in other comprehensive income. Goodwill is treated in the same way as the assets and liabilities of the entities concerned and is translated at the reporting date exchange rate.

The following exchange rates are used to translate the major currencies in the Group:

		Closing rate		Average rate	
1 EUR		**Nov. 30, 2014**	Nov. 30, 2013	**2014**	2013
Argentina	ARS	**10.6374**	8.3324	**10.5534**	7.1057
Brazil	BRL	**3.1831**	3.1587	**3.1131**	2.8439
Switzerland	CHF	**1.2018**	1.2298	**1.2159**	1.2257
China	CNY	**7.6673**	8.2956	**8.2282**	8.1567
Czech Republic	CZK	**27.6520**	27.3910	**27.5194**	25.7922
Denmark	DKK	**7.4409**	7.4589	**7.4561**	7.4579
Great Britain	GBP	**0.7953**	0.8328	**0.8098**	0.8458
India	INR	**77.5469**	84.9740	**81.6900**	76.8574
Mexico	MXN	**17.2709**	17.7743	**17.6661**	17.0277
Poland	PLZ	**4.1839**	4.2060	**4.1853**	4.1995
Sweden	SEK	**9.2660**	8.9075	**9.0684**	8.6457
United States of America	USD	**1.2483**	1.3611	**1.3368**	1.3237

(5) Accounting Policies

Assets and liabilities are measured at amortized cost with the exception of available-for-sale investment securities, derivative financial instruments, and put options, which are measured at fair value.

Intangible assets

Intangible assets are carried at cost. Intangible assets with finite useful lives are carried at cost less amortization allocated over their useful lives and less any impairments. The useful life of licenses and similar rights is one to five years. Brand names with finite useful lives are, like technologies, amortized over their estimated useful lives of five to ten years.

Other brand names and goodwill are recognized as intangible assets with indefinite useful lives. Goodwill represents the excess of the Group's interest in the fair values of an acquiree's net assets over cost at the acquisition date. Such assets are tested for impairment at least once a year in accordance with IFRS 3 "Business Combinations", IAS 36 "Impairment of Assets" and IAS 38 "Intangible Assets".

Research cost is generally expensed as incurred. Development cost is only recognized as an intangible asset if the criteria set out in IAS 38 are met – among other things, if it is likely that the project will be technically and commercially feasible and if the cost attributable to the intangible asset during its development can be measured reliably. Capitalized development costs are amortized on a straight-line basis over a period of seven or ten years.

The Group receives emission allowances free of charge in certain European countries as part of the European Emissions Trading System. These emission allowances are accounted for using the net liability method. Under IAS 20.23, non-monetary government grants, in this case the asset received (emission allowances), may be recorded at their nominal amount. Obligations in respect of pollution emissions are not taken into account until actual emissions exceed the emission allowances held by the Gerresheimer Group. The obligation is then recognized at the fair value of the emission allowances. Any emission allowances acquired from third parties are recognized at cost and treated as refund claims.

Property, plant and equipment

Property, plant and equipment is measured at cost less depreciation and any impairments. The cost of property, plant and equipment comprises all costs in accordance with IAS 16. Borrowing costs of qualifying assets are capitalized in accordance with IAS 23. Property, plant and equipment is generally subject to depreciation on a straight-line basis. Depreciation is based on useful lives determined for the most part from expert appraisals as follows:

Years	
Buildings	10–50
Plant and machinery	5–15
Fittings, tools, and equipment	3–10

Repair and maintenance expenses are expensed as incurred. Expenses for major services and furnace overhauls are included in the carrying amount of the assets if the recognition criteria under IAS 16 are met.

Government grants

Government grants are recognized at fair value if they have been officially approved and there is reasonable assurance that the entity will comply with the conditions attached to them. Grants are released to income in equal annual installments over the expected useful life of the subsidized asset.

Investment property

Investment property (IAS 40) comprises property held on a long-term basis to earn rental income and/or for capital appreciation. It is recognized at cost less accumulated depreciation and accumulated impairment losses (cost model).

Leases

Leased property, plant and equipment is recognized in accordance with IAS 17 and depreciated if the risks and rewards incidental to ownership have been transferred to a Group company. On initial recognition, finance leases are recognized as assets and liabilities in the balance sheet at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The liabilities are recognized under financial liabilities. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability so as to produce a constant periodic interest rate on the remaining balance of the liability. Non-current assets acquired through finance leases are depreciated over the shorter of their expected useful life or the lease term.

Lease payments under leases classified as operating leases in accordance with IAS 17 are recognized as an expense over the lease term.

Impairment

Property, plant and equipment, investment property, goodwill, intangible assets, and other non-current assets are tested for impairment if circumstances and events indicate that their carrying amount exceeds their recoverable amount. Goodwill and other intangible assets with indefinite useful lives are additionally tested annually for impairment at the level of the cash-generating units to which they belong. An impairment loss is recognized in the amount by which the carrying amount of an asset exceeds its net realizable value or value in use.

For assets other than goodwill, impairment losses are reversed if the reasons for impairment cease to exist. Impairment losses are recognized in other operating expenses and any subsequent impairment reversals in other operating income.

Investments in associates

Investments in associates are accounted for according to the Group’s share in equity using the equity method and recognized in “Investments accounted for using the equity method”. The ownership interest is determined on the basis of the number of shares outstanding. Net equity is translated at the exchange rate prevailing at the balance sheet date. The profit or loss of equity investments is recognized in operating income, the investments being held not for financial purposes but as part of the Group’s operating business.

Inventories
Inventories are measured at the lower of cost and net realizable value. Cost is generally the average cost, and includes production and material overheads in addition to direct costs. Other expenses attributable to production are also included in the costs of conversion. Besides these production costs, the cost of sales shown in the income statement also includes the cost of unused capacity.

Financial assets
A financial asset is recognized when the contractual right to receive cash flows from it first comes into being. Initial recognition is at fair value plus directly attributable transaction costs, with the exception of financial assets initially measured at fair value through profit and loss. In the same way, a financial asset is derecognized when the contractual right to receive cash that flows from it expires. The settlement date, i.e. the date on which the asset is delivered to or by the Gerresheimer Group (date of transfer of ownership), is relevant for the first-time recognition and derecognition of regular purchases or sales.

Financial assets are classified on acquisition into categories as follows, with the classification reviewed at each balance sheet date.

Financial assets measured at fair value through profit and loss: Financial assets initially measured at fair value through profit and loss comprise assets held for trading. Any gain or loss on subsequent measurement is recognized in profit or loss.

At Gerresheimer, these assets exclusively comprise the derivative financial instruments included in other financial assets that are not determined to be an effective hedge in accordance with IAS 39. Gerresheimer does not make use of the fair value option. Please see note (6) for further explanations on derivative financial instruments.

Held-to-maturity financial investments: Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity investments when the Group has the positive intention and ability to hold to maturity. After initial recognition, held-to-maturity investments are subsequently measured at amortized cost using the effective interest method less any impairment losses. Gains and losses are recognized in profit or loss when an investment is derecognized or impaired, and through the amortization process.

No financial assets are classed in this category at Gerresheimer.

Available-for-sale financial assets: Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale and are not classified as one of the other categories. Subsequent to initial measurement, available-for-sale financial assets are generally measured at fair value. Unrealized gains or losses are recognized directly in equity. If such a financial asset is derecognized or impaired, any accumulated gain or loss that had been recognized directly in equity is recognized in profit or loss.

All investments on the balance sheet at the reporting date are classified without exception as available for sale and, in the absence of a quoted market price, are measured at cost.

Sundry other financial assets included in other financial assets are classified in the same category.

Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, loans and receivables are measured at amortized cost using the effective interest method less any impairment. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

The category includes trade receivables, loans and refund claims included in other financial assets, and cash and cash equivalents.

If there are indications of impairment for balances in the loans and receivables category, an impairment test is carried out and any impairment loss recognized accordingly. For this purpose, the Company tests whether the carrying amount exceeds the present value of the expected future cash flows discounted at the current market rate of return for a similar asset. If it does, an impairment loss is recorded for the difference. If an impairment ceases to exist, the impairment loss is reversed, though not in excess of initial cost.

No reclassifications between the categories were made either in the financial year or in the prior year.

Construction contracts
Construction contracts are accounted for using the percentage of completion method. The work performed, including the share in the profit or loss, is recognized in revenues in accordance with the percentage of completion. The applicable percentage of completion is calculated using the cost-to-cost method. Construction contracts are recognized in trade receivables.

Other receivables
Tax receivables, prepayments and other non-financial assets are recognized at nominal values less impairments.

Cash and cash equivalents
Cash and cash equivalents are carried as financial assets at nominal value. The cash equivalents have terms of three months or less.

Assets held for sale and disposal groups
This item is presented in the balance sheet if there are individual non-current assets or groups of assets and directly attributable liabilities that are able to be sold in their current condition and their sale is sufficiently probable. The assets and liabilities held for sale must also be disposed of by the Group in a single transaction.

Non-current assets in a disposal group are no longer depreciated or amortized. Instead, they are recognized at the lower of carrying amount and fair value less costs to sell. If the carrying amount exceeds fair value, an impairment loss is recognized.

Provisions for pensions and similar obligations
The Group has a number of pension schemes geared to the regulations and practices of the countries they apply to. Commitments have also been made in the US to provide additional post-employment medical care. More than 70.7% of these benefits are not financed through funds.

When accounting for pensions and other post-employment benefits, a distinction is made between defined benefit plans and defined contribution plans. Under a defined contribution plan, the Group pays fixed amounts into a fund and no further legal or constructive obligation exists to pay any further amounts in cases where the fund does not have enough capital to meet its obligation to pay the benefits due for the current and prior years. The Group's obligation is based on the annual contributions. As a result, no actuarial assumptions have to be made in order to value the obligations and expenses, and actuarial gains and losses cannot be incurred. Furthermore, the obligations are measured on an undiscounted basis except where they are due more than twelve months after the end of the period in which they were earned.

A defined benefit plan defines the amount of the benefit. This amount is linked to one or a number of factors such as age, years of service, and salary. The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method. Actuarial gains and losses are recognized in total in the position "Other comprehensive income." Past service cost is immediately expensed.

The defined benefit liability is the net total of the present value of the defined benefit obligation minus the fair value of plan assets out of which the obligations are to be settled directly.

The obligations are measured annually by independent actuaries. The interest payable on pensions is recognized in net finance income/expense.

Stock appreciation rights (phantom stocks)
Stock appreciation rights are accounted for at fair value in accordance with IFRS 2. The fair value of phantom stocks is recognized pro rata temporis in personnel expenses and, at the same time, as a provision because there is an obligation to make a cash settlement. The total expense to be recognized up to the exercise date of phantom stocks is calculated from the fair value of the phantom stocks and the expected staff turnover rate among beneficiaries; these parameters are reviewed at each balance sheet date.

Other provisions
Other provisions are recognized if a current obligation is established as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Non-current provisions are discounted. If a contractual claim to refund from a third party is sufficiently probable, the refund is recognized as an asset in the balance sheet.

Other provisions also include partial retirement obligations on a block model basis. The salary portion and the top-up amounts paid by the employer are recognized pro rata temporis during the active phase over the employee's remaining term of service. While the top-up amounts are paid out from the beginning of the active phase, the salary amounts are payable from the beginning of the passive phase.

Post-employment benefits are accounted for when an obligation exists on the basis of a detailed formal plan or a specific offer relating to termination benefits. Benefits payable more than twelve months after the balance sheet date are discounted to the present value.

Current and deferred income taxes
The incorporated companies included in the Gerresheimer Group (with the exception of the foreign subsidiaries and one German company) comprise a tax group for income tax purposes. Gerresheimer AG fulfills the role of taxpayer and/or tax creditor. As a result, the German subsidiaries consolidated into the Group do not generally incur income taxes. In addition to the calculation of current income taxes, deferred tax assets or liabilities are recognized in accordance with IAS 12 for temporary differences between the amounts recognized in the Company's tax accounts and its IFRS balance sheet. These represent a future tax burden (deferred tax liabilities) or future tax relief (deferred tax assets). Deferred tax assets are also recognized for tax loss carryforwards and tax credits. They are measured on the basis of the applicable future tax rates. Deferred tax assets are only recognized when it appears probable that they will be realized.

Financial liabilities
Financial liabilities include non-derivative financial liabilities and negative fair values of derivative financial instruments.

A non-derivative financial liability is initially recognized when a contractual obligation to payment comes into being. Initial measurement is at fair value less any transaction costs. Subsequent measurement is at amortized cost using the effective interest method. Any differences between the fair value (less any transaction costs) on initial recognition and the amount repayable on maturity are recognized in profit or loss over the term of the liability.

Derivative financial instruments not determined to be an effective hedge in accordance with IAS 39 must be classified as held for trading and accounted for at fair value through profit or loss. If their fair value is negative, they are recognized in financial liabilities. Gerresheimer does not make use of the fair value option. Please see note (6) for further explanations on accounting for derivative financial instruments. Put options are classified on initial recognition as at fair value through profit and loss (see note (2)).

Financial liabilities are derecognized once the contractual obligations to payment arising from the liabilities have been settled, removed, or canceled and have therefore expired.

Other liabilities
Prepayments received, liabilities from other taxes, or social security and non-financial liabilities are accounted for at amortized cost.

Revenue recognition
Revenue from the sale of products and services is recognized, less deductions such as bonuses and discounts, at the date on which the risks are transferred or the service rendered. Interest income is recognized using the effective interest method when interest accrues.

Construction contracts are accounted for using the percentage of completion method. The work performed, including the share in the profit or loss, is recognized by using the cost-to-cost method in revenues in accordance with the percentage of completion.

(6) Financial Risk Management and Derivative Financial Instruments

Derivative financial instruments are used exclusively for hedging purposes.

The Group's financial risks are monitored centrally as part of Group-wide financial risk management. Identified potential risks are managed using suitable hedging instruments on the basis of clearly defined guidelines.

Except on price risk from fluctuations on money, capital, and international commodities markets, risk management also targets credit and liquidity risk.

In line with intragroup financing guidelines, **exchange rate risks** are hedged using forward exchange contracts and currency swaps. Transaction risks generally represent the sole exposures in currency management. The currency derivatives are generally used to hedge specific hedged items and are classified as hedging instruments in accordance with the requirements of IAS 39.

Credit risks resulting from the Group's trade relationships are monitored through credit and receivables management and by the sales divisions of operating entities. With the aim of avoiding losses on receivables, customers are subject to ongoing internal credit checks. Receivables from customers that do not have a first-class credit rating are generally insured.

The Group's **liquidity situation** is monitored and managed using sophisticated planning instruments. Risks in connection with the procurement of funds are identified and monitored on the basis of rolling financial and liquidity plans.

All derivative financial instruments are measured at fair value in accordance with IAS 39. Derivative financial instruments with a positive fair value are recognized in other financial assets and derivatives with negative fair values in other financial liabilities.

The fair values of derivative financial instruments are measured using the applicable exchange rates, interest rates, and credit standings at the balance sheet date. The fair value of a derivative financial instrument is the amount that Group entities would either receive or have to pay for its settlement on the balance sheet date.

Changes in the fair value of derivative financial instruments are recognized immediately in profit or loss unless an effective hedge is in place that meets the criteria of IAS 39. If a derivative financial instrument is an effective hedge of expected future cash inflows or outflows (cash flow hedge), changes in its fair value are recognized directly in equity (in the cash flow hedge reserve) to the extent that they relate to the effective hedge. In such cases, changes in the value of the derivative only affect profit or loss on maturity or settlement of the hedged item.

The interest rate swaps are classified as cash flow hedges in accordance with IAS 39. The swaps meet the required criteria and are therefore classified as effective.

Due to the short-term nature of the hedges, the currency derivatives are classified as held for trading in accordance with IAS 39 and measured at fair value. Changes in fair value are recognized in profit or loss.

(7) Cash Flow Statement

The cash flow statement shows how the cash and cash equivalents of the Gerresheimer Group have changed due to cash inflows and outflows during the financial year. The cash flow effects of the initial consolidation of acquisitions, divestments, and other changes in the consolidated group are eliminated. In accordance with IAS 7, cash flows are classified into cash flows from operating, investing, and financing activities. The cash and cash equivalents in the cash flow statement comprise cash on hand, checks, bills of exchange, and bank balances. The item "Cash received in connection with divestments" in the financial year mainly includes the transfer of shares of Beijing Gerresheimer Glass Co. Ltd., Huangcun, Beijing, China. The item "Acquisition of non-controlling interests" in the financial year includes the purchase of the remaining 1% shareholding in Gerresheimer Momignies S.A., Momignies, Belgium, and thus also in the subsidiary Nouvelles Verreries de Momignies Inc., Larchmont, NY, USA, as well as the purchase of the remaining 2.34% shareholding in Neutral Glass & Allied Industries Private Ltd., Mumbai, India.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

(8) Revenues

in EUR k	2014	2013
By division		
Plastics & Devices	597,769	561,629
Primary Packaging Glass	604,927	617,547
Life Science Research	87,320	86,755
	1,290,016	**1,265,931**

in EUR k	2014	Pro forma[1] 2013	Transition	2013
By region				
Europe	466,990	445,972	–	445,972
Germany	311,874	285,829	–	285,829
Americas	261,711	281,867	-201	282,068
Emerging markets	217,069	220,298	2,665	217,633
Other regions	32,372	31,965	-2,464	34,429
	1,290,016	**1,265,931**	**–**	**1,265,931**

[1] Retrospective restatement due to the expansion of the definition of emerging markets according to IMS Health in the reporting period.

IMS Health expanded its definition of emerging markets in the financial year 2014. There are now 21 instead of 17 countries defined as emerging markets. The new definition now also includes Algeria, Colombia, Nigeria, and Saudi Arabia. The reporting in the current financial year considers this extension and the prior year was adjusted for comparability reasons.

According to the current definition employed by IMS Health, emerging market revenues comprise revenues in Algeria, Argentina, Brazil, China, Colombia, Egypt, India, Indonesia, Mexico, Nigeria, Pakistan, Poland, Romania, Russia, Saudi Arabia, South Africa, Thailand, Turkey, Ukraine, Venezuela, and Vietnam. European revenues do not include Germany, Poland, Romania, Russia, Turkey, and Ukraine, while the Americas revenues do not include Argentina, Brazil, Colombia, Mexico, and Venezuela.

Revenues include EUR 6,389k (prior year: EUR 1,332k) in contract revenue recognized under the percentage of completion method. All other revenues are from sales of goods.

(9) Cost of Sales

Cost of sales comprises the cost of goods manufactured and sold and the purchase cost of merchandise sold. Cost of conversion includes direct costs such as direct material, labor, and energy as well as indirect costs such as depreciation of production plant and repairs. In addition, cost of sales includes a total of EUR 82,646k (prior year: EUR 79,836k) in depreciation and amortization, of which amortization of fair value adjustments accounted for EUR 4,872k (prior year: EUR 3,968k).

(10) Selling and Administrative Expenses

Selling expenses comprise personnel and non-personnel expenses for the sales organizations and distribution (including freight and commissions). In addition, selling expenses include a total of EUR 13,986k (prior year: EUR 16,417k) in depreciation and amortization, of which amortization of fair value adjustments accounted for EUR 12,621k (prior year: EUR 14,983k).

Administrative expenses comprise personnel and non-personnel expenses for administrative functions as well as depreciation and amortization amounting to EUR 8,188k (prior year: EUR 6,020k).

(11) Other Operating Income

Other operating income breaks down as follows:

in EUR k	2014	2013
Income from insurance reimbursements – furnace damage	6,377	–
Income from refund claims against third parties	5,798	2,305
Income from the fair value evaluation of the put option Triveni	2,373	7,467
Income from the reversal of provisions	1,828	3,267
Income from the derecognition of liabilities	1,080	1,402
Income from sale of scrap	678	750
Income from compensation payments	562	2,452
Exchange gains	256	–
One-off income	222	125
Income from the disposal of fixed assets	150	569
Sundry other income	4,556	4,353
	23,880	**22,690**

The income from insurance reimbursements from furnace damage in one of our plants in the United States is offset by, inter alia, expenses for repairs of EUR 4,643k, which are reported under other operating expenses (see note (14)). Further additional expenses incurred as, for example, from the deductible in the amount of approximately USD 1m and expenses from business interruption are mainly included in the cost of sales.

Income from refund claims against third parties primarily includes income from transferring costs of spare parts to customers and income from insurance reimbursements.

In connection with the sale and purchase agreement dated December 20, 2012 for a 75% stake in Triveni, Gerresheimer has granted the right to tender the remaining 25% stake commencing April 1, 2016 to the minority shareholders. Due to the fair value evaluation of this put option as of the balance sheet date, which is based on the local EBITDA of the company Triveni for its financial year ending March 31, 2016, other operating income amounting to EUR 2,373k (prior year: EUR 7,467k) was recognized.

Exchange gains and losses from the translation of foreign currency operating receivables and payables and the net gain or loss from the remeasurement of derivate financial instruments used as hedges of operating foreign currency risks are recognized net in other operating income or other operating expenses. Exchange gains or losses from financing activities are recognized net in the financial result.

(12) Amortization of Fair Value Adjustments

The following table shows the amortization of fair value adjustments made following the acquisitions of Gerresheimer Group GmbH in December 2004, Gerresheimer Vaerloese (formerly Dudek Plast Group) at the end of December 2005, the Gerresheimer Regensburg Group (formerly Wilden Group) in early January 2007, the pharmaceutical glass business of Comar Inc., US, in March 2007, the joint venture Kimble Chase established in July 2007, Gerresheimer Zaragoza and Gerresheimer Plasticos Sao Paulo in January 2008, Vedat Tampas Hermeticas Ltda. (merged with Gerresheimer Plasticos Sao Paulo) in March 2011, Neutral Glass in April 2012, and Triveni in December 2012:

in EUR k	Fair value adjustments Carrying amounts as of Nov. 30, 2014	**Fair value adjustments Amortization 2014**	Fair value adjustments Amortization 2013
Customer base	51,882	11,277	13,973
Orders on hand	–	–	57
Brand names	39,163	1,344	953
Technologies	2,993	1,627	1,623
Process know-how	27	10	12
Land	4,017	724	–
Buildings	8,968	537	499
Machinery	4,819	1,974	1,834
	111,869	**17,493**	**18,951**

Brand names with finite useful lives are, like technologies, amortized over their estimated useful lives of five to ten years. Other brand names and goodwill are recognized as intangible assets with indefinite useful lives and are not amortized, but are tested for impairment at least annually in accordance with IFRS 3 "Business Combinations" IAS 36 "Impairment of Assets" and IAS 38 "Intangible Assets".

(13) Restructuring Expenses

Restructuring expenses comprise expenses defined in accordance with IAS 37.70 et seq. Similar expenses that do not meet the criteria of IAS 37 are disclosed under other operating expenses. Restructuring expenses are disclosed separately in view of their significance.

In the current financial year, restructuring expenses of EUR 4,387k mainly include severances in connection with the restructuring, streamlining, and optimizing of our divisions and can be seen in the context of the standardization and optimization of the productions sites initiated in the prior financial year.

(14) Other Operating Expenses

in EUR k	**2014**	2013
Portfolio optimization	12,601	5,648
Expenses from furnace damage	4,643	–
One-off expenses	1,741	3,925
Research and development	1,500	2,148
Loss from the disposal of fixed assets	385	384
Exchange losses	–	152
Sundry other expenses	2,774	5,279
	23,644	**17,536**

The reported expenses of portfolio optimization in the amount of EUR 12,601k relate to extraordinary depreciation primarily incurred in the United States in preparation of the communicated expansion of our plant in Chicago. The reported portfolio optimization in the prior year of EUR 5,648k resulted primarily from the sale of the shares in Beijing Gerresheimer Glass Co. Ltd., Huangcun, Beijing, China.

Expenses in connection with the furnace damage should be considered in the context of other operating income as outlined in note (11).

The one-off expenses in the financial year mostly comprise expenses that, like in the prior year, occurred in connection with the reorganization and optimization of our business activities. However, since these expenses do not meet the criteria of IAS 37 they are not disclosed under restructuring expenses. Furthermore, one-off expenses include expenses in connection with acquisitions projects.

Exchange gains and losses from the translation of foreign currency operating receivables and payables and the net gain or loss from remeasurement of derivate financial instruments used as hedges of operating foreign currency risks are recognized net in other operating income or other operating expenses. Exchange gains or losses from financing activities are recognized net in the net finance income/expense.

(15) Net Finance Expense

in EUR k	2014	2013
Finance income	3,497	2,821
Finance expense	-34,044	-37,015
Net finance expense	**-30,547**	**-34,194**
Thereof for interest rate swaps: Cash flow hedges, transfer from equity	*-1,331*	*-1,660*
Thereof net interest on the defined benefit liability	*-5,794*	*-6,063*
Thereof exchange losses from financing activities (prior year: gains)	*-760*	*458*

Finance expense comprises interest expenses on liabilities to banks, the bond, finance lease liabilities, as well as other financial liabilities and provisions.

Interest expenses in connection with the interest rate swaps designated as a cash flow hedge (EUR 1,331k; prior year: EUR 1,660k) are classified as financial liabilities "at fair value – changes in cash flow hedge reserve". Interest expenses in connection with the put options (EUR 1,282k; prior year: EUR 1,669k) are classified as "at fair value through profit and loss". All other income from financial assets is classified as "Loans and receivables" and all other expenses from financial liabilities are classified as "Liabilities carried at amortized cost".

Exchange differences from financing activities including related hedges are recognized net in the financial result either under exchange gains or exchange losses from financing activities.

(16) Income Taxes

in EUR k	2014	2013
Current income taxes	-39,157	-39,262
Deferred income taxes	12,659	8,995
	-26,498	**-30,267**

Deferred income taxes in connection with items that are recognized directly in equity amount to EUR 3,159k (prior year: EUR -6,039k). In connection with deferred taxes, please also see the information provided in notes (25) and (30).

Reconciliation of expected to effective tax expense in the Group:

in EUR k	2014	2013
Net income before income taxes	99,349	98,754
Expected tax expense: 29% (prior year: 29%)	**-28,811**	**-28,639**
Differences:		
Tax attributable to non-controlling interests	1,319	1,305
Different foreign tax rates	2,262	1,099
Non-deductible expenses	-3,128	-2,811
Tax-free income and tax benefits	1,689	4,532
Effects from changes in tax rates[1]	944	–
Change in value allowance for deferred tax assets	-290	961
Taxes from prior periods[2]	-287	-6,792
Other	-196	78
Total differences	**2,313**	**-1,628**
Effective tax expense	**-26,498**	**-30,267**
Tax rate	**26.7%**	**30.6%**

[1] The item "Effects from changes in tax rates" includes changes in the tax rate in Denmark from 24.5% to 23.5% as of January 1, 2015 as well as changes in Spain from 30.0% to 28.0%, respectively, to 25.0% as of January 1, 2015 and January 1, 2016.
[2] The item "Taxes from prior periods" of the prior financial year mainly includes tax expenses amounting to EUR 3,689k resulting from the tax audit of one of our Brazilian subsidiaries and tax expenses accrued for the tax audit performed at the German tax group as well as accrued expenses for tax audit periods not yet finalized.

The corporation tax rate in Germany remained unchanged relative to the prior year at 15.0%, plus a 5.5% solidarity surcharge on corporation tax and plus trade tax of approximately 13%. This results in a combined tax rate of approximately 29%.

The tax rates for subsidiaries whose registered offices are not in Germany vary between 13.6% and 39.0% (prior year: 13.3% and 39.0%). Some of the subsidiaries in China benefited from tax privileges in the year under review, with a resulting tax rate of 15.0%.

Effects from profit and loss transfer agreements

The earnings of 14 German consolidated entities in the same income tax group are taxed at the level of Gerresheimer AG. Please see the information on current and deferred income taxes under note (5) "Accounting Policies".

Deferred taxes on tax loss carryforwards

Deferred tax assets recognized at subsidiaries for tax loss carryforwards are based on a five-year budgeting period during which the tax loss carryforwards are expected to be utilized.

Deferred tax assets in the amount of EUR 26,226k (prior year: EUR 25,988k) were not recognized for tax loss carryforwards at foreign Group companies of Gerresheimer AG as the tax loss carryforwards are not expected to be utilized in the next five years. The tax loss carryforwards, of which EUR 9,473k will expire between 2018 and 2027, relate in their entirety to foreign taxes.

Deferred tax assets of EUR 3,382k (prior year: EUR 4,940k) were recognized for tax loss carryforwards at foreign Group companies despite losses in the year under review and in the prior year as the companies concerned expect to generate future taxable profits.

IAS 12 requires deferred tax liabilities to be recognized for temporary differences associated with investments in Group companies (outside basis differences). Deferred tax liabilities of EUR 31,688k (prior year: EUR 23,463k) were not recognized on outside basis differences as it is probable that the temporary differences will not reverse in the foreseeable future.

(17) Earnings per Share

Basic earnings per share are calculated by dividing net income attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

No new shares were issued in the financial years 2014 and 2013, such that the weighted average number of shares was 31,400 thousand in both financial years.

Under the current phantom stock program (see note (32)), the Company has the option to issue Gerresheimer shares on attainment of the exercise target; however, cash settlement is planned. As no further warrants or conversion rights were issued in the years 2014 and 2013, there is no dilutive effect on earnings per share. Diluted and basic earnings per share are therefore identical.

	2014	2013
Net income attributable to equity holders of the parent (EUR k)	66,336	62,155
Weighted average number of ordinary shares (in thousand)	31,400	31,400
Earnings per share in accordance with IFRS (in EUR)	**2.11**	**1.98**

OTHER INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

(18) Cost of Materials

in EUR k	**2014**	2013
Cost of raw materials, consumables, and supplies and of purchased merchandise	446,703	462,926
Cost of purchased services	26,325	6,745
	473,028	**469,671**

Cost of materials primarily comprises expenditure for raw materials, energy, packaging, external production, as well as cost of consumables and supplies.

Cost of purchased services relates to services from third parties, which are necessary for the production, processing, and converting of own products. In the financial year 2014, the definition of purchased services was extended and newly determined after the various external services had been reviewed.

(19) Personnel Expenses

in EUR k	**2014**	2013
Wages and salaries	332,690	329,610
Social security and other benefit costs	68,430	65,704
Pension costs	4,394	4,627
	405,514	**399,941**

NOTES TO THE BALANCE SHEET

(20) Intangible Assets

Intangible assets break down as follows:

in EUR k	Goodwill	Customer base, brand names, technologies, and similar assets	Development costs	Other	**Intangible assets**
As of November 30, 2014					
Prior year carrying amount	455,586	103,217	7,127	6,570	572,500
Currency translation	-614	5,106	–	63	4,555
Additions	–	–	1,772	1,725	3,497
Disposals	–	–	25	2	27
Reclassifications	–	–	–	-14	-14
Amortization	–	14,258	2,422	2,794	19,474
Impairment losses	–	–	3,440	–	3,440
Carrying amount	**454,972**	**94,065**	**3,012**	**5,548**	**557,597**
Cost	457,858	247,774	12,402	26,146	744,180
Accumulated amortization and impairments	2,886	153,709	9,390	20,598	186,583
Carrying amount	**454,972**	**94,065**	**3,012**	**5,548**	**557,597**
As of November 30, 2013					
Cost	430,340	216,706	7,206	18,107	672,359
Accumulated amortization and impairments	2,814	128,915	2,406	8,529	142,664
Prior year carrying amount	**427,526**	**87,791**	**4,800**	**9,578**	**529,695**
Change in the consolidated group	33,322	41,600	–	15	74,937
Currency translation	-5,262	-9,556	-1	-85	-14,904
Additions	–	–	1,352	1,698	3,050
Disposals	–	–	23	7	30
Reclassifications	–	–	2,070	-1,736	334
Amortization	–	15,704	1,071	2,893	19,668
Impairment losses	–	914	–	–	914
Carrying amount	**455,586**	**103,217**	**7,127**	**6,570**	**572,500**
Cost	458,397	247,061	10,549	13,892	729,899
Accumulated amortization and impairments	2,811	143,844	3,422	7,322	157,399
Carrying amount	**455,586**	**103,217**	**7,127**	**6,570**	**572,500**

Amortization of the customer base, brand names, technologies, and similar assets as a result of fair value adjustments in connection with acquisitions is presented separately in note (12) as amortization of fair value adjustments. Most amortization is contained in cost of sales. Significant intangible assets result from business combinations. While brand names – with the exception of one company – with a carrying amount of EUR 39,163k have indefinite useful lives, the remaining identifiable assets will be fully amortized by 2028.

As in the prior financial year, the impairment losses reported in the financial year are due to the portfolio optimization.

Goodwill is assigned to the seven cash-generating units as follows:

in EUR k	Nov. 30, 2014	Nov. 30, 2013
Plastics & Devices		
Plastic Packaging	97,629	97,865
Medical Plastic Systems	82,854	82,854
Syringe Systems	32,614	32,614
Primary Packaging Glass		
Tubing	39,082	39,222
Converting	66,458	66,696
Moulded Glass	126,320	126,320
Life Science Research	10,015	10,015
	454,972	**455,586**

Goodwill is not amortized. It is tested for impairment at least once annually.

As in the prior year goodwill was tested for impairment in all seven cash-generating units Plastics & Devices – Plastic Packaging, Plastics & Devices – Medical Plastic Systems, Plastics & Devices – Syringe Systems, Primary Packaging Glass – Tubing, Primary Packaging Glass – Converting, Primary Packaging Glass – Moulded Glass and Life Science Research in accordance with the budget prepared on the basis of historical performance and current market expectations and adopted by the Management Board for the years 2015 to 2019 (prior year: 2014 to 2018). The growth rate used to extrapolate for subsequent years was 1.0%. This does not exceed the assumed average growth rate for the market or industry. The recoverable amount was determined on the basis of value in use, using cash flow projections budgeted for the years 2015 to 2019. Future cash flows were discounted using the weighted average cost of capital (WACC). The cost of equity capital was measured using the beta factor for Gerresheimer AG. Borrowing costs were determined from an analysis of the credit facilities in use. A sensitivity analysis was performed to show the effects of a potential increase or decrease in borrowing costs on the recoverable amount of goodwill. The weighted average cost of capital before tax was determined iteratively from the weighted average cost of capital after tax and breaks down as follows for the seven cash-generating units:

in %	2014	2013
Plastics & Devices		
Plastic Packaging	7.1	7.0
Medical Plastic Systems	7.2	7.1
Syringe Systems	7.1	7.1
Primary Packaging Glass		
Tubing	7.3	7.2
Converting	7.2	7.1
Moulded Glass	7.2	7.2
Life Science Research	7.3	7.1

As in the prior year, goodwill impairment testing did not indicate any impairment.

For each of the seven cash-generating units, management is of the opinion that no reasonably possible change in the key assumptions used to determine the value in use would cause the carrying amount of the cash-generating unit to exceed its recoverable amount.

Brand names as of November 30, 2014 were allocated among the divisions as follows:

Plastics & Devices EUR 22,290k (prior year: EUR 21,817k), Primary Packaging Glass EUR 15,307k (prior year: EUR 15,324k), and Life Science Research EUR 1,566k (prior year: EUR 1,436k).

Brand names – with the exception of one company – have an indefinite useful life and are not amortized. They are tested for impairment at least once annually. As in the prior year, there was no indication of impairment in the financial year.

EUR 1,500k (prior year: EUR 2,148k) was spent on research and development in the financial year. Development costs that satisfy the criteria of IAS 38 were recognized as intangible assets in the amount of EUR 1,772k in 2014 (prior year: EUR 1,352k).

Other intangible assets mainly relate to standard software applications and prepayments on intangible assets.

(21) Property, Plant and Equipment and Investment Property

Property, plant and equipment and investment property break down as follows:

in EUR k	Land, land rights and buildings (used for operating purposes)	Plant and machinery	Other equipment and machinery	Payments on account and assets under construction	**Property, plant and equipment**	**Investment property**
As of November 30, 2014						
Prior year carrying amount	141,641	292,855	23,672	80,142	538,310	4,471
Currency translation	2,212	7,080	153	2,865	12,310	–
Additions	5,885	37,313	5,450	74,454	123,102	–
Disposals	53	406	63	11	533	–
Reclassifications	25,404	29,627	3,599	-58,730	-100	114
Depreciation	5,689	70,648	8,447	–	84,784	–
Impairment losses	2,032	7,129	–	–	9,161	724
Carrying amount	**167,368**	**288,692**	**24,364**	**98,720**	**579,144**	**3,861**
Cost	224,484	693,328	66,131	98,720	1,082,663	4,844
Accumulated depreciation and impairments	57,116	404,636	41,767	–	503,519	983
Carrying amount	**167,368**	**288,692**	**24,364**	**98,720**	**579,144**	**3,861**
As of November 30, 2013						
Cost	184,486	605,237	56,697	61,904	908,324	4,730
Accumulated depreciation and impairments	43,122	314,226	32,640	–	389,988	259
Prior year carrying amount	**141,364**	**291,011**	**24,057**	**61,904**	**518,336**	**4,471**
Change in the consolidated group	2,220	3,685	472	168	6,545	–
Currency translation	-4,190	-9,958	-790	-2,313	-17,251	–
Additions	2,104	49,079	5,722	59,146	116,051	–
Disposals	40	690	22	–	752	–
Reclassifications	7,314	29,143	1,755	-38,763	-551	–
Depreciation	7,131	67,365	7,522	–	82,018	–
Impairment losses	–	2,050	–	–	2,050	–
Carrying amount	**141,641**	**292,855**	**23,672**	**80,142**	**538,310**	**4,471**
Cost	190,431	637,939	61,728	80,142	970,240	4,730
Accumulated depreciation and impairments	48,790	345,084	38,056	–	431,930	259
Carrying amount	**141,641**	**292,855**	**23,672**	**80,142**	**538,310**	**4,471**

Property, plant and equipment includes leased assets in the amount of EUR 6,634k (prior year: EUR 8,275k). As of the end of the reporting period, these comprised finance leases for production, warehouse and office land, and buildings in the amount of EUR 4,837k (prior year: EUR 7,213k), finance leases for plant and machinery in the amount of EUR 1,507k (prior year: EUR 1,062k), and finance leases for other property, plant and equipment in the amount of EUR 290k (prior year: EUR 0k).

Land and buildings with a carrying amount of EUR 1,836k (prior year: EUR 5,317k) are pledged as senior collateral for three (prior year: two) loans. As in the prior year, this does not affect any investment property.

The land not used for operating purposes and classified as investment property in accordance with IAS 40 is leasehold land with a carrying amount of EUR 187k (prior year: EUR 187k) and a fair value of EUR 1,700k (prior year: EUR 1,700k) and non-operating land. The fair value of leasehold land is determined from various data sources such as from past sales, officially published indicative land values, and independent appraisals. The fair values of other non-operating land are the same as the carrying amounts.

Rental income from properties amounted to EUR 16k in the financial year 2014 (prior year: EUR 16k). Expenses of EUR 28k were incurred (prior year: EUR 32k). These almost entirely related to land that does not generate rental income.

As in the prior financial year, the impairment losses reported in the financial year are due to the portfolio optimization.

(22) Investments Accounted for Using the Equity Method

The following tables summarize the balance sheet items and the data from the income statements of equity-accounted investments in the consolidated financial statements. The companies included here are: Gerresheimer Tooling LLC, Peachtree City, USA and PROFORM CNC Nastrojarna spol. s r.o., Horsovsky Tyn, Czech Republic, (additionally in prior year: Beijing Gerresheimer Glass Co. Ltd., Huangcun, Beijing, China).

in EUR k	**Nov. 30, 2014**	Nov. 30, 2013
Assets	714	13,534
Equity	364	7,039
Liabilities	350	6,494
Revenues	2,202	14,963
Profit or loss	339	-812

Changes in equity-accounted investments are shown in the table below:

in EUR k	Investments accounted for using the equity method
As of November 30, 2014	
Prior year carrying amount	91
Dividend distribution	-15
Currency translation	-20
Share of profit or loss of associated companies	30
Carrying amount	**86**
As of November 30, 2013	
Prior year carrying amount	3,730
Dividend distribution	-21
Currency translation	-3
Impairment losses	3,179
Share of profit or loss of associated companies	-436
Carrying amount	**91**

(23) Financial Assets

Financial assets break down as follows:

	Nov. 30, 2014		Nov. 30, 2013	
in EUR k	**Total**	***Thereof current***	Total	*Thereof current*
Fair value of derivative financial instruments	108	*108*	119	*119*
Investments	165	–	203	–
Refund claims for pension benefits	4,242	*317*	4,153	*216*
Refund claims from third parties	2,270	*2,270*	2,625	*2,625*
Other loans	1,035	–	982	–
Sundry other financial assets	662	–	674	–
Other financial assets	**8,482**	***2,695***	**8,756**	***2,960***
Trade receivables	208,480	*208,480*	192,562	*192,562*
Cash and cash equivalents	67,936	*67,936*	73,092	*73,092*
Financial assets	**284,898**	***279,111***	**274,410**	***268,614***

Sundry other financial assets include solely securities used to secure accrued phased retirement credit balances.

As of the balance sheet date, financial assets that are neither past due nor impaired are recoverable in full and none of the unimpaired financial assets were overdue.

In the financial year, and in the prior year, no impairments were recognized on investments. In the prior year, impairment losses of EUR 419k were recognized on loans to equity-accounted investments. In the financial year, this loan has been disposed of in the connection with the transfer of shares of Beijing Gerresheimer Glass Co. Ltd., Huangcun, Beijing, China. As in the prior financial year, an impairment of EUR 15k has been recorded for other loans.

The carrying amount of financial assets in the consolidated financial statements generally represents the maximum exposure to credit risk for the Group as a whole. Approximately 33% of trade receivables were covered by credit insurance in the financial year 2014 (prior year: approximately 30%).

The above-mentioned trade receivables include receivables relating to application of the percentage of completion method (EUR 25,539k; prior year: EUR 19,149k). These do not come under the scope of IAS 39 and are therefore not financial assets.

For further details on the fair values of derivative financial instruments, please see the information provided in note (37).

(24) Other Receivables

	Nov. 30, 2014		Nov. 30, 2013	
in EUR k	**Total**	***Thereof current***	Total	*Thereof current*
Other tax receivables	13,225	*13,225*	11,093	*11,093*
Prepaid expenses	4,179	*4,179*	3,500	*3,500*
Sundry other assets	6,629	*6,629*	6,033	*6,033*
Other receivables	**24,033**	***24,033***	**20,626**	***20,626***

The prepaid expenses mainly consist of accrued payments made prior to the reporting date for maintenance, tax, personnel, and insurance expenses in the next financial year.

The reported carrying amounts of monetary assets in this item correspond to their fair values.

(25) Deferred Tax Assets

Deferred tax assets break down as follows:

	Nov. 30, 2014		Nov. 30, 2013	
in EUR k	Realization expected within 12 months	Realization expected after 12 months	Realization expected within 12 months	Realization expected after 12 months
Tax benefits				
Tax loss carryforwards	764	6,555	1,025	6,446
Tax credits	–	1,742	–	3,472
	764	**8,297**	**1,025**	**9,918**
Temporary differences				
Fixed assets and inventories	3,187	2,015	2,504	1,839
Receivables and other assets	239	298	393	367
Provisions for pensions	2,841	28,001	2,540	24,095
Other provisions	9,650	4,905	6,304	736
Payables and other liabilities	2,849	1,103	3,590	1,297
Cash flow hedge	–	156	–	618
	18,766	**36,478**	**15,331**	**28,952**
	19,530	**44,775**	**16,356**	**38,870**
Offset	-57,023		-47,640	
Recognized in accordance with IAS 12 as non-current in the balance sheet	**7,282**		**7,586**	

Deferred tax assets and liabilities are offset by company or tax group.

(26) Inventories

Inventories break down as follows:

in EUR k	Nov. 30, 2014	Nov. 30, 2013
Raw materials, consumables, and supplies	50,522	48,769
Work in progress	23,177	33,054
Finished goods and merchandise	112,178	98,651
Prepayments made	7,788	13,986
Inventories	**193,665**	**194,460**

Write-downs on inventories totaling EUR 4,333k (prior year: EUR 10,576k) were recognized as an expense in the financial year. When the circumstances that caused a write-down no longer exist, the write-down is reversed. Reversals of write-downs amounted to EUR 1,005k (prior year: EUR 6,002k) in the financial year. These are mainly attributable to the use of previously blocked stock and therefore impaired inventories.

As in the prior year, no inventories were pledged as security for liabilities as of November 30, 2014.

(27) Trade Receivables

in EUR k	Nov. 30, 2014	Nov. 30, 2013
Trade receivables	211,485	195,224
Less bad debt allowances	3,005	2,662
Net trade receivables	**208,480**	**192,562**

Trade receivables include EUR 25,539k (prior year: EUR 19,149k) in receivables relating to application of the percentage of completion method in accordance with IAS 11. Costs of EUR 4,840k (prior year: EUR 1,278k) were incurred in the reporting period. Profits of EUR 1,549k (prior year: EUR 55k) were recognized.

Bad debt allowances are recognized for doubtful receivables. Factors considered in determining the appropriateness of the bad debt allowances recognized for doubtful receivables comprise the age structure of receivables, past experience with regard to the derecognition of receivables, customer credit ratings, and changes in payment terms.

As of the balance sheet date, the age structure of unimpaired trade receivables breaks down as follows:

in EUR k	Nov. 30, 2014	Nov. 30, 2013
Carrying amount	208,480	192,562
General allowances	842	946
Specific bad debt allowances	2,163	1,716
Gross carrying amount of receivables for which specific bad debt allowances were recognized	-2,185	-1,718
Trade receivables not impaired within the meaning of IFRS 7	**209,300**	**193,506**
Thereof at the balance sheet date		
not past due	*192,651*	*176,046*
past due by up to 30 days	*11,946*	*11,219*
past due by 31 to 60 days	*2,767*	*2,338*
past due by 61 to 90 days	*807*	*958*
past due by 91 to 120 days	*501*	*387*
past due by more than 120 days	*628*	*2,558*
	209,300	**193,506**

The gross carrying amount of trade receivables individually determined to be impaired was EUR 2,185k (prior year: EUR 1,718k). The corresponding bad debt allowance was EUR 2,163k (prior year: EUR 1,716k). The net carrying amount of trade receivables individually determined to be impaired was therefore EUR 22k (prior year: EUR 2k).

Bad debt allowances developed as follows:

in EUR k	2014	2013
As of December 1	2,662	2,213
Allowances recognized in profit or loss	604	2,085
Utilized	-281	-777
Reversed	-37	-719
Currency translation	57	-140
As of November 30	**3,005**	**2,662**

(28) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits not subject to risk of changes in value.

(29) Equity and Non-controlling Interests

On June 11, 2007, Gerresheimer AG was listed on the regulated market in the Prime Standard segment of the Frankfurt Stock Exchange. Gerresheimer AG shares have the stock symbol GXI and ISIN DE000A0LD6E6. A total of 22,804 thousand shares were issued. These comprised 11,400 thousand shares from a rights issue, 10,600 thousand from the departing shareholder, BCP Murano, and a further 804 thousand shares provided by BCP Murano to syndicate banks for a greenshoe option. At the issue price of EUR 40.00 per share, the issue thus came to some EUR 912,166k (including greenshoe). Gerresheimer has been included in the MDAX since December 22, 2008.

As of November 30, 2014, subscribed capital remained unchanged at EUR 31,400k and the capital reserve came to EUR 513,827k. The capital reserve contains share premiums from the IPO in the year 2007 and cash contributions from shareholders from the years 2004 and 2007.

The number of shares outstanding at the balance sheet date was 31,400,000 each with a nominal value of EUR 1.00. The proposed dividend is based on the retained earnings of Gerresheimer AG.

In the financial year under review, a dividend of EUR 21,980k was paid out for the financial year 2013. This corresponds to a dividend of EUR 0.70 per no-par-value share.

Proposal for appropriation of retained earnings

The Management Board and the Supervisory Board will propose to the Annual General Meeting on April 30, 2015 to distribute a dividend of EUR 0.75 per share for the financial year 2014 (prior year: EUR 0.70 per share). This corresponds to a dividend distribution of EUR 23,550k. Furthermore, it will be proposed that the residual retained earnings of the Company of EUR 84,556k should be carried forward onto new account.

in EUR	2014
Retained earnings before dividend distribution	108,106,360.83
Payment of a dividend of EUR 0.75 per share	23,550,000.00
Carryforward to new account	**84,556,360.83**

Non-controlling interests break down as follows:

in %	Non-controlling interests
Entity	
Kimble Chase Life Science and Research Products LLC, Vineland, NJ (USA)	49.0
Gerresheimer Shuangfeng Pharmaceutical Glass (Danyang) Co. Ltd., Danyang, Jiangsu (China)	40.0
Gerresheimer Shuangfeng Pharmaceutical Packaging (Zhenjiang) Co. Ltd., Zhenjiang, Jiangsu (China)	40.0
Kimble Bomex (Beijing) Labware Co. Ltd., Beijing (China)	30.0
Triveni Polymers Private Ltd., New Delhi (India)	25.0
Gerresheimer Zaragoza S.A., Epila (Spain)	0.2
Gerresheimer Valencia S.L.U., Masalaves (Spain)	0.2
Gerresheimer Buenos Aires S.A., Buenos Aires (Argentina)	0.2

Changes in non-controlling interests are shown in the consolidated statement of changes in equity.

(30) Deferred Tax Liabilities

Deferred tax liabilities break down as follows:

	Nov. 30, 2014		Nov. 30, 2013	
in EUR k	Realization expected within 12 months	Realization expected after 12 months	Realization expected within 12 months	Realization expected after 12 months
Temporary differences				
Fixed assets	1,470	78,682	4,857	78,951
Inventories	3,933	15	4,514	6
Receivables and other assets	2,163	828	1,816	944
Other provisions and liabilities	1,571	949	2,083	1,121
	9,137	**80,474**	**13,270**	**81,022**
Offset	-57,023		-47,640	
Recognized in accordance with IAS 12 as non-current in the balance sheet	**32,588**		**46,652**	

Deferred tax assets and liabilities are offset by company or tax group.

(31) Provisions for Pensions and Similar Obligations

While the Gerresheimer Group has pension plans in various countries, pension plans in Germany and pension and health plans (health insurance for retired employees) in the USA account for 96% of the Gerresheimer Group's total provisions for pensions and similar obligations.

Subject to individual exceptions, no new employees are accepted into the German defined benefit plans. The German plans are in the process of being wound down, with their pension obligations decreasing over time. Pension plans are generally based on an employee's length of service, pay, and position. Pension entitlements are thus acquired for each year of service according to salary. The maximum attainable pension entitlement at an annual eligible income exceeding EUR 79,428 and after 45 years service is EUR 1,179.90 per month. Pension awards for active members of the Management Board are handled through a pension fund or provident fund. The pension obligations are funded by annual contribution payments to the provident fund. If the fund assets are insufficient when the pension starts, supplementary contributions are called in. Further details on the Management Board pension plans are provided in the Remuneration Report section of the Management Report.

The US defined benefit plans have been closed and the benefits vested. These plans are funded by investments (plan assets). The plans are financed from annual contribution payments. Plan assets must cover at least 80% of pension obligations. If this coverage is not attained, supplementary contributions are called in from the Company. To limit exposure to capital market and demographic risk, all new US pension plans are defined contribution plans.

Retired employees domiciled in the USA also receive subsidized healthcare. Under these plans, retirees are refunded a certain percentage of eligible healthcare expenditure. With the exception of one plant, these healthcare plans have been closed and the benefits vested. This has limited the risk of continuously increasing refund claims for the Gerresheimer Group. Changes in the legal framework can cause changes to pension and health plans.

Provisions for pensions developed as follows:

in EUR k	2014	2013
As of December 1	176,109	198,665
Reclassifications from personnel related liabilities	-1,753	3,663
Utilized	14,196	15,287
Additions	8,431	9,441
Plan surplus recognized in other assets	101	–
Charged against equity	11,989	-18,035
Currency translation	2,978	-2,338
As of November 30	**183,659**	**176,109**
Thereof current	*13,866*	*14,773*
Thereof non-current	*169,793*	*161,336*

Group provisions of EUR 137,337k (prior year: EUR 136,271k) were recognized in connection with various pension plans and individual agreements entered into by German Group companies; an amount of EUR 46,322k (prior year: EUR 39,838k) primarily relates to US Group entities. The provision also includes the obligations of US Group companies to assume the medical expenses of retired employees.

The benefits are mainly financed through the systematic accumulation of pension provisions at the entities concerned. External funds that meet the definition of plan assets exist both domestically and internationally.

The following assumptions were made when determining the pension provision and plan assets:

	Domestic		International	
in %	Nov. 30, 2014	Nov. 30, 2013	Nov. 30, 2014	Nov. 30, 2013
Discount rate	1.90–2.20	3.30	1.60–8.34	2.20–6.00
Increase in salaries	2.50–3.25	2.50–3.25	1.50–5.50	1.50–5.50
Increase in pensions	1.00	2.00	–	–
Increase in medical costs	–	–	5.00–7.33	5.00–7.67

Market yields on high-quality corporate bonds have decreased significantly compared to the prior year. The defined benefit obligation was consequently discounted at a discount rate between 1.90% and 2.20% as of November 30, 2014. The Prof. Dr. Heubeck RT 2005 G mortality tables were used as the reference basis with regard to mortality for the determination of domestic pension obligations. For foreign Group companies, current country-specific mortality assumptions were used. The projected income trends reflect expected rates of increase in salaries and income.

The present value of the defined benefit obligation breaks down as follows:

in EUR k	Nov. 30, 2014	Nov. 30, 2013
Present value of the defined benefit obligation as of December 1	224,078	242,706
Current service cost	2,167	2,388
Interest expense	7,622	7,405
Employee contributions	534	634
Benefit payments	-15,592	-14,988
Actuarial gains/losses	13,650	-14,578
Financial assumptions	*19,128*	*-11,564*
Demographic assumptions	*-5,478*	*-3,014*
Past service cost	–	531
Reclassifications	-1,753	3,663
Administration costs	9	9
Settlement	228	42
Currency translation and other changes	6,099	-3,734
Present value of the defined benefit obligation as of November 30	**237,042**	**224,078**

Changes in plan assets are as follows:

in EUR k	Nov. 30, 2014	Nov. 30, 2013
Fair value of plan assets as of December 1	47,970	44,044
Expected return on plan assets	1,828	934
Employee contributions	534	634
Employer contributions	3,113	4,110
Benefit payments	-4,509	-3,811
Actuarial gains/losses	1,556	3,556
Return on plan assets	*1,556*	*3,556*
Other changes (primarily currency translation)	2,992	-1,497
Fair value of plan assets as of November 30	**53,484**	**47,970**

The weighted composition of the plan assets used to cover the defined benefit obligation breaks down as follows as of the balance sheet date:

	Domestic		International	
in EUR k	Nov. 30, 2014	Nov. 30, 2013	Nov. 30, 2014	Nov. 30, 2013
Plan assets with quoted market price	*7,748*	*6,364*	*31,806*	*29,257*
Shares (held directly)	2,816	2,281	20,937	18,678
Fixed-interest securities	4,835	3,782	9,151	8,043
Property	47	42	–	2,504
Liquidity	50	259	1,718	32
Plan assets with non-quoted market price	*182*	*170*	*13,748*	*12,179*
Insurance contracts	89	93	13,555	12,179
Other	93	77	193	–
Plan assets	7,930	6,534	45,554	41,436
Thereof: owner-occupied property	*n/a*	*n/a*	*n/a*	*39*

The main pension funds relate to the pension plans in the USA and Switzerland. Their investment policy, besides complying with regulatory requirements, is geared to the risk structure within the defined benefit obligation.

A risk-adjusted strategic target portfolio has been developed on this basis and in line with capital market trends. In the USA, 65% to 70% is invested in equities, 30% to 35% in fixed-interest securities, and 0% to 5% in liquid assets. Funding is entirely by the employer. Additional contributions to the pension fund are required whenever the fair value of plan assets falls below 80% of the defined benefit obligation.

In Switzerland, a full insurance policy has been taken out to cover the insurance and investment risk. Contributions to the pension fund in this instance are made in equal percentage amounts by employees and the employer. The investment policy as stipulated is expected to generate a return on capital, ensuring that the obligations are met in the long term.

Pension expenses in relation to defined benefit obligations are recognized as follows in the income statement:

in EUR k	2014	2013
Current service cost	*2,167*	*2,388*
Past service cost	*–*	*531*
Service cost	**2,167**	**2,919**
Interest expense	*7,622*	*7,405*
Return on plan assets	*-1,828*	*-1,342*
Net interest expense	**5,794**	**6,063**
Administration costs	242	417
Effect of settlement	228	42
	8,431	**9,441**
Thereof expense for pension benefits for which there are reimbursement rights	*133*	*128*

With the exception of net interest, all expenses and income involved in accounting for defined benefit obligations are recognized on a net basis in results of operations, i.e., in personnel expenses. Net interest is shown in the net finance income/expense.

For one pension obligation in Germany, there is a contractual claim to refund of pension payments against a third party. These refund claims do not conform to the definition of plan assets in IAS 19 and therefore cannot be accounted for net of the pension obligations. The refund claims for pension benefits are included in other financial assets. Please see note (23).

Contributions of EUR 1,565k (prior year: EUR 1,403k) were paid into defined contribution plans in the financial year, mainly at US Group companies. EUR 12,174k (prior year: EUR 11,791k) in statutory pension insurance contributions were paid in Germany. The expected contributions to plan assets in the next financial year are estimated at EUR 4,816k. The benefits are funded from contributions as a percentage of the defined benefit. Funding is provided primarily through the employer.

The Gerresheimer Group expects benefit payments in future years as follows:

in EUR k	2015	2016	2017	2018
Expected benefit payments	13,866	13,674	13,448	13,458

The weighted average duration of the defined benefit obligation is between 8.0 and 18.2 years in Germany and between 10.3 and 20.0 years internationally.

The main actuarial assumptions used in the determination of defined benefit obligations are the discount rate and the expected salary trend. The pension provision also includes the obligations of US Group companies to assume the medical expenses of retired employees. The obligation was determined assuming a cost inflation rate of 7.33% falling incrementally to 5.0% by 2021. The sensitivity analyses in the following show how the defined benefit obligation would have been affected by possible changes in the relevant assumptions. The scenarios are each calculated with the remaining assumptions held constant:

in EUR k	Effect on present value of defined benefit obligation
Increase in discount rate by 0.5 percentage points	-14,612
Decrease in discount rate by 0.5 percentage points	14,377
Increase in salaries by 0.25 percentage points	574
Decrease in salaries by 0.25 percentage points	-373
Increase in medical costs by 1.0 percentage point	2,372
Decrease in medical costs by 1.0 percentage point	-2,104

Various interdependencies exist between the above actuarial assumptions. The sensitivity analyses do not take such interdependencies into account.

The defined benefit obligations and the plan assets have developed as follows in recent financial years:

in EUR k	**Nov. 30, 2014**	Nov. 30, 2013
Present value of funded benefit obligations	69,429	88,177
Less fair value of plan assets	53,484	47,970
Fund shortfall	15,945	40,207
Present value of unfunded benefit obligations	163,482	131,749
Present value of pension obligations for which there are reimbursement rights	4,131	4,153
Plan surplus reported in other assets	101	–
	183,659	**176,109**
Experience adjustments on defined benefit obligation	*-5,478*	*-3,014*
Experience adjustment on plan assets	*-1,493*	*-3,556*

The experience adjustments reflect the effects on the amount of the defined benefit obligation and plan assets of differences between what actually occurred during the financial year and the assumptions made at the beginning of the financial year. This includes changes in the rates of salary increases, pension increases, employee turnover, mortality, and invalidity.

(32) Gerresheimer Stock Appreciation Rights (Phantom Stocks)

Members of the Management Board of Gerresheimer AG and some executive managers received share-based payment as a voluntary variable remuneration component from 2007 until 2013. In the financial year 2014, the phantom stock plan for executive managers has been replaced by a mid-term incentive program. This is aligned to the achievement of our annual financial targets and also rewards the medium-term development of our company.

The following conditions apply unchanged for the phantom stocks still existing in the financial year 2014: Participants had to be in an employment relationship with Gerresheimer AG or a Group company at the grant date of the phantom stocks. Phantom stocks granted are subject to a vesting period from the issue date to the end of the 30th stock exchange trading day following the Annual General Meeting after the issue date. The phantom stocks can then be converted into remuneration by October 31 of the year following the next Annual General Meeting after the issue date, provided that the exercise target has been reached. The remuneration amount depends on the performance of the Gerresheimer share price. The plan stipulates that when the exercise target is reached, the Company has the option to issue Gerresheimer shares; however, cash settlement is planned.

The exercise target is reached when the target price of the granted phantom stocks exceeds the initial price by at least 8%. The share prices are compared using the non-weighted arithmetic mean of the closing prices recorded in the Frankfurt Stock Exchange Xetra trading system during the last 30 trading days prior to the exercise date. However, the maximum amount payable to subscribers for all stock appreciation rights is limited to 25% of the initial price multiplied by the number of stock appreciation rights.

The fair value of the phantom stocks is determined using a recognized (binomial) option pricing model. The volatility of the target value is assumed as 25% p.a. and the employee turnover rate as 3%. The yield on German government bonds of matching maturities was used as the risk-free interest rate.

Management	Tranche 7 (2013)
Grant date	June 18, 2013
Term of tranche	October 31, 2015
End of the vesting period	June 13, 2014
Issue price (in EUR)	45.28
Target price (in EUR)	48.90
Number of stock appreciation rights issued	186,400
Exercise threshold (in %)	8
Fair value (in EUR k)	38
Maximum payout amount (in EUR k)	181

In addition to the tranches described above, two members of the Management Board were granted additional tranches for the years 2015–2016. After a vesting period of four years, a Management Board member is entitled, within an ensuing period of approximately 16 months (exercise period), to demand payment in the amount of the appreciation in the stock market price of Gerresheimer stock between the issue date and the exercise (maturity) date. Payment is conditional on the percentage appreciation being at least 12% or being greater than the percentage increase in the MDAX over the maturity period and on at least one full year's membership of the Management Board. The amount of the remuneration claim is capped for each tranche at an amount equivalent to 25% of the stock market price of the stock at the issue date of the stock appreciation rights.

A further member of the Management Board was granted an additional claim for payment dependent on the development of the stock market price of the Company. After a vesting period of five years, this Management Board member is entitled, within an ensuing period of approximately 24 months (exercise period), to demand payment depending on the development of the stock market price between the issue date and the exercise (maturity) date. Payment is conditional on the percentage appreciation being at least once 20% or being greater than the percentage increase in the MDAX over the maturity period and on at least one full year's membership of the Management Board. If the target price of the annual tranche is 20% greater than the issue price, or if appreciation of the stock market price of Gerresheimer stock is higher than the MDAX, the claim is 40% of the salary in the year in which the annual tranche was issued. If the target price of the annual tranche is 40% greater than the issue price, the claim is 80% of the salary. With an increase of the issue price between 20% and 40%, the claim of payment is interpolated linearly. The amount of the remuneration claim is capped for each yearly tranche at an amount equivalent to 80% of the salary.

The fair value of the phantom stocks granted to Management Board members was determined using the option pricing model and assumptions described above.

Members of the Management Board	Tranche 5 (2011)	Tranche 6 (2012)	Tranche 7 (2013)	Tranche 8 (2014)
Grant date	February 9, 2010	February 9, 2010/ June 24, 2011	February 9, 2010/ June 24, 2011/ October 23, 2012	February 9, 2010/ June 24, 2011/ October 23, 2012
Term of tranche	October 31, 2016	October 31, 2017	October 31, 2018	October 31, 2019
End of the vesting period	June 7, 2015	June 3, 2016	June 13, 2017	June 13, 2018
Issue price (in EUR)	32.48	34.50	45.28	48.82
Target price (in EUR)	36.38	38.64	50.71	54.68
Number of stock appreciation rights issued	270,000	275,000	250,000	185,000
Exercise threshold (in %)	12	12	12	12
Fair value (in EUR k)	1,426	825	711	626
Maximum payout amount (in EUR k)	1,705	1,294	2,094	2,258

Based on the above assumptions, the fair value of the 2015–2017 tranches (tranches 9 to 11) is EUR 173k as of the balance sheet date.

The phantom stocks developed as follows:

Management and members of the Management Board	Tranche 4 (2010)	Tranche 5 (2011)	Tranche 6 (2012)	Tranche 7 (2013)	Tranche 8 (2014)
As of November 30, 2009	–	–	**–**	**–**	**–**
Allocated	552,000	–	–	–	–
Exercised	–	–	–	–	–
Expired during the period	2,000	–	**–**	**–**	**–**
As of November 30, 2010	**550,000**	**–**	**–**	**–**	**–**
Allocated	–	503,500	–	–	–
Exercised	228,000	–	–	–	–
Expired during the period	6,000	8,000	–	–	–
As of November 30, 2011	**316,000**	**495,500**	**–**	**–**	**–**
Allocated	–	–	510,500	–	–
Exercised	74,000	254,500	–	–	–
Expired during the period	2,000	4,000	70,000	–	–
As of November 30, 2012	**240,000**	**237,000**	**440,500**	**–**	**–**
Allocated	–	–	–	436,400	–
Exercised	–	25,000	266,000	50,000	–
Expired during the period	–	2,000	8,000	18,900	–
As of November 30, 2013	**240,000**	**210,000**	**166,500**	**367,500**	**–**
Allocated	–	–	–	–	185,000
Exercised	240,000	–	6,500	157,400	–
Expired during the period	–	–	10,000	9,100	–
As of November 30, 2014	**–**	**210,000**	**150,000**	**201,000**	**185,000**

In the reporting year 2014, EUR 1,500k was paid out for tranche 4, EUR 73k for tranche 6, and EUR 1,363k for tranche 7.

The provision for the phantom stock program amounted to EUR 2,680k as of the balance sheet date (prior year: EUR 3,814k). The expenses amounted to EUR 1,802k for the financial year 2014 (prior year: EUR 2,089k).

(33) Other Provisions

Other provisions developed as follows:

in EUR k	As of Dec. 1, 2013	Reclassifications	Utilized	Reversed	Additions	Currency translation	**As of Nov. 30, 2014**	*Thereof current*	*Thereof non-current*
Tax provisions	1,100	–	486	270	172	34	550	*550*	*–*
Personnel obligations	16,360	1,753	9,184	200	9,992	724	19,445	*14,004*	*5,441*
Warranties	14,197	–	5,713	371	11,996	252	20,361	*20,361*	*–*
Sales bonuses, rebates, and discounts	5,416	–	1,989	19	2,757	302	6,467	*6,467*	*–*
Sundry other provisions	13,086	–	4,308	1,229	7,108	418	15,075	*15,072*	*3*
	50,159	**1,753**	**21,680**	**2,089**	**32,025**	**1,730**	**61,898**	***56,454***	***5,444***

in EUR k	As of Dec. 1, 2012	Reclassifications	Utilized	Reversed	Additions	Currency translation	As of Nov. 30, 2013	*Thereof current*	*Thereof non-current*
Tax provisions	543	–	260	–	823	-6	1,100	*1,100*	*–*
Personnel obligations	21,956	-2,368	10,749	380	8,425	-524	16,360	*11,920*	*4,440*
Warranties	9,032	–	3,167	1,685	10,255	-238	14,197	*14,197*	*–*
Sales bonuses, rebates, and discounts	5,615	–	1,739	2	1,712	-170	5,416	*5,416*	*–*
Sundry other provisions	17,465	259	9,191	1,200	6,016	-263	13,086	*13,083*	*3*
	54,611	**-2,109**	**25,106**	**3,267**	**27,231**	**-1,201**	**50,159**	***45,716***	***4,443***

Provisions for personnel obligations notably include expected obligations relating to Gerresheimer phantom stocks, long-service awards, and phased retirement agreements, and a group health insurance program at the US Group companies.

Provisions for warranties are recorded on the basis of legal obligations or contractual agreements and reflect our customers' increased quality requirements.

The provisions for sales bonuses, rebates, and discounts relate to unpaid compensation granted on revenues realized prior to the balance sheet date.

The sundry other provisions include restructuring provisions in connection with the divisional reorganization. The restructuring provisions of EUR 3,343k at the financial year-end (prior year: EUR 1,670k) are based on a detailed formal plan. All criteria set out in IAS 37 for recognition of a restructuring provision are met.

Two arbitration proceedings are pending at the subsidiaries Gerresheimer Group GmbH, Duesseldorf, Germany, and GERRESHEIMER GLAS GmbH, Duesseldorf, Germany. The first of these relates to the settlement (EUR 14.75 per share) and compensation (EUR 0.84 per share) under a domination and profit and loss transfer agreement. The second relates to the cash settlement (EUR 16.12 per share) following the squeeze-out of minority shareholders. Sundry other provisions include expected expenses for arbitration proceedings.

Moreover, the sundry other provisions also include expected expenses for a large number of non-material items.

The reclassification in the financial year is due to the presentation of a provision for long-service awards of one subsidiary. Reclassifications in the prior year were due to the pension provisions in connection with the early adoption of IAS 19 (revised 2011).

Interest expenses relating to the compounding of long-term accruals amounted to EUR 797k (prior year: EUR 955k).

Outflows of economic benefits in relation to provisions are expected in the amount of EUR 56,454k (prior year: EUR 45,716k) within one year, EUR 5,444k (prior year: EUR 4,443k) between two and five years, and EUR 0k (prior year: EUR 0k) after five years.

(34) Financial Liabilities

	Nov. 30, 2014			Nov. 30, 2013		
in EUR k	**Total**	***Thereof current***	***Thereof non-current***	Total	*Thereof current*	*Thereof non-current*
Bond	297,674	*–*	*297,674*	297,002	*–*	*297,002*
Liabilities to banks	181,797	*113,885*	*67,912*	179,027	*91,982*	*87,045*
Fair value of derivative financial instruments	475	*475*	*–*	1,683	*1,121*	*562*
Sundry other financial liabilities	30,418	*9,881*	*20,537*	30,693	*10,657*	*20,036*
Other financial liabilities	**510,364**	***124,241***	***386,123***	**508,405**	***103,760***	***404,645***
Trade payables	125,483	*125,483*	*–*	127,042	*127,042*	*–*
Financial liabilities	**635,847**	***249,724***	***386,123***	**635,447**	***230,802***	***404,645***

As of the reporting date, liabilities to banks of EUR 178,308k (prior year: EUR 175,772k) were secured and EUR 3,489k (prior year: EUR 3,255k) unsecured.

The carrying amounts of the derivative financial instruments, sundry other financial liabilities, and the trade payables correspond to their fair values.

For further details on the fair values of derivative financial instruments, please see the information provided in note (37).

The table below shows maturities, interest rates, and fair values for liabilities to banks and for the bond:

Nov. 30, 2014

(Currency in k)		Amount	Due by	Interest rate % p.a.	**Carrying amount (EUR)**	Fair value (EUR)
Bond	EUR	297,674	2018[1]	5.00	297,674	338,850[2]
Liabilities to banks	USD[3]	113,703	2016	1.83	91,086	91,086
	USD	57,429	2014	1.56	46,006	46,006
	USD	200	2015	6.00	160	160
	ARS	2,596	2016	15.25	243	243
	EUR	39,466	2014	1.41	39,466	39,466
	EUR[4]	1,507	2021	1.63	1,507	1,507
	EUR	68	2015	–	68	68[5]
	PLZ	13,644	2015	2.68–2.78	3,261	3,261
					181,797	**181,797**
					479,471	**520,647**

Nov. 30, 2013

(Currency in k)		Amount	Due by	Interest rate % p.a.	Carrying amount (EUR)	Fair value (EUR)
Bond	EUR	297,002	2018[1]	5.00	297,002	335,208[2]
Liabilities to banks	USD[3]	144,356	2016	1.85	106,058	106,058
	USD	39,129	2014	1.61	28,748	28,748
	USD	100	2014	6.00	73	73
	ARS	3,500	2016	15.25	420	420
	EUR	39,039	2014	1.54	39,039	39,039
	EUR[4]	2,247	2014–2021	1.80–1.90	2,247	2,247
	EUR	93	2015	–	93	93[5]
	PLZ	9,063	2015	3.20–3.31	2,155	2,155
	INR	16,526	2014	12.20	194	194
					179,027	**179,027**
					476,029	**514,235**

[1] Held to maturity.
[2] Except for the loans indicated, the carrying amounts of the liabilities to banks approximate to the fair value of the liability.
[3] Hedged by interest rate swap to March 15, 2015; figure shown is last interest rate fixing for loan.
[4] Interest rate partly fixed as of the reporting date.
[5] Non-interest bearing.

The financial liabilities with a fixed interest rate are subject to the risk that changes in the market interest rate and the issuer's credit standing may lead to changes in fair value.

The interest rates shown are the interest rates at the balance sheet date. They comprise the market interest rate and bank lending margins. Current interest expenses were higher in the financial year due to the interest rate hedges in place for the major loans.

In connection with the refinancing of the previous syndicated loans, a new syndicated loan agreement was signed on March 9, 2011 with a five-year term to maturity, comprising a long-term loan of initially EUR 150,000k (fully drawn in US dollars) and a EUR 250,000k revolving credit facility.

In addition, primarily in connection with the refinancing of the previous bond and syndicated loans, a new EUR 300,000k bond was issued on May 19, 2011 with an issue price of 99.4%, a coupon of 5.0% p.a., and a term to maturity ending in 2018.

The sundry other financial liabilities also include put options and finance lease liabilities. In connection with finance leases, please also see the information provided in note (36).

(35) Other Liabilities

	Nov. 30, 2014			Nov. 30, 2013		
in EUR k	**Total**	***Thereof current***	***Thereof non-current***	Total	*Thereof current*	*Thereof non-current*
Prepayments received	43,606	*43,572*	*34*	58,075	*58,075*	–
Liabilities from other taxes	10,085	*10,085*	–	7,461	*7,461*	–
Liabilities from social security obligations	4,153	*4,153*	–	4,143	*4,143*	–
Sundry other liabilities	57,930	*56,165*	*1,765*	51,532	*49,799*	*1,733*
Other liabilities	**115,774**	***113,975***	***1,799***	**121,211**	***119,478***	***1,733***

Prepayments received include EUR 39,131k (prior year: EUR 43,470k) relating to construction contracts accounted for using the percentage of completion method in accordance with IAS 11.

Collateral was given for prepayments received in the amount of EUR 2,624k (prior year: EUR 23,692k).

Sundry other liabilities primarily relate to obligations to employees.

(36) Other Financial Obligations

Other financial obligations break down as follows:

in EUR k	**Nov. 30, 2014**	Nov. 30, 2013
Obligations under rental and lease agreements	52,979	50,261
Capital expenditure commitments	31,657	34,744
Guarantees	218	197
Sundry other financial obligations	876	820
Other financial obligations	**85,730**	**86,022**

The obligations from rental and lease agreements mainly relate to plant and to land and buildings used for operating purposes.

Finance lease and operating lease obligations fall due as follows:

in EUR k	Finance leases			Rentals and operating leases
	Minimum lease payments	Interest component	Present value	Nominal value
Due within 1 year	637	138	499	13,060
Due 1 to 5 years	5,640	404	5,236	28,093
Due after 5 years	–	–	–	11,826
Nov. 30, 2014	**6,277**	**542**	**5,735**	**52,979**

in EUR k	Finance leases			Rentals and operating leases
	Minimum lease payments	Interest component	Present value	Nominal value
Due within 1 year	596	136	460	12,066
Due 1 to 5 years	1,815	440	1,375	25,775
Due after 5 years	3,364	53	3,311	12,420
Nov. 30, 2013	**5,775**	**629**	**5,146**	**50,261**

EUR 16,571k (prior year: EUR 16,242k) was recognized as expense in the income statement in the financial year 2014, in connection with rentals and operating leases.

(37) Reporting on Capital Management and Financial Instruments

The Group's capital management objectives primarily consist of maintaining and ensuring the best-possible capital structure to reduce cost of capital, ensuring a sufficient level of cash and cash equivalents, as well as active management of net working capital. Net financial debt as of November 30, 2014 was EUR 423,847k (prior year: EUR 416,643k); net working capital was EUR 233,056k (prior year: EUR 201,905k).

The Gerresheimer Group's risk management system for credit risk, liquidity risk, and individual market risks, including interest risks, currency risks, and price risks, is described, including its objectives, policies, and processes, in the Opportunity and Risk Report section of the Management Report. Please see note (6) for further explanations.

Information on financial instruments by category and class

The fair values of financial assets and financial liabilities were determined using the following hierarchy:

Level 1: Fair values are determined on the basis of quoted prices in an active market as the most reliable objective evidence of the fair value of a financial asset or financial liability.

Level 2: If no active market for a financial asset or a financial liability exists, fair value is established by using valuation techniques. Fair values are determined in the Gerresheimer Group using recent arm's length transactions with willing parties and prices from observable current market transactions for a similar instrument.

Level 3: Fair values are determined using valuation techniques whereby the parameters are not based on observable market values.

	Nov. 30, 2014				Nov. 30, 2013			
in EUR k	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets designated "available for sale"								
Securities	662	–	–	662	671	–	–	671
Financial assets designated "at fair value through profit and loss"								
Derivative financial assets	–	108	–	108	–	119	–	119
Measured at fair value	**662**	**108**	**–**	**770**	**671**	**119**	**–**	**790**
Financial liabilities designated "at fair value through profit and loss"								
Derivative financial liabilities	–	96	–	96	–	82	–	82
Put options	–	–	12,330	12,330	–	563	10,428	10,991
Financial liabilities designated "at fair value – changes in cash flow hedge reserve"								
Derivative financial liabilities	–	379	–	379	–	1,601	–	1,601
Measured at fair value	**–**	**475**	**12,330**	**12,805**	**–**	**2,246**	**10,428**	**12,674**

The following table shows the carrying amounts and fair values of the individual financial assets and liabilities for each individual category of financial instruments and reconciles them to the corresponding balance sheet items:

	Nov. 30, 2014				Nov. 30, 2013			
	At amortized cost		At fair value		At amortized cost		At fair value	
in EUR k	Carrying amount	*For information purposes: Fair value*	Carrying amount	**Balance sheet amount**	Carrying amount	*For information purposes: Fair value*	Carrying amount	**Balance sheet amount**
Trade receivables	182,941	*182,941*	–	182,941[1)]	173,413	*173,413*	–	173,413[3)]
Loans and receivables	182,941	*182,941*	–		173,413	*173,413*	–	
Other financial assets	7,712	*7,547*	770	8,482	7,966	*7,763*	790	8,756
Available-for-sale financial assets	165[2)]	–	662		203[4)]	–	671	
At fair value through profit or loss	–	–	108		–	–	119	
Loans and receivables	7,547	*7,547*	–		7,763	*7,763*	–	
Cash and cash equivalents	67,936	*67,936*	–	67,936	73,092	*73,092*	–	73,092
Financial assets	**258,589**	***258,424***	**770**	**259,359**	**254,471**	***254,268***	**790**	**255,261**
Other financial liabilities	497,559	*538,735*	12,805	510,364	495,731	*533,937*	12,674	508,405
At amortized cost	497,559	*538,735*	–		495,731	*533,937*	–	
At fair value through profit or loss	–	–	12,426		–	–	11,073	
At fair value – changes in cash flow hedge reserve	–	–	379		–	–	1,601	
Trade payables	125,483	*125,483*	–	125,483	127,042	*127,042*	–	127,042
At amortized cost	125,483	*125,483*	–		127,042	*127,042*	–	
Financial liabilities	**623,042**	***664,218***	**12,805**	**635,847**	**622,773**	***660,979***	**12,674**	**635,447**

1) Receivables under construction contracts are additionally recognized in the balance sheet in the amount of EUR 25,539k.
2) Due to the non-availability of a quoted price, the fair value of investments with a carrying amount of EUR 165k is not stated.
3) Receivables under construction contracts are additionally recognized in the balance sheet in the amount of EUR 19,149k.
4) Due to the non-availability of a quoted price, the fair value of investments with a carrying amount of EUR 203k is not stated.

Liabilities measured at amortized cost include finance lease liabilities for which Group companies are the lessees and which are therefore measured in accordance with IAS 17. As of November 30, 2014, these liabilities amounted to EUR 5,735k (prior year: EUR 5,146k).

The fair values of receivables, loans, and liabilities are measured at the present value of future cash flows discounted at the current interest rate as of the balance sheet date, taking into account the maturity of the asset or the remaining term of the liability.

Due to the predominantly short terms of trade receivables, trade payables, other financial assets, other financial liabilities, as well as cash and cash equivalents, their fair values as of the balance sheet date do not differ significantly from their carrying amounts.

Receivables relating to application of the percentage of completion method (EUR 25,539k; prior year: EUR 19,149k) are not within the scope of IAS 39 and are therefore not financial assets.

The fair value of available-for-sale financial assets has changed slightly compared with the prior year.

Maturity analysis

The Group continually monitors liquidity risk. The maturities of the Group's financial liabilities as of November 30, 2014 are as follows. The amounts are stated on the basis of the contractual, non-discounted payments.

Nov. 30, 2014

in EUR k	Due or due in 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	**Total**
Bond and liabilities to banks	89,280	27	25,288	366,578	1,507	482,680
Interest payments on bond and liabilities to banks	746	25	16,154	45,754	39	62,718
Interest from interest rate swaps	326	–	329	–	–	655
Trade payables	102,598	22,083	802	–	–	125,483
Finance lease liabilities	55	119	463	5,640	–	6,277
Sundry other financial liabilities	127	50	414	14,398	903	15,892
	193,132	**22,304**	**43,450**	**432,370**	**2,449**	**693,705**

Nov. 30, 2013

in EUR k	Due or due in 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	**Total**
Bond and liabilities to banks	39,116	30,155	23,488	386,392	1,507	480,658
Interest payments on bond and liabilities to banks	718	58	16,411	62,148	74	79,409
Interest from interest rate swaps	398	–	1,003	613	–	2,014
Trade payables	106,260	19,588	1,194	–	–	127,042
Finance lease liabilities	44	113	439	1,815	3,364	5,775
Sundry other financial liabilities	133	–	1,081	13,828	1,522	16,564
	146,669	**49,914**	**43,616**	**464,796**	**6,467**	**711,462**

The liabilities from bond and liabilities to banks existing as of November 30, 2014 include EUR 86,006k (prior year: EUR 68,748k) drawings from the revolving credit facility, which have been agreed firmly, until March 2016. These drawings are fully included under the item "Due or due in 1 month" (prior year: "Due or due in 1 month" EUR 38,816k and "1 to 3 months" EUR 29,932k).

Hedges

Derivative financial instruments are used exclusively for hedging purposes. The Group's financial risks are monitored centrally as part of Group-wide financial risk management. Identified potential risks are managed using suitable hedging instruments on the basis of clearly defined guidelines.

The following table provides an overview of hedges as of the financial year-end.

	Nov. 30, 2014		Nov. 30, 2013	
in EUR k	**Exchange rate hedges**	**Interest rate derivatives**	Exchange rate hedges	Interest rate derivatives
Nominal value (gross)	74,942[1]	91,435	63,128[1]	106,728
Fair value (net)	12	-379	37	-1,601
Residual term	04/2015	03/2015	12/2013–05/2014	03/2015
Carrying amount (underlying assets)	18,452	–	21,635	–
Carrying amount (underlying liabilities)	16,790	91,086	16,836	106,058

[1] This also includes forward exchange contracts for receivables and payables between consolidated companies that have been eliminated on consolidation.

The put option of Triveni is included in the carrying amount of the underlying liabilities of the exchange rate hedges in the financial year 2014.

The derivative financial instruments are measured at fair values determined by banks. As hedges, there is generally an economic relationship between the hedging instruments and hedged operating items.

Cash flow hedges

The payer interest rate swaps of the Gerresheimer Group existing as of November 30, 2014 were concluded to hedge the cash flow risk on a variable-rate loan. Changes in the cash flows from the hedged item resulting from changes in the reference interest rate (USD LIBOR) are offset by changes in the cash flows from the interest rate swap. The aim of the hedge is to transform the variable-rate bank loan into a fixed-rate liability.

As the principal terms of the interest rate swaps match those of the liability, the changes in fair value or cash flows on the hedged item and the hedging instrument are likely to fully offset each other. As a result, in accordance with IAS 39, effectiveness may be assumed without prospective effectiveness testing.

Retrospective effectiveness testing is done using the dollar offset method in the form of the hypothetical derivative method. This involves comparing the cumulative absolute change in the fair value of the swap designated as a hedge with the cumulative absolute change in the fair value of a hypothetical swap. The hypothetical swap is a "deputy" for the hedged item, replicating its relevant terms, and is measured based on current market conditions. If the terms of the hedged item and hedging instrument (of the hypothetical swap and the swap used as the real hedging instrument) are identical, as is the case at Gerresheimer, the changes in fair value are generally identical in absolute terms.

The cumulative gains and losses on hedging instruments are initially recognized directly in consolidated equity in the cash flow hedge reserve and subsequently reclassified to the income statement in the period in which the cash flows affect earnings.

Fixed rate risk exposure relates solely to bank loans with fixed terms and repayment agreements. The hedging rate in relation to syndicated loans is 100% (prior year: 100%). The cash flow hedges of the future interest payments were assessed to be effective; a cumulative unrealized loss (less deferred taxes) of EUR 235k (prior year: EUR 992k) from these hedging instruments was therefore recognized in consolidated equity. EUR 1,331k in cumulative losses recognized in equity (prior year: EUR 1,660k losses) were reclassified to net finance expense in the financial year 2014.

Gains and losses from the ineffective portions of these hedges are recognized immediately in profit or loss. As in the prior year, there was no hedge ineffectiveness in the financial year 2014.

Foreign exchange hedges
In accordance with internal financing guidelines, the Gerresheimer Group used forward exchange contracts and currency swaps in the financial year 2014 to hedge currency risks on foreign currency-denominated receivables and payables. The sole risk exposure in connection with currency management relates to transaction risks. The currency derivatives are used to hedge specific hedged items and are classified as effective hedging instruments in accordance with IAS 39.

Losses from derivative financial instruments of EUR 531k were recognized in profit and loss in the financial year 2014 (prior year: EUR 1,926k losses).

Sensitivity analyses
In accordance with IFRS 7, interest rate risk is presented using sensitivity analyses. The following section describes the sensitivity of net income before taxes and of the cash flow hedge reserve recognized in equity to a reasonably possible change in interest rates.

The interest rate sensitivity analyses are based on the following assumptions:

Changes in the market interest rate of non-derivative financial instruments with fixed interest rates only affect earnings when the instruments are measured at fair value. In the Gerresheimer Group, all non-derivative liabilities are measured at amortized cost. No financial liabilities with fixed interest rates are therefore exposed to interest rate risk within the meaning of IFRS 7.

In the case of interest rate swaps designated as hedges of interest rate risk, changes in the fair value of hedged items and hedging instruments due to changes in interest rates offset each other almost in full within the same period. As a result, these financial instruments are likewise not subject to material interest rate risk.

The market interest rate sensitivity analysis assumes a parallel shift in the interest rate curve in the US dollar area to represent a 100 basis point increase and a 10 basis point decrease in interest rates. In the prior year, a 20 basis point decrease in interest rates was assumed.

If the market interest rate had been 100 basis points higher or 10 basis points lower as of November 30, 2014 (prior year: 20 basis points lower), the cash flow hedge reserve would be more positive by EUR 142k or more negative by EUR 14k (prior year: more positive by EUR 689k or more negative by EUR 139k).

If the market interest rate had been 100 basis points higher or 10 basis points lower as of November 30, 2014 (prior year: 20 basis points lower), net income before taxes would have been EUR 86k lower or EUR 9k higher (prior year: EUR 72k lower or EUR 14k higher).

The following section describes the sensitivity of net income before taxes (due to the change in the fair values of monetary assets and liabilities) to a reasonably possible change in exchange rates, with Gerresheimer AG only being exposed to currency risk on unhedged monetary financial instruments. All other variables remain constant.

If exchange rates as of November 30, 2014 had increased (decreased) by 10%, net income before taxes would have increased by EUR 108k or decreased by EUR 193k (prior year using the same sensitivities: increase of EUR 1,383k and decrease of EUR 398k).

OTHER NOTES

(38) Segment Reporting

Segment reporting follows the management approach in accordance with IFRS 8 "Operating Segments". External reporting is thus based on internal reporting.

In the Gerresheimer Group, the Management Board, as the chief operating decision maker, allocates resources to the operating segments and assesses their performance. The reportable segments and regions as well as the performance data shown are consistent with the internal management and reporting system.

The Gerresheimer Group is managed through strategic business units organized as divisions. These are aggregated into reporting segments based on the economic characteristics of their businesses.

With the start of the **financial year 2014,** Gerresheimer realigned its divisions. The three-division structure is not only closely aligned with the production technologies, but now also better serves customer needs and groups similar technologies together.

The **Plastics & Devices** Division encompasses complex customer-specific system solutions for easy and safe drug administration and diagnostic products and medical devices together with plastic containers for liquid and solid drugs with closure and safety systems.

The **Primary Packaging Glass** Division produces glass primary packaging products for drugs and cosmetics.

The **Life Science Research** Division produces reusable laboratory glassware, laboratory disposables, and other specialized laboratory glassware for research, development, and analytics.

A reconciliation for the prior year from the existing to the new structure of the divisions can be found in our Annual Report 2013.

Services of Gerresheimer AG, consolidation measures, and intersegment reconciliations are presented in the segment reporting as "Head office/consolidation". The measurement principles for segment reporting are based on the IFRSs applied in the consolidated financial statements.

Segmental performance is assessed and calculated according to the following criteria:

- Intragroup revenues are measured on an arm's length basis. There were no revenues with key accounts amounting to more than 10% of Gerresheimer Group revenues neither for the financial year 2014 nor for the prior year.
- Adjusted EBITDA and adjusted EBITA are not defined in IFRS but represent key performance indicators for the Gerresheimer Group. Adjusted EBITDA is net income before income taxes, financial result, amortization of fair value adjustments, depreciation and amortization, impairments, restructuring expenses, and one-off income and expenses. Adjusted EBITA is adjusted EBITDA less depreciation and amortization of intangible assets and property, plant and equipment.
- Net working capital is defined as inventories, trade receivables, and prepayments less prepayments received and trade payables.
- Operating cash flow is a key performance indicator comprising adjusted EBITDA plus changes in net working capital at constant exchange rates plus capital expenditures less added finance leases.
- Capital expenditures comprise all additions to intangible assets and property, plant and equipment measured at cost.
- Non-current assets do not include financial instruments, deferred tax assets, post-employment benefits, or rights arising from insurance contracts.

Reconciliation from adjusted EBITA of the divisions to net income before taxes of the Group:

in EUR k	**2014**	2013
Adjusted segment EBITA	185,406	187,134
Head office/consolidation	-19,510	-20,951
Adjusted Group EBITA	**165,896**	**166,183**
Restructuring/one-off expenses and income	-5,906	-8,636
Amortization of fair value adjustments	-17,493	-18,951
Portfolio adjustments	-12,601	-5,648
Result of operations	**129,896**	**132,948**
Net finance expense	-30,547	-34,194
Net income before income taxes	**99,349**	**98,754**

(39) Auditor Fees

The following fees have been recognized as expense for services provided by Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft:

in EUR k	2014	2013
Financial statements auditing	515	464
Other assurance services	17	27
Tax advisory services	7	22
Other services	8	26
	547	**539**

(40) Related Party Disclosures (IAS 24)

In the course of our operating activities, we conduct business with legal entities and individuals who are able to exert influence on Gerresheimer AG or its subsidiaries or are controlled or significantly influenced by Gerresheimer AG or its subsidiaries.

Related parties as defined in IAS 24 include companies that are related parties of members of the Supervisory Board of Gerresheimer AG, non-consolidated companies and associates, and members of the Gerresheimer AG Supervisory Board and Management Board whose remuneration is reported in note (41) and in the Remuneration Report section of the Management Report.

The table below shows transactions with related parties as defined in IAS 24:

	2014				2013			
in EUR k	Sale of goods and services	Purchase of goods and services	Trade receivables	Trade payables	Sale of goods and services	Purchase of goods and services	Trade receivables	Trade payables
Company in relation to a member of the Gerresheimer AG Supervisory Board	2,897	–	193	–	3,430	–	281	–
Associated companies	–	1,950	–	210	72	1,801	16	380
	2,897	**1,950**	**193**	**210**	**3,502**	**1,801**	**297**	**380**

Transactions are always conducted at market prices and on arm's length terms.

The shares in the associated company Beijing Gerresheimer Glass Co. Ltd., Huangcun, Beijing, China, were sold with effect from May 20, 2014.

(41) Total Remuneration of the Members of the Supervisory Board and Management Board

Remuneration of the members of the Supervisory Board of Gerresheimer AG totaled EUR 1,086k in the financial year 2014 (prior year: EUR 1,001k).

In relation to the presentation of the remuneration of the members of the Management Board, the recommendations of the "Deutsche Corporate Governance Kodex" were implemented in the financial year 2013.

Remuneration of the active Management Board members during the financial year, made up of fixed salary (including fringe benefits), performance-linked bonuses, and components with a long-term incentive effect, came to EUR 4,052k in the financial year 2014 (prior year: EUR 4,212k).

The fair value of the 2014–2017 tranches of Management Board stock appreciation rights (tranches 8 to 11) was EUR 799k as of the balance sheet date (prior year: tranches 7 to 10: EUR 1,445k). EUR 863k (prior year: EUR 1,652k) was recognized as of the balance sheet date in expenses for additions to the provision for stock appreciation rights (tranches 4 to 9). For further details, please see note (32).

With effect from May 1, 2007, the pension obligations for active members of the Management Board were transferred to a pension fund. Benefits vesting since May 1, 2007 are generally processed through a provident fund. The present value of the defined benefit obligation for active members of the Management Board, before offset against plan assets, is EUR 5,748k (prior year: EUR 4,147k).

The present value of the defined benefit obligation for former members of management and their dependents, before offset against plan assets, is EUR 26,977k (prior year: EUR 25,175k). Regular payments for pensions and other benefits came to EUR 2,005k (prior year: EUR 1,391k).

Details on the remuneration of the members of the Management Board are provided in the Remuneration Report section of the Combined Management Report.

(42) Corporate Governance

The term corporate governance relates to a company's entire management and monitoring system, including its organization, business policies, and guidelines, as well as internal and external control mechanisms. The aim of good corporate governance is responsible and transparent corporate management and control geared to sustained value creation. This enhances the confidence of national and international investors, business partners, financial markets, employees, and the public in the management and control of Gerresheimer AG.

Under section 161 of the German Stock Corporation Act (Aktiengesetz/AktG), Gerresheimer AG is required, as a listed company, to "comply or explain", stating to what extent it complies with the recommendations of the German Corporate Governance Code and any recommendations it has not or will not comply with.

The Management Board and Supervisory Board of Gerresheimer AG most recently adopted the following declaration of compliance in accordance with section 161 of the German Stock Corporation Act (Aktiengesetz/AktG) as follows on September 9, 2014: Since its last amended declaration of May 22, 2014, Gerresheimer AG has complied with all recommendations of the "Government Commission on the German Corporate Governance Code" as amended on May 13, 2013. Gerresheimer AG will furtheron comply with all recommendations of the "Government Commission on the German Corporate Governance Code" as amended on May 13, 2013. The declaration is available from the Company website (www.gerresheimer.com/en/investor-relations).

(43) Events after the Balance Sheet Date

No events have arisen since November 30, 2014 that are expected to have a material impact on the net assets, financial position, or results of operations of the Gerresheimer Group or Gerresheimer AG.

The financial statements were prepared by the Management Board at its meeting on January 16, 2015, authorized for publication, and will be submitted by the Audit Committee to the Supervisory Board for approval in its meeting on February 10, 2015.

Duesseldorf, Germany, January 16, 2015

The Management Board

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of assets, liabilities, financial position and profit or loss of the Group, and the Group Combined Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Duesseldorf, Germany, January 16, 2015

The Management Board

Uwe Röhrhoff Rainer Beaujean Andreas Schütte

INDEPENDENT AUDITORS' REPORT

We have audited the consolidated financial statements prepared by Gerresheimer AG, Düsseldorf/Germany, – comprising the income statement, as well as the statement of comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement and the notes to the financial statements – and the group management report for the business year from December 1, 2013 to November 30, 2014. The preparation of the consolidated financial statements and the combined group management report in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a (1) HGB are the responsibility of the Company's Board of Directors. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB ("German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements of Gerresheimer AG, Düsseldorf/Germany, comply with IFRS, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Duesseldorf, Germany, January 16, 2015

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

Signed: Harnacke	Signed: Grünewald
Wirtschaftsprüfer	Wirtschaftsprüfer
German Public Auditor	German Public Auditor

SUPERVISORY BOARD AND MANAGEMENT BOARD

SUPERVISORY BOARD

Financial Year 2014 (December 1, 2013 to November 30, 2014)

Gerhard Schulze
Chairman of the Supervisory Board,
Diplom-Betriebswirt,
former Member of the Management Board of Gerresheimer Glas AG
b) Wickeder Holding GmbH (Chairman)
Linet Group SE, The Netherlands (Chairman)

Francesco Grioli
Deputy Chairman of the Supervisory Board,
Regional Director Rhineland-Palatinate/Saarland of IG Bergbau, Chemie, Energie
a) Symrise AG (until May 14, 2014)
BASF SE (since May 2, 2014)
Villeroy & Boch AG (since March 21, 2014)
b) Steag New Energies GmbH (Deputy Chairman) (since April 8, 2014)
Villeroy & Boch Fliesen GmbH (since June 10, 2014)

Sonja Apel
Director Group Accounting of Gerresheimer AG
b) Gerresheimer Mexico Holding LLC, USA
Gerresheimer MH Inc., USA
Gerresheimer UK Ltd., United Kingdom (until December 26, 2013)
Gerresheimer Spain S.L.U., Spain
Gerresheimer Denmark A/S, Denmark
Gerresheimer Plasticos Sao Paulo Ltda., Brazil
Gerresheimer Boleslawiec S.A., Poland

Lydia Armer
Member of the Company Works Council of Gerresheimer Regensburg GmbH
a) Gerresheimer Regensburg GmbH

Dr. Karin Louise Dorrepaal
Consultant,
former Member of the Management Board of Schering AG
a) Paion AG (Deputy Chairwoman)
b) Triton Beteiligungsberatung GmbH
Grontmij N.V., The Netherlands
Almirall S.A., Spain
Kerry Group plc, Ireland (since January 1, 2015)

Eugen Heinz
Member of the Company Works Council of Gerresheimer Lohr GmbH

Dr. Axel Herberg (since April 30, 2014)
Senior Managing Director of The Blackstone Group Germany GmbH
a) Jack Wolfskin Ausrüstung für Draussen GmbH & Co. KGaA (Chairman)
Leica Camera AG
b) Jack Wolfskin Group (functional apparel, outdoor equipment, shoes)
JW Germany Holding GmbH (Chairman)
Leica Group (photography and sport optics)
Lisa Germany Holding GmbH
Vetter Pharma-Fertigungs GmbH & Co. KG

Seppel Kraus
Regional Director Bavaria of IG Bergbau, Chemie, Energie
a) Hexal AG
Novartis Deutschland GmbH
Wacker Chemie AG

Dr. Peter Noé
Diplom-Kaufmann,
former Member of the Management Board of Hochtief AG
b) BlackRock Private Equity Partners AG, Switzerland

a) Membership in Supervisory Boards according to German legal regulations
b) Membership in comparable domestic and foreign control boards of economic enterprises

Hans Peter Peters (until April 30, 2014)
Chairman Advisory Board Lincoln International LP
b) Lincoln Spain S.L., Spain (Chairman)
German Mid-Cap Fonds (GMF) (Chairman)
Bank J. Safra Sarasin (Deutschland) AG
Scope Corporation AG (Deputy Chairman)

Markus Rocholz
Chairman of the Company Works Council of Gerresheimer Essen GmbH
a) Gerresheimer Tettau GmbH

Theodor Stuth
Auditor and Certified Tax Advisor
b) Wickeder Holding GmbH
Wickeder Profile Walzwerk GmbH
Linet Group SE, The Netherlands

Udo J. Vetter
Pharmacist and General Partner of UV-Cap GmbH & Co. KG
a) ITM AG (Chairman)
b) Vetter Pharma-Fertigungs GmbH & Co. KG (Chairman)
Atoll GmbH (Chairman)
HSM GmbH & Co. KG
K & M Präzisionstechnik GmbH (until July 30, 2014)
SeaLionPharma Pte. Ltd., Singapore (Chairman)
(until September 30, 2014)
Gland Pharma Pte. Ltd., India
Paschal India Pvt. Ltd., India (Chairman)

MANAGEMENT BOARD
Financial Year 2014 (December 1, 2013 to November 30, 2014)

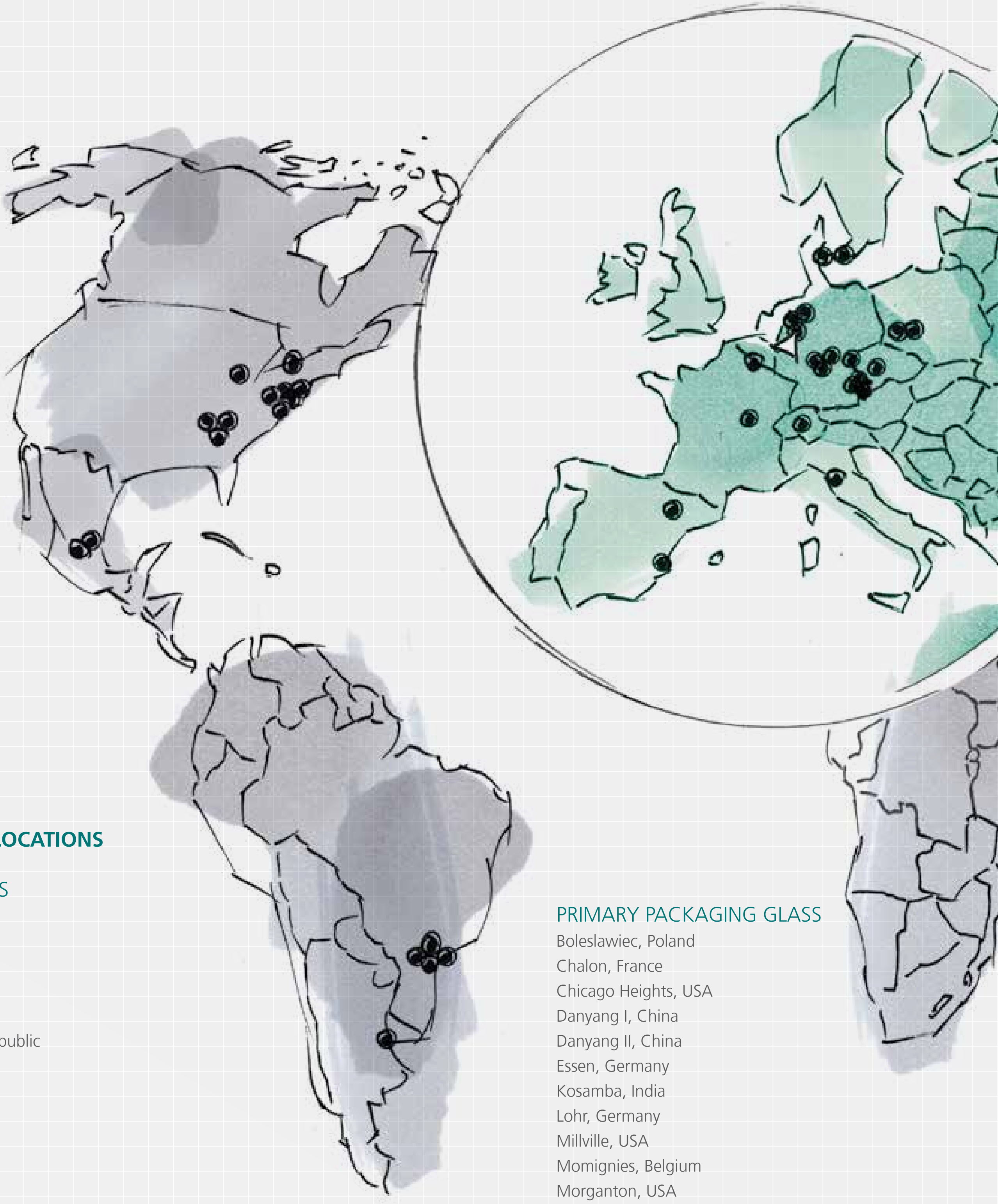
Uwe Röhrhoff
Chairman
a) Gerresheimer Tettau GmbH (Chairman)
Gerresheimer Regensburg GmbH (Chairman)
b) Gerresheimer Glass Inc., USA (Chairman)
Gerresheimer Momignies S.A., Belgium (Chairman)
Gerresheimer Queretaro S.A., Mexico (Chairman)
Neutral Glass and Allied Industries Pvt. Ltd., India
Gerresheimer Shuangfeng Pharmaceutical Glass (Danyang)
Co. Ltd., China (Chairman)
Gerresheimer Shuangfeng Pharmaceutical Packaging (Zhenjiang)
Co. Ltd., China (Chairman)

Rainer Beaujean
a) Gerresheimer Tettau GmbH (Deputy Chairman)
Gerresheimer Regensburg GmbH (Deputy Chairman)
b) Gerresheimer Glass Inc., USA
Kimble Chase Life Science and Research Products LLC, USA (Chairman)
Kontes Mexico S. de R.L. de C.V., Mexico
Kimble Kontes LLC, USA

Andreas Schütte
b) Gerresheimer Denmark A/S, Denmark (Chairman)
Gerresheimer Vaerloese A/S, Denmark (Chairman)
Gerresheimer Zaragoza S.A., Spain (Deputy Chairman)
Gerresheimer Plasticos Sao Paulo Ltda., Brazil
Gerresheimer Boleslawiec S.A., Poland (Chairman)
Triveni Polymers Pvt. Ltd., India

a) Membership in Supervisory Boards according to German legal regulations
b) Membership in comparable domestic and foreign control boards of economic enterprises

GERRESHEIMER AG LOCATIONS



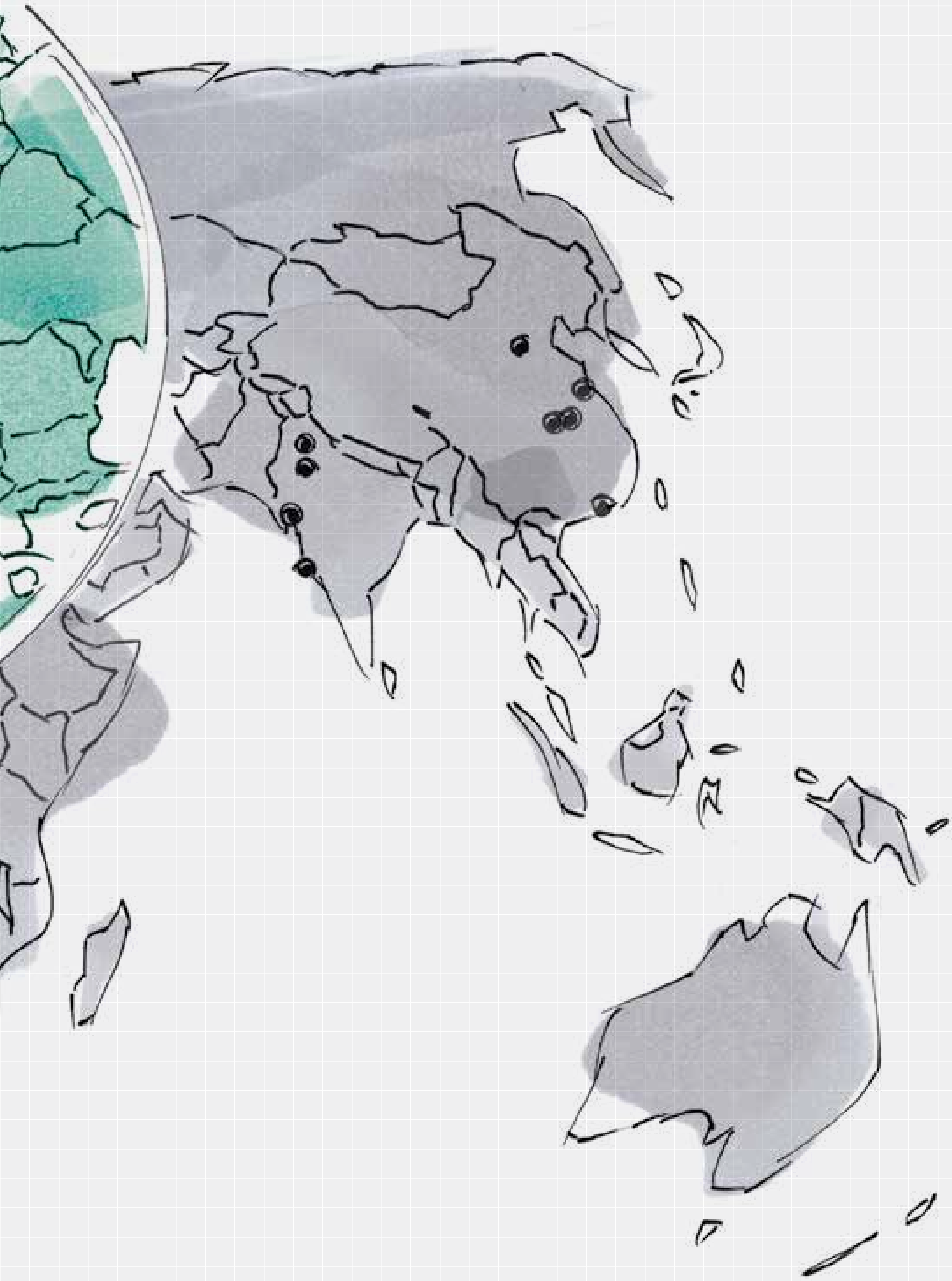
PRODUCTION LOCATIONS

PLASTICS & DEVICES

Boleslawiec, Poland
Buende, Germany
Buenos Aires, Argentina
Dongguan City, China
Haarby, Denmark
Horsovsky Tyn, Czech Republic
Indaiatuba, Brazil
Kuessnacht, Switzerland
Kundli, India
Muenster, Germany
New Delhi, India
Peachtree City, USA
Pfreimd, Germany
Regensburg, Germany
Sao Paulo Butanta, Brazil
Sao Paulo Cotia, Brazil
Sao Paulo Embu, Brazil
Vaerloese, Denmark
Valencia, Spain
Wackersdorf, Germany
Zaragoza, Spain

PRIMARY PACKAGING GLASS

Boleslawiec, Poland
Chalon, France
Chicago Heights, USA
Danyang I, China
Danyang II, China
Essen, Germany
Kosamba, India
Lohr, Germany
Millville, USA
Momignies, Belgium
Morganton, USA
Mumbai, India
Pisa, Italy
Queretaro, Mexico
Tettau, Germany
Vineland, USA
Vineland Crystal Avenue, USA
Vineland Forest Grove, USA
Wertheim, Germany
Zhenjiang, China



LIFE SCIENCE RESEARCH

Beijing, China
Meiningen, Germany
Queretaro, Mexico
Rochester, USA
Rockwood, USA
Vineland, USA

HEADQUARTERS

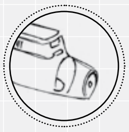
Duesseldorf, Germany (Gerresheimer AG)

As of November 30, 2014

PRODUCT OVERVIEW BY DIVISION

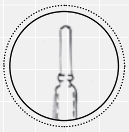
PLASTICS & DEVICES

The product portfolio of the Plastics & Devices Division includes complex, customer-specific products for the simple and safe administration of medicines, such as insulin pens, inhalers and prefillable syringes. Also included are diagnostics and medical technology products such as lancets and test systems, as well as pharmaceutical plastic containers for liquid and solid medicines with closure and safety systems.



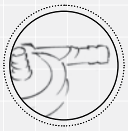
DRUG DELIVERY SYSTEMS

Drug delivery systems transport drugs simply and rapidly to or into the body. They include plastic systems such as inhalers, pen systems and injection systems.



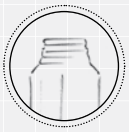
PREFILLABLE SYRINGE SYSTEMS

Prefillable syringe systems made of glass are supplied to customers in the pharmaceutical and biotech industry for filling with drugs. Gerresheimer offers a widely diversified range of sterile and non-sterile syringe systems. Gx RTF® (ready-to-fill) syringes are delivered to the customer washed, siliconized, assembled with a closure cap and sterilized, i.e. completely ready-to-fill.



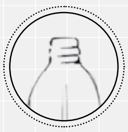
MEDICAL TECHNOLOGY PRODUCTS

Gerresheimer produces disposables for various analysis systems in laboratories and medical practices, quick tests for patients in medical practices or hospitals, skin-prick aids and lancets for diabetics, disposables and components for dialysis machines, catheters and surgical devices made of plastic.



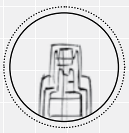
CONTAINERS FOR SOLID DOSAGE

For non-liquid forms of delivery such as tablets and powder, Gerresheimer offers a wide spectrum of high-quality, user-friendly products which are complemented by a multifaceted range of alternatives in terms of specific closures, tamper-evident closures and other design options.



CONTAINERS FOR LIQUID DOSAGE

For liquid applications in the field of pharma and healthcare, Gerresheimer has a host of container types made of PET, PE and PP in its range. Numerous system accessories allow individual tailoring to the customer's needs.



CONTAINERS FOR OPHTHALMIC AND RHINOLOGICAL APPLICATIONS

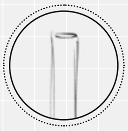
Gerresheimer also produces special plastic-based vials for eye drops and nasal sprays. These user-friendly containers which can be complemented by different drop, spray or pump system components facilitate precise drug dosage and application.

CONTAINERS FOR PARENTERAL PACKAGING: GX MULTISHELL® PLASTIC VIALS

Due to the triple-layer structure (COP/PA/COP), these Gerresheimer vials (2–100 ml) have oxygen barrier properties which are unique for plastic vials. These vials are manufactured out of heavy-metal-free polymers, are transparent and biocompatible, and are particularly suitable for sensitive parenteral medicines.

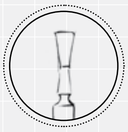
PRIMARY PACKAGING GLASS

The Primary Packaging Glass Division produces glass primary packaging for medicines and cosmetics, such as pharma jars, ampoules, injection vials, cartridges, perfume flacons and cream jars.



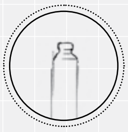
GLASS TUBES

Glass tubes as the preliminary stage for many pharma packaging forms such as ampoules, cartridges, vials and syringe barrels are created primarily from type I borosilicate glass.



AMPOULES

An ampoule is a self-sealed container made of tubular glass in standardized ISO types. In the case of pharmaceutical ampoules, a distinction is made between various break-open methods such as the One Point Cut, Color Break and Score Ring procedures.

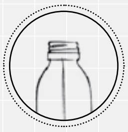


CARTRIDGES

The cartridge is a glass cylinder which is closed at the front end by an aluminum cap with a membrane which is penetrated by an injection needle for the actual injection. The rear end of the cartridge is closed by a rubber stopper. Cartridges are used primarily in dental medicine as a primary packaging form for local anesthetics and, in diabetes therapy, for insulin pens.

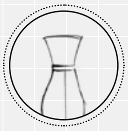
VIALS FOR PHARMACEUTICALS

Vials are small-volume primary packaging containers made of tubular glass. The filling volume of vials for pharmaceutical applications ranges from 0.6 to 50 ml.



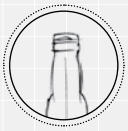
BOTTLES AND JARS FOR PHARMACEUTICALS

Glass containers for pharmaceutical use are available from Gerresheimer in widely varied forms: Syrup and dropper bottles, tablet jars, wide-neck jars and injection, infusion and transfusion bottles.



FLACONS AND POTS FOR COSMETICS

Gerresheimer produces flacons and pots in the widest possible variety of forms and finishes for fragrances, deodorants, care cosmetics and decorative cosmetics, etc.

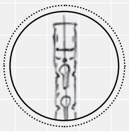


BOTTLES AND JARS FOR BEVERAGES AND FOOD

Gerresheimer supplies customer-specific and specialty containers for spirits and food.

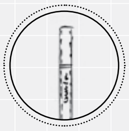
LIFE SCIENCE RESEARCH

The Life Science Research Division produces reusable laboratory glassware for research, development and analytics, such as beakers, Erlenmeyer flasks and measuring cylinders, as well as disposable laboratory products such as culture tubes, pipettes, chromatography vials and other specialty laboratory glassware.



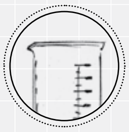
REUSABLE LABORATORY GLASSWARE

Reusable laboratory glassware is employed primarily in general research, test procedures and quality control. Examples of reusable laboratory glassware include beakers, Erlenmeyer flasks, precision burettes, pharmaceutical graduates and cylinders.



DISPOSABLE LABORATORY GLASSWARE

Disposable glass articles are used primarily in test procedures, quality laboratories and the clinical health sector. Examples of disposable laboratory glassware include serological pipettes, culture tubes, chromatography vials and scintillation vials.



SPECIAL LABORATORY GLASSWARE

Special laboratory glassware is used in a large number of applications. Examples of special laboratory glassware include NMR tubes, chromatography columns and products for tissue preparation.

GLOSSARY

Ampoule
Self-sealed container made of tubular glass in three standardized ISO types (B, C and D). Pharmaceutical ampoules feature different opening systems, including the One Point Cut (OPC), Color Break and Score Ring.

Autoinjector
Medical device for administering a single dose (injection) of a liquid drug. Autoinjectors were mainly developed for self-administration by the patient. The devices use prefilled syringes.
› Pen system

Backstop
The backstop is an ingenious addition to the Gerresheimer syringe range. The plastic system component is clipped onto the finger flange of a glass syringe. It narrows the top opening and stops the plunger head from being pulled out of the syringe. The ergonomically shaped wings also enlarge the finger flange for improved ease of use.

Biopharmaceutics
Drugs produced in genetically modified organisms by means of biotechnology. Biopharmaceutics is one of the fastest-growing product categories in the pharma and biotech industry.

Borosilicate glass
Glass with very high hydrolytic resistance thanks to its chemical makeup. Its low alkali composition makes borosilicate glass well suited as a packaging material for injectables.
› Hydrolytic resistance

Bulk syringes
Syringe barrels supplied to the customer in an unsterilized state. Washing, siliconization and mounting of the closure cap/needle shield before filling is carried out by the pharma company.

Camera inspection systems
The quality of Gerresheimer products is monitored during and after manufacture using in-process controls. Advanced inspection systems help pick out defective items at an early stage with the aid of dedicated computer technology and digital image processing.

Cartridge
Tubular glass cylinder closed at the front end by an aluminum cap with a membrane that is penetrated by a pen needle to draw up the injection solution.

Child-resistant closure
Closure that protects children from harm by making pharmaceutical packaging hard for them to open. These special closures require actions that (without instruction) are generally beyond the dexterity of a child. They typically call for non-intuitive opening actions or a combination of movements simultaneously or in sequence (e.g. press-and-turn caps).

Clean room
Room in which special air-handling processes and systems are used to control particulate and microbial air quality. An integral feature of pharmaceutical production technology, this is essential to the manufacture of numerous drug delivery and primary packaging solutions.

ClearJect® TasPack® (COP syringe)
A brand of sterile prefillable plastic syringes from our Japanese partner company Taisei Kako Co. Ltd. The syringes are made of cyclic olefin polymer (COP), a special plastic with glass-like transparency. COP syringes are especially well suited for demanding applications in cytostatics and biopharmaceutics. Like RTF® syringes, they are packaged sterile in nested tub format (TasPack® Taisei Kako Sterile Packaging).

COP syringe (ClearJect® TasPack®)
› ClearJect® TasPack®

Cytostatics
Cytostatics are natural or synthetic substances that inhibit cell growth. They are used for the most part in cancer treatment (chemotherapy) and in some treatments for autoimmune disease.

Diabetes care
Medical specialism covering diabetes diagnosis and therapy. In this business field, Gerresheimer concentrates on development and production of highly innovative lancets, skin-prick aids and insulin pen systems.

Diagnostic systems
Systems for the analysis of organic liquids and materials outside the body (in vitro). Such systems can analyze patient samples for specific parameters – in many cases fully automatically.

Dropper bottle system
Special glass or plastic bottle system consisting of bottle, dropper and closure for administering medication in drop form.

Drug delivery system
System to transport a drug's active substance in various ways (by pulmonary or nasal inhalation, through the skin, via the mucous membranes or orally) to exactly where it is needed in the body. Examples: inhalers for the treatment of respiratory disease and prefillable syringes for injection drugs.

Drug master file (DMF)
Document recording the (pharmaceutical) manufacturing process and drug quality assurance system used for regulatory agencies (such as the FDA in the USA or Health Canada in Canada). Drug master files enable producers who are not the final distributor of a drug (such as the producer of the active agent or primary packaging) to provide drug regulators with all necessary information without passing on trade secrets to their business partners.

Furnace
Used for the melting process in glass production. The raw materials are mixed in batches and melted in the furnace at about 1,600°C. Gerresheimer's furnaces run 24 hours a day, 365 days a year.

Gx Baked-On RTF®
Gx Baked-On RTF® optimizes RTF® syringes for silicone oil-sensitive biotech drugs. This Gerresheimer process is patented in Europe and the USA. Baked-on siliconization permanently fixes the silicone oil to the glass surface and significantly reduces the number of free oil droplets.

Gx® G3 inspection system
The Gx® G3 inspection system is the latest (third) generation inspection system for tubular glass products. In syringe production, the system allows all parts of the glass body to be cosmetically inspected in extremely high resolution. The system also offers highly accurate inspection of product geometry.

Gx MultiShell® plastic vials
These primary packaging vials are made from cyclic olefin polymer (COP) and polyamide (PA). Gx MultiShell® plastic vials are glass-clear, break-resistant and biocompatible, making them especially well suited to long-term storage of sensitive parenteral medicines. A new development, Gerresheimer's MultiShell® combines two COP outer layers with a middle layer of polyamide for improved barrier properties against gas permeation compared with vials made of COP alone.

Gx RTF® syringe systems
The letters RTF in Gerresheimer's Gx RTF® syringe brand stand for "ready-to-fill." Gx RTF® syringe systems are delivered to the customer washed, siliconized, assembled with the closure cap, packed in nests and tubs, and sterilized – completely ready-to-fill, as the name suggests. This cuts out a whole chain of elaborate process steps for pharma manufacturers. Customers can therefore start filling product straightaway, saving a lot of time and money in the process.

Gx® Tekion™
Gx® Tekion™ is a system developed by Gerresheimer for cleaning glass tubes with ionized air.

Gx TELC® (Tamper Evident Luerlock Closure)
Tamper-evident closure system developed by Gerresheimer for prefilled syringes. The system combines a Luerlock adapter with a tamper-evident closure.

Gx TERNS® (Thermoplastic Elastomer Rigid Needle Shield)
Gx TERNS® is a shield developed by Gerresheimer for needle tips, with a soft sealing element made of thermoplastic elastomer (TPE) and a firm plastic shell.

Hydrolytic resistance
The resistance of glass to the leaching of alkali ions from the glass surface, and the parameter used to grade glass into hydrolytic classes.

Inhaler
Device used in the treatment of asthma, bronchitis and other chronic respiratory ailments. It transports aerosol and powder-based medications into the upper and lower respiratory tracts.

Injection vial › Vial

Inner surface treatment
Special surfacing process for the inside of a pharmaceutical container, e.g. to ensure compatibility with the medication.

Insulin pen system
An insulin pen is a special injection system for safe and near-painless delivery of insulin from a cartridge.

Integrated moisture absorber
A moisture absorber protects medication from the effects of moisture during storage and absorbs atmospheric humidity that enters the container as a result of it being repeatedly opened. Gerresheimer integrates the desiccant in a capsule affixed to the inside of the Duma® Twist-Off cap.

Joint venture
Gerresheimer uses the term joint venture for entities where it is majority owner and exercises control but where minority interests exceed 20%.

Lancet
Plastic-coated blood-sampling needle for insertion into a skin-prick aid for diabetic patients.

Lancet magazine
Magazine with integrated lancets in a drum housing.

Laser coding
In the new laser coding process for syringes, a tiny data matrix code uniquely identifying the respective packaging container's type and origin is indelibly laser-etched onto the finger flange. In this way, Gerresheimer offers an innovative track-and-trace solution for pharma containers and helps combat drug counterfeiting.

Life sciences
Life sciences comprise the fields in which research institutes work primarily on the application of scientific findings in modern biology, chemistry and medicine as well as related areas, with a highly interdisciplinary and also market-driven orientation.

Molecular diagnostics
Molecular diagnostics refers to analysis methods based on examination of genetic material (DNA or RNA). These allow more precise information to be obtained than with traditional diagnostic procedures so that illnesses can be detected faster.

Moulded glass
Moulded glass packaging is produced in a single operation directly after the melting process.

Multifunctional closure system
Gerresheimer closures feature secure, air-tight opening and closure systems to meet varied requirements. All caps conform to ISO standards and can be combined with our glass and plastic packaging containers for liquids and solids. The multifunctional closures are tamper-evident, child-resistant, senior-citizen-friendly and moisture-absorbing.

Needle shield
Syringe part made of a pharmaceutical rubber compound that is placed over the taper to protect the needle and stopper the front end of the syringe.

Needle trap
Label with integrated needle shield to avoid needleprick injuries from syringes.

Ophthalmology
The medical field of ophthalmology deals with eye and sight diseases as well as malfunctions and their medical treatment.

Paste mould technology
Glass-forming (blowing) process using a rotating mould to produce a round and seamless piece of glassware.

Pen system
A pen system is used to administer medication in multiple doses. Unlike autoinjectors (which are non-reusable), pen systems are mostly used multiple times. A pen system contains a prefilled cartridge as the primary packaging.
› Insulin pen system

PharmaPlus
PharmaPlus is a range of high-caliber technical solutions in glass forming for unprecedented levels of precision. This includes the production of borosilicate glass tubes, which Gerresheimer itself manufactures as an intermediary product. The subsequent forming processes likewise produce an excellent new standard of quality in primary packaging, for syringes, cartridges, vials and ampoules alike.

Plastic systems
Complex and technically sophisticated assemblies made of multiple plastic components.

Plunger (head)/rubber stopper
Syringe part made of a pharmaceutical rubber compound that closes the syringe end after filling.

Plunger rod
Syringe part that is threaded or clipped onto the plunger head. For an injection, the user's thumb pushes down on the plunger rod to move the plunger and empty the syringe.

Prefillable syringe systems
Prefillable syringe systems in the form of Gx RTF® syringes are supplied sterile to customers in the pharma and biotech industry. Gx RTF® syringes are ready to be filled with liquid medication and sealed on accredited production lines.
› Gx RTF® syringe systems

Primary packaging
Packaging that is in direct physical contact with medication.

Siliconization
Silicone oil is used as a glide agent in the inner surface treatment of pharmaceutical containers. This makes it easier for the plunger to slide along the syringe barrel – an essential feature in a properly functioning syringe system.
› Gx Baked-On RTF®

Skin-prick aid
Device for diabetics allowing a lancet to be inserted near-painlessly into the skin. Some models allow for different penetration depths to cater for variations in skin thickness.

Tamper-evident closure
A tamper-evident closure reliably signals that a pharmaceutical container has been previously opened. This means physicians, nurses and patients know if a drug has been tampered with. Gerresheimer's Duma® Twist-Off tamper-evident screw caps for tablet bottles have a ring on the cap that is detached by the twisting action when the container is first opened. The pieces of plastic connecting the ring to the cap are torn off in the process, clearly indicating that the product has been opened before. The Tamper Evident Luerlock Closure (TELC®) for Gerresheimer syringe systems is likewise activated by twisting. The twist action causes the tabs on the twist-off closure to spread out, showing that the syringe has been previously opened.

TCC
Technical Competence Center, where products and systems are developed and made ready for series production in collaboration with the customer.

Tip cap
Syringe part made of a pharmaceutical rubber compound that is placed over the taper to stopper the front end of the syringe.

TPE (thermoplastic elastomer)
Plastic with thermoplastic properties, behaving like a classical elastomer at room temperatures but allowing its shape to be modified when heated.

Tubular glass
Tubular glass relates to two separate processes: First, the production of glass tubes and, second, the manufacture from those tubes of primary packaging such as syringes, cartridges, ampoules and vials.

Type I borosilicate glass tubing
Tubing of Type I borosilicate glass, whose chemical makeup lends it high hydrolytic resistance. Its low alkali composition makes Type I borosilicate glass well suited as a packaging material for injectables.

Vial
A small-volume primary packaging container made of tubular glass. Gerresheimer makes vials for pharmaceutical applications with filling volumes ranging from 0.6 to 50 ml. Often referred to as an injection vial as the liquid is drawn out with an injection needle (disposable syringe).

The definitions in this glossary apply in context as used by Gerresheimer and are not intended as generally applicable definitions.

› FINANCIAL CALENDAR / IMPRINT / MULTI-YEAR OVERVIEW

FINANCIAL CALENDAR

February 11, 2015	Annual Report 2014
April 14, 2015	Interim Report 1st Quarter 2015
April 30, 2015	Annual General Meeting 2015
July 9, 2015	Interim Report 2nd Quarter 2015
October 8, 2015	Interim Report 3rd Quarter 2015

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Note to the Annual Report
This Annual Report is the English translation of the original German version; in case of deviations between these two, the German version prevails.

Note regarding the rounding of figures
Due to the commercial rounding of figures and percentages, small deviations may occur.

MULTI-YEAR OVERVIEW

Financial Year-end November 30	2014	2013	Change in %[8]	Pro forma[9] 2012	2011	2010	2009
Results of Operations during Reporting Period in EUR m							
Revenues	1,290.0	1,265.9	1.9	1,219.1	1,094.7	1,024.8	1,000.2
Adjusted EBITDA[1]	253.4	249.8	1.4	239.9	217.3	204.5	185.9
in % of revenues	19.6	19.7	–	19.7	19.9	20.0	18.6
Adjusted EBITA[2]	165.9	166.2	-0.2	157.8	136.9	123.5	109.7
in % of revenues	12.9	13.1	–	13.0	12.5	12.0	11.0
Result from operations	129.9	132.9	-2.3	131.8	109.3	95.0	60.5
Net income	72.9	68.5	6.4	68.3	54.4	46.7	7.0
Adjusted net income[3]	97.9	103.5	-5.5	88.3	80.6	65.8	45.2
Net Assets at Reporting Date in EUR m							
Total assets	1,655.9	1,615.8	2.5	1,555.9	1,515.1	1,357.8	1,340.6
Equity	604.4	563.4	7.3	538.2	552.2	529.4	480.2
Equity ratio in %	36.5	34.9	–	34.6	36.4	39.0	35.8
Net working capital	233.1	201.9	15.4	175.2	172.5	151.2	144.4
in % of revenues of the preceding twelve months	18.1	15.9	–	14.4	15.8	14.8	14.4
Capital expenditure	126.6	119.1	6.3	118.9	86.2	73.2	86.4
Net financial debt	423.8	416.6	1.7	366.5	364.6	311.0	373.3
Adjusted EBITDA leverage[4]	1.7	1.7	–	1.5	1.7	1.5	2.0
Financial and Liquidity Position during Reporting Period in EUR m							
Cash flow from operating activities	158.3	146.7	7.9	173.6	129.8	159.8	117.4
Cash flow from investing activities	-125.0	-168.6	25.9	-148.6	-159.0	-69.5	-86.8
thereof cash paid for capital expenditure	-125.6	-119.0	-5.5	-118.9	-86.2	-73.1	-86.3
Free cash flow before financing activities	33.3	-21.9	>100	25.0	-29.2	90.3	30.7
Employees							
Employees as of the reporting date (total)	11,096	11,239	-1.3	10,952	10,212	9,475	9,343
Stock Data							
Number of shares at reporting date in million	31.4	31.4	–	31.4	31.4	31.4	31.4
Share price[5] at reporting date in EUR	44.44	49.67	-10.5	39.41	31.17	28.20	23.05
Market capitalization at reporting date in EUR m	1,395.4	1,559.6	-10.5	1,237.5	978.7	885.5	723.8
Share price high[5] during reporting period in EUR	56.42	50.14	–	41.34	36.62	29.85	27.05
Share price low[5] during reporting period in EUR	42.31	37.60	–	31.00	28.30	22.09	13.24
Earnings per share in EUR	2.11	1.98	6.6	1.98	1.61	1.38	0.18
Adjusted earnings per share[6] in EUR	2.89	3.08	-6.2	2.62	2.44	1.95	1.34
Dividend per share in EUR	0.75[7]	0.70	7.1	0.65	0.60	0.50	–

1) Adjusted EBITDA: Earnings before income taxes, net finance expense, amortization of fair value adjustments, extraordinary depreciation, depreciation and amortization, restructuring expenses, and one-off income and expenses.
2) Adjusted EBITA: Earnings before income taxes, net finance expense, amortization of fair value adjustments, extraordinary depreciation, restructuring expenses, and one-off income and expenses.
3) Adjusted net income: Consolidated net income before non-cash amortization of fair value adjustments, special effects from restructuring expenses, extraordinary depreciation, the balance of one-off income and expenses (including significant non-cash expenses), and the related tax effects.
4) Adjusted EBITDA leverage: The relation of net financial debt to adjusted EBITDA of the preceding twelve months.
5) Xetra closing price.
6) Adjusted net income after non-controlling interests divided by 31.4m shares.
7) Proposed appropriation of net earnings.
8) The change has been calculated on a EUR k basis.
9) Retrospective restatement due to the early adoption of IAS 19 (amended in 2011) from December 1, 2012. A detailed explanation of the effects from the restatement can be found in the notes to the Annual Report 2013.

DIVISIONS

› Plastics & Devices

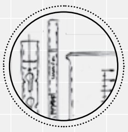
The product portfolio of the Plastics & Devices Division includes complex, customer-specific products for the simple and safe administration of medicines, such as insulin pens, inhalers, and prefillable syringes. Also included are diagnostics and medical technology products such as lancets and test systems, as well as pharmaceutical plastic containers for liquid and solid medicines with closure and safety systems.

in EUR m	**2014**	2013	Change in %[4]
Revenues[1]	**598.8**	561.6	6.6
Adjusted EBITDA[2]	**126.1**	120.8	4.4
in % of revenues	**21.1**	21.5	–
Adjusted EBITDA[2] excluding Triveni effect[3]	**123.7**	113.3	9.2
in % of revenues excluding Triveni effect[3]	**20.7**	20.2	–
Capital expenditure	**63.5**	55.8	13.8

› Primary Packaging Glass

The Primary Packaging Glass Division produces glass primary packaging for medicines and cosmetics, such as pharma jars, ampoules, injection vials, cartridges, perfume flacons, and cream jars.

in EUR m	**2014**	2013	Change in %[4]
Revenues[1]	**622.2**	635.4	-2.1
Adjusted EBITDA[2]	**134.0**	138.0	-2.9
in % of revenues	**21.6**	21.7	–
Capital expenditure	**60.4**	62.4	-3.2



› Life Science Research

The Life Science Research Division produces reusable laboratory glassware for research, development, and analytics, such as beakers, Erlenmeyer flasks, and measuring cylinders, as well as disposable laboratory products such as culture tubes, pipettes, chromatography vials, and other specialty laboratory glassware.

in EUR m	**2014**	2013	Change in %[4]
Revenues[1]	**87.3**	86.8	0.7
Adjusted EBITDA[2]	**12.4**	11.5	7.8
in % of revenues	**14.2**	13.2	–
Capital expenditure	**2.1**	0.9	> 100

[1] Revenues by segment include intercompany revenues.
[2] Adjusted EBITDA: Earnings before income taxes, net finance expense, amortization of fair value adjustments, extraordinary depreciation, depreciation and amortization, restructuring expenses, and one-off income and expenses.
[3] Excluding the other operating income of EUR 2.4m in 2014 and EUR 7.5m in 2013 related to the fair value evaluation of the Triveni put option.
[4] The change has been calculated on a EUR k basis.