INTERIM REPORT

of the BayWa Group

1 January until 30 June 2016

BayWa

Interim Report of the BayWa Group for the Period from 1 January to 30 June 2016

The Report provides information on the performance of the BayWa Group in the second quarter and the first six months of the financial year 2016.

Mixed performance in the Agriculture Segment; Energy and Building Materials Segments on track.

in € million	**Q2/16**	Q2/15*	%	**6M/16**	6M/15*	%
Revenues	3,988.0	3,968.9	0.5	7,456.4	7,418.9	0.5
EBIT	67.7	50.0	35.4	55.3	46.7	18.4

Consolidated revenues stood at almost €7.5 billion after the first six months of the year, up 0.5% year on year. Earnings before interest and tax (EBIT) increased by €8.6 million to a total of €55.3 million.

The underlying conditions for the Energy and Building Materials Segments remained relatively stable, whereas the Agriculture Segment continued to be exposed to a challenging climate. This was largely attributable to the further decline in prices for agricultural commodities. Low producer prices caused many farmers to hold back on investing in agricultural equipment and also saw demand for agricultural operating resources dip. In some core regions in Germany, operating resources – particularly fertilisers – could not be utilised to the full extent due to the rainy spring weather. In addition, margins remained below average in grain trading on account of the price trend.

In spite of the challenging market situation, the Agriculture Segment was able to improve its quarterly result year on year thanks to its diversified and international market position. International fruit trading had a particularly positive impact in this regard. The fruit business of New Zealand subsidiary T&G Global Limited (formerly: Turners & Growers Limited) recorded a similarly strong marketing season to the previous year. The business sector also benefited from the sale of the packaging logistics unit in New Zealand. The acquisition of Dutch company Tropical Fruit Company (TFC) Holland B.V. also provided its expected earnings

* Figures adjusted, mainly for the effect from the accounting of a finance leasing in the financial year 2013 and the early application of a new IFRS standard. Details on the adjustments made are described in the Notes to this Interim Report and the Consolidated Financial Statements 2015, note B.7.

contributions for the reporting quarter. The operating result (EBIT) in the Agriculture Segment rose by some 11.8% to €50.3 million compared to the same quarter last year. In terms of the first half of the year, the EBIT of €49.7 million fell by approximately 23.7% year on year due to the poor opening quarter. Significant grain volume is likely to offer solid marketing opportunities in the second half of the year and therefore the chance to reduce this year-on-year gap by the end of 2016.

The Energy Segment performed well in the first half of the year. There was strong demand for fuels and lubricants once again thanks to the further decline in oil prices year on year. Sales increased across all product groups – except in the case of lubricants. Aside from the solid sales development, earnings in the conventional energy business also benefited from improved trade margins. The Renewable Energies business sector was boosted by the sale of wind farms and solar parks in the UK and Germany. In early May 2016, BayWa r.e. concluded a long-term electricity agreement for the recently commissioned Vine Farm solar park in the UK. With an output of 45 megawatts (MW), Vine Farm is the largest BayWa r.e. solar project to date. Expansion towards South East Asia continues to make strides: BayWa r.e. has opened a new branch in Bangkok, which joins Tokyo and Singapore, with the aim of better exploiting the market potential for solar projects in the region. The Energy Segment's EBIT of €23.1 million was significantly higher than the previous year's figure (H1/2015: €–0.9 million).

The half-year results in the Building Materials Segment reflect the positive overall trend in the construction sector. The segment was also able to expand the year-on-year on rise in sales volume, which was established in the first quarter on account of the lack of winter weather. The segment benefited in particular from the increase in residential construction and the fall in fuel prices for logistics operations. As a result, the seasonal loss in the opening quarter of the year was turned into a significant gain by the midway point of 2016. The Building Materials Segment generated EBIT of approximately €5.6 million in the first six months of the year (H1/2015: €–0.3 million).

The BayWa Group generated operating EBIT of €78.4 million in the first half of 2016, a year-on-year rise of 22.4%. (Operating EBIT only includes the core business areas of agriculture, energy and building materials and does not include peripheral activities).

The mixed development of the BayWa Group operating segments is likely to continue into the second half of the year. The marketing of the new harvest could give the Agriculture Segment substantial impetus, whereas the New Zealand fruit business is likely to suffer a slowdown as the marketing season is more or less over in the third quarter. Strong demand for conventional energy carriers will likely dip in subsequent quarters as customers' tanks are largely full. By contrast, the renewable energies business should continue its positive performance into the second half of the year. The flourishing construction sector is also likely to benefit the building materials trade in the second half of 2016.

These underlying conditions give the Group a solid basis from which to increase its earnings year on year.

Agriculture Segment

Market and industry development

The comfortable supply situation involving agricultural commodities around the world is likely to continue in the new grain year 2016/17. According to the latest estimates from the United States Department of Agriculture (USDA), global grain production is likely to once again stand at approximately 2 billion tonnes (excluding rice). In spite of a forecast increase in demand, this would be the fourth year in succession of an increase in inventories. The rise in demand for soya in China and the declines in soya harvests in South America could lead to produced volumes being used up by worldwide consumption. Soybean prices rose significantly in the spring months and are currently fluctuating at around €380 per tonne. The price of wheat, which rose only moderately in the second quarter from €140 to €170 per tonne, recently declined somewhat and is currently at approximately €160 per tonne. Corn prices also recovered substantially between April and June, thanks in part to reduced harvest expectations in Brazil. Corn is currently trading at roughly €170 per tonne, above the price of wheat. Global demand for wheat was disproportionately high due to its favourable price compared to corn. European wheat exports benefited from this price trend, increasing by over 31 million tonnes on the already high previous-year figure generated in harvest year 2015/16.

For the upcoming EU harvest, COCERAL experts are forecasting a 1.6% increase in harvest volume to 314 million tonnes. Corn production is likely to increase the most, while the wheat harvest is not likely to reach 2015 levels. Besides volume, wheat quality in parts of Europe is also likely to have suffered from the freak weather seen over the past few months. The onset of cold weather in April was followed by weeks of sustained rainfall, which caused both localised flooding and catastrophic floods in France and Southern Germany. In spite of this, the German grain harvest is currently expected to match the solid previous year’s figure of approximately 48 million tonnes. Wet weather is also likely to have increased the level of disease among crops in some areas. In spite of this, the use of crop protection products was only possible to a limited extent, as fields were unable to be accessed due to the wet conditions. Uncertainty over the continued licence for herbicide glyphosate is also pushing down demand.

Sales of fertilisers were also down due to the fact that many areas could not be accessed. In addition, the ongoing poor economic sentiment in the German agriculture industry had a negative impact on demand for operating resources.

As the prices for fertilisers at the start of the new fertilisation year 2016/17 were once again down considerably on those in the previous year, which had already been on a downward trend, willingness to buy only increased noticeably from mid-June. Farmers' increasing low propensity to invest in the agricultural equipment business was most noticeable:

In June, the planned investment volume of German operations was down 25% year on year. As a result, the number of new machines registered in the period from January to June 2016 was down significantly on the previous-year level at 14,228 tractors (H1/2015: 15,763 tractors). Digital innovations relating to site-specific farm management and the monitoring of land are the only sources of growth momentum. The agricultural industry's economic barometer recently rose slightly, by 2.4 points, the first increase since March 2015.

In the fruit business, residual stock from the 2015 European apple harvest was sold in the spring months at slightly higher prices, and that despite Russia extending the ban on imports of EU food products to the end of 2017. Volumes of new overseas apples rose over the course of the quarter, and demand for these products was high. While apple harvest volumes in the southern hemisphere will likely be down slightly year on year overall, New Zealand again reported a rise in export volumes. Favourable growth conditions boosted the size and quality of the fruit; as a result, the marketing season is expected to come to a satisfactory close. It is still too early to provide a precise forecast on this autumn's German apple harvest; given fruit development to date, the harvest volume is expected to be at least on par with the average for recent years, despite the hail damage suffered in some areas.

Business development

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

	Revenues			EBIT		
in € million	**Q2/16**	Q2/15	%	**Q2/16**	Q2/15*	%
BAST	1,461.4	2,276.9	-	4.4	21.7	-
BAV	846.7		-	18.5		-
Fruit	172.4	167.2	3.1	23.1	14.8	56.1
Agricultural Equipment	374.0	386.7	- 3.3	6.7	8.5	- 21.2
Digital Farming	1.5	-	-	- 2.4	-	-
Agriculture Segment	**2,856.0**	**2,830.8**	**0.9**	**50.3**	**45.0**	**11.8**

In the first half of 2016, the Agriculture Segment generated a slight year-on-year increase in revenues, which was primarily due to the significant rise in grain and oilseed trading volumes, as well as increases in revenues at TFC Holland B.V. The shortfall in operating segment earnings (EBIT), which, as expected, were still down year on year after the first six months of the current financial year, decreased in particular due to the rise in the earnings contribution of the fruit business in the reporting quarter.

In the first half of 2016, the BAST business unit benefited from a 24% year-on-year rise in grain and oilseed sales volumes. This increase in volume was mainly due to the expansion of international trading activities of the companies combined in the Group company BayWa Agrar International B.V. (BAGI) as well as malting barley trader Evergrain Germany GmbH & Co. KG, which has been included in the group of consolidated companies since the end of January 2016. Export activities were buoyed by strong demand for EU wheat from outside of Europe, which became more attractive worldwide mainly due to its price relative to corn. Dutch Group company Cefetra B.V. was also able to boost sales volumes, due in part to increasing global demand for soya beans. Grain prices that were down on average year on year, which also led to lower profit margins, counteracted this effect.

Business activities in the BAV business unit in the first six months of the current year were characterised by the somewhat sluggish subsequent collection of grain in BayWa AG's core region compared to 2015; sales of agricultural resources were also impacted by Germany farmers' continued low propensity to invest as well as freak weather during what are usually strong spring months. Agricultural resources could not be used efficiently in some parts of Germany due to flooding or too much rain. As a result, crop protection and fertiliser sales volumes were down year on year overall, despite a brief recovery in demand at the start of the second quarter of the year. Declining prices for both urea and nitrogen fertilisers in the

* Figures adjusted

reporting period also led to considerable pressure on margins. However, demand in the early orders business for harvest year 2016/17 picked up due to the renewed sharp drop in fertiliser prices at the start of the new fertiliser season. Sales of seed and feedstuff is also still down year on year.

In the fruit trading business, the expansion of business activities at T&G Global Limited (T&G), New Zealand, and the activities of TFC Holland B.V., which were acquired in March 2016, significantly boosted revenues in the Fruit business sector. While sales declined in Germany in the first half of 2016, trading activities in New Zealand were once again on par with the high level reported in the previous year. Overseas apples were marketed at higher prices on account of their excellent quality. Besides additional income from the trading of tropical fruit, the fruit business's operating result (EBIT) also profited from a one-off boost of approximately €7 million from the disposal of the packaging logistics unit of T&G. As a result, EBIT in the first half of 2016 is significantly higher year on year.

In the agricultural equipment business, farmers' low propensity to invest led, as expected, to lower demand for farm and commercial buildings, as well as a sharp drop in machinery sales in the first half of 2016. Sales of new tractors fell by 20% year on year. As sales of used machinery also declined, in this case by 26%, the business unit fell short of the comparable figure for 2015. While the level of sales orders has not yet started to reverse, demand for repairs and service climbed steadily during the course of the spring months. As a result, workshop utilisation levels in the reporting period were more or less on par with the high level reported in the previous year. However, the result was impacted by a fall in sales as well as higher personnel expenses, leading, as expected, to a significant shortfall in EBIT as of 30 June 2016 compared with the figures seen in the previous year.

The Digital Farming business unit developed as expected in the first half of 2016: The research and development costs incurred in the course of expanding the product range of smart farming solutions exceeded the sales and income generated from software licensing fees. Accordingly, the business unit posted a negative EBIT in the first half of the current year.

Energy Segment

Market and industry development

After a buoyant start to the year – gross domestic product increased by 0.7% in the first quarter of 2016 – economic development in Germany also registered growth in the spring quarter. But on account of the United Kingdom's decision to leave the European Union (EU) – "Brexit" – uncertainty in the German business community has been increasing since the end of June. As a consequence, the economic outlook has recently experienced a slight downturn and the growth prognosis for full-year 2016 should be marginally adjusted downwards. Crude oil prices increased noticeably in the course of the second quarter and returned to USD50 per barrel in June for the first time since November 2015. Since then, prices have been fluctuating at slightly below this level without any clear tendency. The cost of heating oil in Germany has been following a similar course: after recovering in the last three months it is currently stagnating at approximately €0.50 per litre. Heating oil sales at companies in the industry increased by 5.7% year on year in the period from January to April 2016 on account of the continuing low price level compared against the long-term average. Demand for diesel and Otto fuels also benefited from the consumer-friendly price development, registering growth of 7.6% and 1.0%, respectively. Lubricants, however, did not quite reach the volume of the previous year (down 3.9%).

In the field of renewable energies, the German Federal government has recently passed a reform of the German Renewable Energy Sources Act (EEG) whose aim is to enable calculable further growth and at the same time guarantee synchronisation with the necessary network extension. The most important change is that as of the beginning of January 2017, EEG remuneration for energy derived from wind farms, solar power plants and biogas plants will no longer be determined by the state but by tenders put out on the market. There are to be upper limits both for the annual number of tenders and for the price quotes. In the meantime, electricity production from photovoltaic (PV) systems and wind farms in Germany was up approximately 5% year on year in the first half of 2016. Wind energy, in particular, was able to continue its upward trend because new wind farms with a total output of 995 megawatts (MW) were commissioned in Germany in the period from January to April. This corresponds to an increase of around 30% on the already high increase registered for the same period of last year. As a consequence of this, experts predict that in full-year 2016, onshore and offshore wind turbines will for the first time produce more electricity than nuclear power stations. At a global level too, driven on in particular by China and the US, a new peak value will be achieved for wind energy with an expansion of 64 gigawatts (GW) in 2016. This year, solar power installations producing a total of around 66 GW worldwide are expected to be commissioned. The growth drivers, in addition to China and India, will also be the US,

with new installations producing nearly 1.7 GW in the first quarter alone being commissioned. Photovoltaic expansion in Germany weakened further: from January to May, 395 MW of solar capacity was connected to the grid, nearly 24% than in the same period of last year. In this context, total PV output reached the 40 GW mark at the end of May. However, the installation of private energy storage systems as system components is increasing constantly, which means that photovoltaics, as the energy source that fits in with this, could be in increasing demand again in the future.

Business performance

	Revenues			EBIT		
in € million	**Q2/16**	Q2/15	%	**Q2/16**	Q2/15*	%
Conventional Energy	508.8	561.4	- 9.4	3.4	1.9	78.9
Renewable Energies	155.6	133.3	16.7	3.7	- 3.8	> 100
Energy Segment	**664.4**	**694.7**	**- 4.4**	**7.1**	**- 1.9**	**> 100**

The Energy Segment comprises the Group's trading activities in fossil and renewable heating fuels, fuels and lubricants as well as its business in renewable energies, which is pooled in BayWa r.e. renewable energy GmbH. In the first six months of the current reporting year, the segment experienced a year-on-year decline in revenues that is entirely attributable to oil prices. In terms of earnings before interest and tax (EBIT), considerably higher income contributions from BayWa r.e. and the conventional energy segment led to a significant increase compared to the same period of last year.

In the conventional trade and distribution business, revenues in the first half of the year decreased on account of consistently lower oil prices compared to the same period in 2015. However, the attractive prices did led to an increase in demand for heat energy carriers: heating oil sales increased by a further 10% and wood pellets by 4% compared to an already strong previous year. Above and beyond this, the heating business was expanded in the reporting quarter by the acquisition of the wood pellet trade of Dr. Gies Vermögensverwaltungs-Future Energies GmbH in Empfingen (Baden-Württemberg), Germany, and the acquisition of heat supply contracts and sales of woodchips from ECOLOHE AG in Bad Aibling (Bavaria), Germany. There was an agreeable development in demand in the filling station business with fuel sales up slightly year on year, whereas the volume of lubricants fell by 4%. On account of sales growth in the heating business and an improvement in heating oil trade margins, earnings before interest and tax (EBIT) more than doubled as of 30 June 2016 as compared to the same period in the previous year.

* Figures adjusted

In the Regenerative Energies business sector, the first half of 2016 was dominated by the completion of a number of solar power and wind farm projects. After six solar power plants in the UK (128 MW) were connected to the grid in the first quarter of the year, a PV roof project (0.8 MW) and three wind farms in Germany, Austria and the UK, with a total output of nearly 42 MW were commissioned in the reporting period. In order to further increase solar activities in South East Asia, an additional subsidiary was opened in Bangkok, Thailand, in early 2016 in addition to Tokyo and Singapore. Business involving the commercial and technical operations of solar farms and wind turbines was also expanded in June following the acquisition of O&M service provider Kenergia Sviluppo S.r.l. (Rome), Italy. As a consequence of the expansion of business activities, BayWa r.e. was able to achieve increased revenues in the reporting quarter. The greater number of project completions as compared to the previous year was noticeable in earnings before interest and tax (EBIT): while the sale of one PV project (4.9 MW) was achieved in the first half of 2015, the current financial year has already seen the sale of the British “Homestead” solar power plant (17.7 MW), and the completion and transfer to its owner of the “Ohmenheim” wind farm (16.5 MW) in Germany. Additionally, the construction of the “Külsheim” wind farm (12 MW) in Germany, for which BayWa r.e. was responsible for the project management, was successfully completed. Accordingly, the Renewable Energies business sector saw earnings growth as of 30 June 2016 compared to the previous year. Additionally, further income amounting to €10.7 million was generated as of this date by project-related hedges that may increase or decrease in the course of the financial year.

Building Materials Segment

Market and industry development

The dynamic development up to the start of the season in 2016 in the German construction sector has, despite considerable rainfall in some areas and regional flooding in the spring months, continued. The construction industry's revenues in the construction sector were nominally 6.8% above the same value for the previous year for the period from January to April, and achieved the highest value for 15 years. Additionally, the companies in the industry registered a 16% year-on-year rise in order intake in the first four months of 2016. Since the number of planning approvals also continued to increase during this period, gaining 31.2%, industry experts are predicting the approval of around 375,000 new multi-storey residential properties in full-year 2016. Accordingly, the ifo Business Climate Index for the construction sector increased a further 0.9 points in June to the highest level since German reunification. On account of the positive trend in the construction sector, industry association Hauptverband der Deutschen Bauindustrie recently raised its prediction for revenue growth in 2016 to 3.5%. While a more moderate increase of 1% is predicted for commercial construction, the decisive impulses will come from residential construction (up 6%) and public construction (up 4%). Both segments will also benefit from the additional funding measures within the scope of a residential construction initiative by the government that is aimed in particular at continuing to drive the construction of new multi-storey residential properties in urban areas. Against the background of high capacity utilisation in the industry, there is a possibility that scope could be created for price increases for construction services and materials in the coming months.

Business performance

	Revenues			EBIT		
in € million	**Q2/16**	Q2/15	%	**Q2/16**	Q2/15*	%
Building Materials	463.5	439.5	5.5	20.5	16.4	25.0
Building Materials Segment	**463.5**	**439.5**	**5.5**	**20.5**	**16.4**	**25.0**

The Building Materials Segment mainly comprises the Group's trading activities involving building materials in Germany and Austria. In the reporting period, the sales advantage that was achieved in the first quarter of 2016 on account of the lack of winter weather as compared to the previous year has been extended. Despite regionally occurring persistent rain in the spring months, demand continued to increase in all trades, which meant that the

* Figures adjusted

entire building materials product range registered increased sales. Against this background, an increase in revenues was generated in the first six months of the current financial year compared to the same period of last year. Here, construction and civil engineering projects product ranges benefited in particular from the boom in residential construction. The recent increase in repairs and modernisations carried out on motorways, bridges and tunnels has buoyed sales of building materials for civil engineering and road construction work. As a part of continuing optimisation of building materials measures, the plant in Murrhardt (Baden-Württemberg), Germany, was sold at the beginning of June 2016. Since in addition to the improved development in revenues, reduced fuel prices have alleviated vehicle fleet costs, a considerable rise in earnings as of 30 June 2016 as compared to last year was achieved. Management's decision against a joint venture solution in the building materials business and in favour of further optimisation of the business unit should bring an additional boost over the course of the year.

Other Activities

EBIT resulting from Other Activities encompasses, in addition to earnings contributions from peripheral activities, a major part of the Group's administration costs and consolidation effects and amounts to €–23.1 million as of 30 June 2016 (previous year: €–17.4 million). This decline in comparison to 2015 was mainly due to foreign exchange losses and a decline in earnings from participating interests recognised at equity.

Report on the assets, financial position and result of operations

Asset position

As at the end of the first half of 2016, the BayWa Group had total assets of €6,581.3 million, an increase of €544.6 million as against the end of 2015. This development was mainly due to a rise in current assets, while non-current assets remained more or less unchanged.

Overall, non-current assets fell slightly by €4.4 million to €2,282.8 million. Intangible assets rose by €29.7 million, from €166.8 million as at 31 December 2015, to €196.5 million at the end of the first six months of the financial year 2016. A significant portion of this increase is attributable to the preliminary goodwill from the acquisitions of TFC Holland B.V. and Evergrain Germany GmbH & Co. KG. This was offset by a €34.0 million fall in property, plant and equipment, to €1,385.8 million, in the reporting period, which was mainly due to the reclassification of a wind park that had been held for sale, from property, plant and equipment to non-current assets held for sale, as well as the sale of the packaging logistics unit in New Zealand by Group company T&G Global Limited in June. Investments recognised at equity also declined, by €1.6 million as a result of the ongoing adjustments of the respective capital interests, and amounted to €202.3 million at the end of the reporting period. The €4.9 million fall in other financial assets to €163.3 million is mainly down to the reduction in loans to affiliated companies and other loans. The value of investment properties declined from €55.9 million to €53.1 million on account of disposals as well as their reclassification to non-current assets held for sale. This was offset by a €13.4 million rise in deferred tax assets to €224.9 million.

Current assets climbed by €526.5 million to €4,266.2 million which, in addition to the usual seasonal rise in trade receivables and the increase in inventories, was primarily due to a rise in financial assets, which mainly include commodity futures classified as financial instruments. Trade receivables rose by €341.9 million to €1,108.3 million on account of the seasonal boost in business activities in agricultural trade, agricultural equipment and building materials after the winter months as well as the steady expansion of business activities in the Renewable Energies business sector. Other assets, however, declined by €82.6 million, primarily as a result of a fall in collateral for commodity futures as well as the receipt of bonus receivables in the first quarter. In addition to a rise in inventories in the Agricultural Equipment and Fruit business units and as well as in the Building Materials Segment, the €2,141.5 million increase in inventories to €2,258.9 million is mainly a result of the progress made in project developments in the Renewable Energies business sector. This was offset by a fall in inventories in the Agricultural Trade business unit, which comprised the BayWa

Agri Supply & Trade (BAST) and BayWa Agricultural Sales (BAV) units for the first time in the reporting year, mainly due to a reduction in grain trading activities.

Non-current assets and disposal groups held for sale rose by €22.5 million compared to 31 December 2015 to €32.3 million; this item includes a wind park in France that had been held in the company's portfolio and is now held for sale, as well as properties not used for business operations and that the company intends to sell.

The equity of the BayWa Group fell by €7.2 million, from €1,075.9 million at the end of 2015 to €1,068.7 million at the end of the first half of 2016. Net income for the period of €14.7 million is therefore offset by dividend payouts totalling €34.3 million. Equity was also positively impacted by changes in the value of hedges with a clear hedging relationship as well as currency translation differences.

Non-current liabilities stood at €2,242.7 million at the end of the reporting period, up €51.2 million as against 31 December 2015, primarily due to the non-current financial liabilities incurred in the Renewable Energies business sector for project financing purposes.

Current liabilities climbed by €486.6 million, from €2,769.3 million in the reporting period to €3,255.9 million. In addition to the seasonal increase in trade payables in the Agriculture and Building Materials Segments, this development was mainly as a result of the rise in financial liabilities, particularly relating to commodity futures.

Liabilities from non-current assets held for sale, amounting to €14.0 million, relate to liabilities allocated to a wind park in France that is held for sale.

Financial position

Cash earnings declined year on year by €17.8 million to €57.3 million due to the €3.2 million rise in net income for the period to €14.7 million. With a slight drop in depreciation and amortisation to €61.4 million, this development is largely due to a reduction in non-current provisions as well as an increase in income tax payments in the reporting period. The rises in trade payables and other liabilities not attributable to investment and financing activities exceed the increases in inventories, trade receivables as well as other assets in the reporting period, resulting in cash flow from operating activities of €60.3 million at the end of the first six months of the financial year 2016. In the first half of 2015, cash flow from operating activities amounted to €12.0 million, mainly due to a smaller increase in liabilities from operating activities.

Cash outflows from investing activities totalled €80.5 million in the period from January to June 2016. Of this amount, €52.2 million relates to company acquisitions and mainly pertains to payments for the acquisition of TFC Holland B.V. and Evergrain Germany GmbH & Co. KG, for the acquisition of the photovoltaic operations of SOLAR-Center S.à.r.l, as well as for the remaining purchase price payments for acquisitions made in previous years. Funds of €67.1 million were also raised for the acquisition of intangible assets and property, plant and equipment; these mainly relate to the Agriculture Segment. By contrast, cash inflows of €32.7 million resulted from the disposal of intangible assets and property, plant and equipment. The BayWa Group saw cash inflows of €3.9 million in the first half of the financial year 2016 from additions and disposals of financial assets. The €24.9 million year-on-year increase in cash outflows from investing activities is mainly due to the rise in payments for company acquisitions.

Cash flows from financing activities amount to €19.4 million. Dividend payouts by BayWa AG and other Group companies totalling €34.3 million are therefore offset by non-current financial liabilities incurred in the Renewable Energies business sector for project financing purposes. In 2015, cash flow from financing activities amounted to €46.8 million due to a significant increase in financial liabilities.

Total cash and cash equivalents have decreased by €0.4 million since 31 December 2015 to €84.1 million due to the incoming and outgoing cash payments from operating, investment and financing activities, with outgoing funds from changes in the group of consolidated companies and exchange rates of €0.5 million also being taken into account.

Earnings position

The revenues achieved by the BayWa Group in the first half of the financial year 2016 came to €7,456.4 million and have therefore risen by €37.5 million, the equivalent of 0.5%, year on year.

The activities of the Agricultural Trade business unit, which has been split into the new BayWa Agri Supply & Trade (BAST) and BayWa Agricultural Sales (BAV) business units since 1 January 2016, reported a €105.2 million, or 2.4%, rise in revenue to €4,532.2 million in the first six months of the current financial year. In the first half of 2016, the BAST business unit benefited from a significant year-on-year rise in grain and oilseed sales volumes. In addition to malting barley trader Evergrain Germany GmbH & Co. KG, which has been included in consolidation for the first time since February 2016, the increase in sales

volumes is mainly due to the expansion of the BayWa Group's international export activities; these activities are currently benefitting from robust demand from outside of Europe. A rise in demand for soy beans also helped boost sales volumes. Revenues were negatively impacted by grain prices which were down on average year on year. In the BAV business unit, the first half of 2016 was characterised by a low grain collection volume and lower demand for crop protection products and fertiliser due to weather conditions.

At €312.8 million, revenues in the Fruit business sector also rose, increasing by €16.9 million, or 5.7%. A drop in sales in the German fruit business was more than offset by a rise in export volumes from the overseas activities of Group subsidiary T&G Global Limited. The initial consolidation of TFC Holland B.V., a Dutch supplier of tropical fruit, in which BayWa acquired a majority share at the start of the year, also contributed to the rise in revenue.

Revenues in the Agricultural Equipment business unit fell by €55.3 million, or 8.5%, to €593.9 million. Farmers' continued low propensity to invest in farm and animal equipment as well as in machines and tractors led to a year-on-year drop in revenues.

The Digital Farming business unit, which was created in 2015, generated revenues of €3.3 million.

Revenues in the Agriculture Segment for the first half of 2016 came to €5,442.2 million, up €70.1 million, or 1.3%, year on year.

The Energy Segment saw revenues decline by €75.3 million, or 5.6%, to €1,274.3 million. €134.5 million of this drop is due exclusively to conventional energy business activities on account of the renewed year-on-year decline in oil prices. However, price developments positively affected sales volumes of heating oil and pellets. Fuel sales volumes were also up slightly year on year.

The Renewable Energies business sector reported a 23.1%, or €59.2 million, rise in revenues to €316.1 million compared to 2015, due to the sale of a British solar power plant and the completion of two wind parks in Germany, as well as the continuous expansion of business activities.

Revenues in the Building Materials Segment rose by €42.8 million, or 6.2%, year on year to €732.5 million. In addition to the weather-related year-on-year rise in sales, revenues growth

was mainly boosted by products for construction and civil engineering projects, which benefit from the increase in residential construction projects, as well as the rise in sales of products for civil engineering and road construction projects as a result of greater state investments in infrastructure.

At €7.4 million, Other Activities Segment revenues were on par with the previous year.

Other operating income of the BayWa Group has risen by €17.9 million to €87.2 million year on year. This increase is mainly due to the rise in income from price gains, which primarily resulted from project-related hedges in the Renewable Energies business unit. Increased income from asset disposals, due in part to the sale of the packaging logistics unit in New Zealand by Group company T&G Global Limited, also contributed to this development. Taking account of the slight rise in other own work capitalised and the year-on-year drop in inventories, the BayWa Group's overall performance rose by €31.1 million, or 0.4%, year on year to €7,695.0 million.

With a drop in the cost of materials of €14.0 million, or 0.2%, gross profit rose by €45.1 million, or 6.1%, to €790.4 million.

The €15.5 million, or 3.7%, increase in personnel expenses to €431.5 million in the first half of the year is largely a result of the business activities of the companies newly acquired in the previous year, which were included for the first time in the first half of the current financial year, as well as an expansion of business activities in the BayWa Agri Supply & Trade business unit and the Renewable Energies business sector.

At 61.4 million, depreciation and amortisation of property, plant and equipment and intangible assets were down slightly on the previous year (€62.3 million).

Other operating expenses rose by €13.6 million, or 5.9%, to €245.8 million. This is mainly due to higher currency-induced losses and increased consultancy and legal fees as well as expenses for staff hired externally. The same was not true, however, for vehicle fleet and maintenance costs.

These changes led to the result of operating activities rising by €17.0 million to €51.7 million at the end of the first half of 2016.

At €3.5 million, the result of participating interests is down €8.4 million year on year, due, in particular, to a drop in income from participating interests recognised at equity.

This resulted in EBIT of €55.3 million for the BayWa Group for the first half of the year, corresponding to a year-on-year increase of €8.6 million.

At €–36.0 million, net interest in the first half of the financial year 2016 was down €3.9 million, or 12.1%, year on year.

Including tax expenses of €4.5 million, this results in net income for the first half of the financial year 2016 of €14.7 million, which is €3.2 million, or 27.3%, higher than the figure for the previous year.

Employees

At the end of the reporting period, the BayWa Group had a workforce of 16,994, which is 765 more employees than at the end of 2015. The number of employees in the Agriculture Segment increased by 643 to 10,397. In the Agricultural Trade business unit, which now comprises the BayWa Agri Supply & Trade and BayWa Agricultural Sales business units, the number of employees rose by 57 people. The number of employees in the Agricultural Equipment business unit rose by 17 to 3,455 people. The expansion of business activities in the Digital Farming business unit resulted in a corresponding increase in employees of 19 to 124 people. In the Fruit business sector, the number of employees increased by 550 people largely due to the harvest period in New Zealand. In the Energy Segment, the number of employees rose by 18 compared to year-end 2015. The workforce in this segment now totals 1,870 employees. While the number of employees in renewable energies increased by 20, the corresponding figure in conventional energies decreased by 2. In the Building Materials Segment, the number of employees rose by 60 compared to year-end and stood at 4,088 as at 30 June 2016. The number of employees attributable to the Other Activities Segment has risen by 44 to 639.

Outlook

The second half of the year should be a positive one overall, even though growth could weaken in individual business units. BayWa Group is predicting a stable collection business in the agricultural sector which – as in the previous two record-breaking harvest years – could reach its marketing peak in the fourth quarter. The high harvest yields are expected worldwide to provide promising trading volumes. However, the unusually wet conditions

during the harvest period in parts of Europe have led to a deterioration in quality, which is particularly noticeable in France and Poland at this time. This could increase export demand for high-quality German wheat. A lasting price rally is unlikely on account of the continuing, very comfortable global supply situation. However, low prices during collection will provide good marketing opportunities in the following months and at the same time high export potential for high-quality wheat.

In the operating resource business, there is good marketing potential for fertilisers in particular, in view of the upcoming fertiliser season. This decline in prices since the beginning of the year is leading to increased warehousing or vigorous early procurement among farmers.

The willingness to invest in agricultural equipment has suffered a downturn, as expected and will presumably not be able to display any upward trend in the second half of the year, either. However, it does seem that the trough has been reached. In connection with this year's Zentrales Landwirtschaftsfest (Bavarian Central Agricultural Festival, ZLF), this could stimulate order intake towards the end of the year.

The course of the fruit harvest so far promises good opportunities for New Zealand apples. In Germany, the harvest will in all probability be a little weaker than in the previous year on account of weather conditions. However, the volume-related decline should be more than compensated for by increased prices and international fruit activities.

In the Energy Segment, the stable financial framework conditions in Germany are likely to benefit business with conventional energy carriers. It is assumed that sales of heating oil will decline in the summer months and the high demand of recent months will no longer continue. Growth in fuel and lubricant trading should partially compensate for this reduced demand. Development in renewable energies should pick up again in the second half of the year. There are several project sales in the pipeline, above all in Europe. The second half of the year will be dominated in particular by sales of wind power projects in Germany and France, while the sale of solar power plants will be pursued in the UK. The first solar projects in Asia were also completed. The consolidation of the solar industry in Germany should be coming to a close. BayWa r.e., as the biggest solar trader in Germany, will benefit from the calming of the domestic solar market. Positive contributions from this segment are expected for the current financial year. Not only solar trading, but also trading in storage systems and the service business should continue their positive development and provide considerable relief to the segment after the consolidation wave.

The Building Materials Segment is expected improve considerably in the second half of the year. Economic market data indicates a favourable course in the construction business. Continuing high demand for residential properties in particular is providing a boost to construction activity. The resulting brisk construction activity has guaranteed a good starting position for BayWa for the second half of the year.

All in all, the business development of BayWa Group should improve in the second half of the year. This optimism is born of the promising market and business climate in all three segments. Given the current market environment and demand situation, we believe that a year-on-year increase in revenues and earnings is achievable.

The statements and figures forecast in this document are based on assumptions and are subject to unforeseeable risk. In as much as the assumptions of the company should prove to be inaccurate, or should other unforeseeable risks occur, the possibility of the net worth, financial position and earnings situation of the Group diverging negatively from the target figures cited in this report should not be discounted.

Consolidated Financial Statements of BayWa AG pursuant to IFRS

Consolidated Balance Sheet as at 30 June 2016

In € million

Assets	30/06/2016	30/12/2015
Non-current assets		
Intangible assets	196.549	166.809
Property, plant and equipment	1,385.839	1,419.814
Participating interests recognised at equity	202.259	203.876
Other financial assets	163.259	168.196
Investment property	53.102	55.915
Non-current income tax claims	1.435	1.432
Other receivables and other assets	55.389	59.610
Deferred tax assets	224.941	211.525
	2,282.773	**2,287.177**
Current assets		
Securities	2.059	1.983
Inventories	2,258.912	2,141.541
Current biological assets	1.873	11.977
Current income tax claims	24.170	22.595
Financial assets	377.380	222.373
Other receivables and other assets	1,517.663	1,254.756
Cash and cash equivalents	84.109	84.459
	4,266.166	**3,739.684**
Non-current assets held for sale/disposal groups	**32.325**	**9.796**
Total assets	**6,581.264**	**6,036.657**
Shareholders' equity and liabilities	30/06/2016	30/12/2015
Equity		
Subscribed capital	88.997	88.997
Capital reserve	104.949	104.949
Revenue reserves	544.859	538.564
Other reserves	49.078	77.166
Equity net of minority interest	**787.883**	**809.676**
Minority interest	280.829	266.225
	1,068.712	**1,075.901**
Non-current liabilities		
Pension provisions	620.998	625.466
Other current provisions	80.749	82.618
Financial liabilities	1,123.270	1,068.340
Financial lease obligations	154.648	154.823
Trade payables and liabilities from inter-group business relationships	4.395	5.084
Non-current income tax liabilities	-,---	-,---
Liabilities	6.985	3.650
Other liabilities	89.386	93.419
Deferred tax liabilities	162.263	158.092
	2,242.694	**2,191.492**
Current liabilities		
Pension provisions	29.715	29.787
Other current provisions	143.748	175.940
Financial liabilities	1,322.219	1,314.307
Financial lease obligations	6.624	6.671
Trade payables and liabilities from inter-group business relationships	1,052.605	792.220
Current income tax liabilities	20.893	25.301
Liabilities	405.113	169.868
Other liabilities	274.972	255.170
	3,255.889	**2,769.264**
Liabilities from non-current assets held for sale/disposal groups	**13.969**	**-,---**
Total shareholders' equity and liabilities	**6,581.264**	**6,036.657**

Consolidated Financial Statements of BayWa AG pursuant to IFRS *

Consolidated Income Statement for the period from 1 January to 30 June 2016

In € million	1Q2016	2Q2016	1H2016	1Q2015 adjusted	2Q2015 adjusted	1H2015 adjusted
Revenues	**3,468.398**	**3,988.022**	**7,456.420**	**3,449.966**	**3,968.906**	**7,418.872**
Inventory changes	138.139	9.186	147.325	124.849	49.271	174.120
Other own work capitalised	2.024	1.943	3.967	0.772	0.719	1.491
Other operating income	38.346	48.899	87.245	34.507	34.866	69.373
Cost of materials	- 3,308.647	- 3,595.951	- 6,904.598	- 3,281.429	- 3,637.124	- 6,918.553
Gross profit	**338.260**	**452.099**	**790.359**	**328.665**	**416.638**	**745.303**
Personnel expenses	- 208.508	- 222.980	- 431.488	- 199.186	- 216.840	- 416.026
Depreciation and amortisation	- 30.804	- 30.580	- 61.384	- 30.603	- 31.740	- 62.343
Other operating expenses	- 110.796	- 134.973	- 245.769	- 105.319	- 126.869	- 232.188
Result of operating activities	**- 11.848**	**63.566**	**51.718**	**- 6.443**	**41.189**	**34.746**
Income from participating interests recognised at equity	- 1.563	2.573	1.010	1.906	7.669	9.575
Other income from shareholdings	0.971	1.552	2.523	1.212	1.163	2.375
Interest income	1.597	1.589	3.186	1.538	1.326	2.864
Interest expense	- 19.081	- 20.130	- 39.211	- 17.711	- 17.285	- 34.996
Financial result	**- 18.076**	**- 14.416**	**- 32.492**	**- 13.055**	**- 7.127**	**- 20.182**
Result of ordinary activities (EBT)	**- 29.924**	**49.150**	**19.226**	**- 19.498**	**34.062**	**14.564**
Income tax	5.717	- 10.229	- 4.512	4.193	- 7.195	- 3.002
Net result for the period	**- 24.207**	**38.921**	**14.714**	**- 15.305**	**26.867**	**11.562**
of which: profit share of minority interest	0.593	13.918	14.511	2.319	10.898	13.217
of which: due to shareholders of the parent company	- 24.800	25.003	0.203	- 17.624	15.969	- 1.655
EBIT	**- 12.440**	**67.691**	**55.251**	**- 3.325**	**50.021**	**46.696**
EBITDA	**18.364**	**98.271**	**116.635**	**27.278**	**81.761**	**109.039**
Average number of shares			34,764,480			34,643,344
Basic earnings per share ** (in €)			**0.01**			**- 0.05**
Diluted earnings per share ** (in €)			**0.01**			**- 0.05**

* Previous-year figures adjusted, mainly for the effect from the accounting of a finance leasing in the financial year 2013 and the early application of a new IFRS standard. Details on the adjustments made are described in the Notes to the Interim Report and the Consolidated Financial Statements 2015, note B.7.
** For the calculation of earnings per share, reference is made to the Notes in the Interim Report.

Transition to Consolidated Statement of Comprehensive Income for the First Half of 2016

In € million	01/01 – 30/06/2016	01/01 – 30/06/2015 adjusted
Net income for the period	**14.714**	**11.562**
Actuarial gains/losses from pension and severance pay obligations and provisions for severance pay recognised in the reporting period	0.046	- 0.083
Sum of items not subsequently reclassified in the income statement	**0.046**	**- 0.083**
Net gain/loss from the revaluation of financial assets in the "available for sale" category recognised in the reporting period and other income from interests accounted for using the equity method	- 0.746	- 0.968
Reclassifications to the income statement due to disposal of financial assets in the "available for sale" category recognised in the reporting period	-.---	-.---
Net gain/loss from hedging instruments with a clear hedging relationship	7.008	- 5.627
Reclassifications of net gain/loss recognised in the reporting period from hedging instruments with a clear hedging relationship to the income statement	0.125	- 1.527
Differences from currency translation	6.109	- 5.559
Sum of items subsequently reclassified in the income statement	**12.496**	**- 13.681**
Gains and losses recognised directly in equity	**12.542**	**- 13.764**
of which: profit share of minority interest	1.670	- 3.436
of which: due to shareholders of the parent company	10.872	- 10.328
Consolidated total result for the period	**27.256**	**- 2.202**
of which: profit share of minority interest	16.181	9.781
of which: due to shareholders of the parent company	11.075	- 11.983

Consolidated Cash Flow Statement for the First Half of 2016

In € million	01/01 – 30/06/2016	01/01 – 30/06/2015 adjusted
Cash earnings	**57.293**	**75.110**
Cash flow from operating activities	**60.334**	**12.021**
Cash flow from investing activities	**- 80.531**	**- 55.568**
Cash flow from financing activities	**19.389**	**46.790**
Cash-effective changes in cash and cash equivalents	**- 0.808**	**3.243**
Cash and cash equivalents at the start of the period	**84.459**	**108.356**
Outflow/inflow of funds due to changes in the group of consolidated companies and in exchange rates	0.458	1.810
Cash and cash equivalents at the end of the period	**84.109**	**113.409**

Statement of Changes in Consolidated Equity in the First Half of 2016

In € million	Subscribed capital	Capital reserve	Assessment reserve	Other revenue reserves	Other reserves	Equity net of minority interest	Minority interest	Equity
As at: 01/01/2016	**88.997**	**104.949**	**- 4.373**	**542.937**	**77.166**	**809.676**	**266.225**	**1,075.901**
Differences resulting from changes in the group of consolidated companies	-,---	-,---	-,---	- 0.393	0.001	- 0.392	2.334	1.942
Capital increase against cash contributions/share-based payment	-,---	-,---	-,---	-,---	-,---	-,---	0.964	0.964
Changes in the fair value of assets classified as "available for sale" and derivative financial instruments as well as other income from interests accounted for using the equity method	-,---	-,---	4.527	-,---	-,---	4.527	1.860	6.387
Actuarial gains/losses from pension obligations and provisions for severance pay	-,---	-,---	-,---	0.022	-,---	0.022	0.024	0.046
Inter-company profits from elimination with associates recognised in equity	-,---	-,---	-,---	- 3.029	-,---	- 3.029	-,---	- 3.029
Dividend distribution	-,---	-,---	-,---	-,---	- 29.447	- 29.447	- 4.875	- 34.322
Differences from currency translation	-,---	-,---	-,---	-,---	6.323	6.323	- 0.214	6.109
Transfer to/withdrawal from revenue reserve	-,---	-,---	-,---	5.168	- 5.168	-,---	-,---	-,---
Net income for the period from 01/01 – 30/06/2016	-,---	-,---	-,---	-,---	0.203	0.203	14.511	14.714
As at: 30/06/2016	**88.997**	**104.949**	**0.154**	**544.705**	**49.078**	**787.883**	**280.829**	**1,068.712**
As at: 01/01/2015 adjusted	**88.687**	**101.683**	**- 2.815**	**528.918**	**69.986**	**786.459**	**263.917**	**1,050.376**
Differences resulting from changes in the group of consolidated companies	-,---	-,---	-,---	0.955	- 0.591	0.364	- 2.546	- 2.182
Capital increase against cash contributions/share-based payment	-,---	-,---	-,---	-,---	-,---	-,---	-,---	-,---
Changes in the fair value of assets classified as "available for sale" and derivative financial instruments as well as other income from interests accounted for using the equity method	-,---	-,---	- 6.177	-,---	-,---	- 6.177	- 1.945	- 8.122
Actuarial gains/losses from pension obligations and provisions for severance pay	-,---	-,---	-,---	- 0.006	-,---	- 0.006	- 0.077	- 0.083
Inter-company profits from elimination with associates recognised in equity	-,---	-,---	-,---	- 2.880	-,---	- 2.880	-,---	- 2.880
Dividend distribution	-,---	-,---	-,---	-,---	- 27.628	- 27.628	- 3.463	- 31.091
Differences from currency translation	-,---	-,---	-,---	-,---	- 4.341	- 4.341	- 1.486	- 5.827
Transfer to/withdrawal from revenue reserve	-,---	-,---	-,---	17.851	- 17.851	-,---	-,---	-,---
Net income for the period from 01/01 – 30/06/2015	-,---	-,---	-,---	-,---	- 1.880	- 1.880	13.314	11.434
Adjustment pursuant to IAS 8 – Currency translation difference	-,---	-,---	-,---	-,---	0.196	0.196	0.072	0.268
Adjustment pursuant to IAS 8 – Net income for the period from 01/01 – 30/06/2015	-,---	-,---	-,---	-,---	0.226	0.226	- 0.098	0.128
As at: 30/06/2016 adjusted	**88.687**	**101.683**	**- 8.992**	**544.838**	**18.117**	**744.333**	**267.688**	**1,012.021**

Segment information by segment (income statement) 01/01 – 30/06/2016 In € million	BayWa Agri Supply & Trade	BayWa Agricultural Sales	Agricultural Equipment	Digital Farming	Fruit	**Agriculture**	Energy	Renewable Energies	**Energy**	**Building Materials**	**Other Activities***	**Transition / Consolidation**	**Group**
Revenues generated through business with third parties	2,958.146	1,574.091	593.924	3.259	312.811	**5,442.231**	958.193	316.070	**1,274.263**	**732.483**	**7.443**	**-.---**	**7,456.420**
Intra-segment revenues	327.151	138.136	8.163	0.147	0.022	**473.619**	92.352	29.284	**121.636**	**15.517**	**23.558**	**- 634.330**	**-.---**
Inter-segment revenues	24.432	13.382	0.549	0.007	-.---	**38.370**	2.826	0.106	**2.932**	**0.453**	**1.830**	**- 43.585**	**-.---**
Total revenues	**3,309.729**	**1,725.609**	**602.636**	**3.413**	**312.833**	**5,954.220**	**1,053.371**	**345.460**	**1,398.831**	**748.453**	**32.831**	**- 677.915**	**7,456.420**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**8.256**	**39.111**	**3.620**	**- 2.960**	**29.724**	**77.751**	**11.432**	**27.367**	**38.799**	**13.224**	**17.555**	**- 30.694**	**116.635**
Depreciation and amortisation	1.848	12.989	5.067	0.843	7.261	28.008	4.102	11.642	15.744	7.639	7.547	2.446	**61.384**
Earnings before interest and tax (EBIT)	**6.408**	**26.122**	**- 1.447**	**- 3.803**	**22.463**	**49.743**	**7.330**	**15.725**	**23.055**	**5.585**	**10.008**	**- 33.140**	**55.251**
Earnings before tax (EBT)	**1.347**	**14.766**	**- 8.789**	**- 3.809**	**18.384**	**21.899**	**7.138**	**7.898**	**15.036**	**- 1.549**	**17.175**	**- 33.335**	**19.226**
Income tax													**- 4.512**
Net income for the period													**14.714**

Segment information by segment (income statement) 01/01 – 30/06/2015 adjusted In € million		Agricultural Trade	Agricultural Equipment	Digital Farming	Fruit	**Agriculture**	Energy	Renewable Energies	**Energy**	**Building Materials**	**Other Activities***	**Transition / Consolidation**	**Group**
Revenues generated through business with third parties	-.---	4,427.004	649.248	-.---	295.897	**5,372.149**	1,092.706	256.833	**1,349.539**	**689.666**	**7.518**	**-.---**	**7,418.872**
Intra-segment revenues	-.---	437.636	8.739	-.---	0.006	**446.381**	103.032	14.263	**117.295**	**14.755**	**22.512**	**- 600.943**	**-.---**
Inter-segment revenues	-.---	1.058	0.320	-.---	-.---	**1.378**	14.598	0.011	**14.609**	**0.606**	**1.846**	**- 18.439**	**-.---**
Total revenues	**-.---**	**4,865.698**	**658.307**	**-.---**	**295.903**	**5,819.908**	**1,210.336**	**271.107**	**1,481.443**	**705.027**	**31.876**	**- 619.382**	**7,418.872**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**-.---**	**56.796**	**13.537**	**-.---**	**21.631**	**91.964**	**7.340**	**8.367**	**15.707**	**6.959**	**13.420**	**- 19.011**	**109.039**
Depreciation and amortisation	-.---	15.160	5.413	-.---	6.165	26.738	4.289	12.279	16.568	7.260	8.331	3.446	**62.343**
Earnings before interest and tax (EBIT)	**-.---**	**41.636**	**8.124**	**-.---**	**15.466**	**65.226**	**3.051**	**- 3.912**	**- 0.861**	**- 0.301**	**5.089**	**- 22.457**	**46.696**
Earnings before tax (EBT)	**-.---**	**26.794**	**0.980**	**-.---**	**11.171**	**38.945**	**2.802**	**- 10.413**	**- 7.611**	**- 7.414**	**12.344**	**- 21.700**	**14.564**
Income tax													**- 3.002**
Net income for the period													**11.562**

* before consolidation

Segment report by business segment (income statement)

In € million	1Q2016	2Q2016	01/01/2016 – 30/06/2016	Y/y change in %	1Q2015 adjusted	2Q2015 adjusted	01/01/2015 – 30/06/2015 adjusted
Revenues through third-party business							
BayWa Agri Supply & Trade	1,496.763	1,461.383	2,958.146	-,-	-.---	-.---	-,---
BayWa Agricultural Sales	727.416	846.675	1,574.091	-,-	-.---	-.---	-,---
Agricultural Trade	-.---	-.---	-,---	-,-	2,150.066	2,276.938	4,427.004
Agricultural Equipment	219.879	374.045	593.924	- 8.5	262.512	386.736	649.248
Digital Farming	1.751	1.508	3.259	-,-	-.---	-.---	-,---
Fruit	140.375	172.436	312.811	5.7	128.754	167.143	295.897
Agriculture	**2,586.184**	**2,856.047**	**5,442.231**	**1.3**	**2,541.332**	**2,830.817**	**5,372.149**
Energy	449.361	508.832	958.193	- 12.3	531.309	561.397	1,092.706
Renewable Energies	160.444	155.626	316.070	23.1	123.574	133.259	256.833
Energy	**609.805**	**664.458**	**1,274.263**	**- 5.6**	**654.883**	**694.656**	**1,349.539**
Building Materials	**268.991**	**463.492**	**732.483**	**6.2**	**250.215**	**439.451**	**689.666**
Other Activities	**3.418**	**4.025**	**7.443**	**- 1.0**	**3.536**	**3.982**	**7.518**
Total	**3,468.398**	**3,988.022**	**7,456.420**	**0.5**	**3,449.966**	**3,968.906**	**7,418.872**
Earnings before interest, tax, depreciation and amortisation (EBITDA)							
BayWa Agri Supply & Trade	2.920	5.336	8.256	-,-	-.---	-.---	-,---
BayWa Agricultural Sales	14.034	25.077	39.111	-,-	-.---	-.---	-,---
Agricultural Trade	-.---	-.---	-,---	-,-	27.496	29.300	56.796
Agricultural Equipment	- 5.663	9.283	3.620	- 73.3	2.202	11.335	13.537
Digital Farming	- 0.988	- 1.972	- 2.960	-,-	-.---	-.---	-,---
Fruit	2.929	26.795	29.724	37.4	3.725	17.906	21.631
Agriculture	**13.232**	**64.519**	**77.751**	**- 15.5**	**33.423**	**58.541**	**91.964**
Energy	6.015	5.417	11.432	55.7	3.316	4.024	7.340
Renewable Energies	18.203	9.164	27.367	> 100	5.709	2.658	8.367
Energy	**24.218**	**14.581**	**38.799**	**> 100**	**9.025**	**6.682**	**15.707**
Building Materials	**- 11.093**	**24.317**	**13.224**	**90.0**	**- 13.110**	**20.069**	**6.959**
Other Activities	**- 6.524**	**24.079**	**17.555**	**30.8**	**0.010**	**13.410**	**13.420**
Transition	**- 1.469**	**- 29.225**	**- 30.694**	**- 61.5**	**- 2.070**	**- 16.941**	**- 19.011**
Total	**18.364**	**98.271**	**116.635**	**7.0**	**27.278**	**81.761**	**109.039**
Earnings before interest and tax (EBIT)							
BayWa Agri Supply & Trade	2.001	4.407	6.408	-,-	-.---	-.---	-,---
BayWa Agrucultural Sales	7.633	18.489	26.122	-,-	-.---	-.---	-,---
Agricultural Trade	-.---	-.---	-,---	-,-	19.944	21.692	41.636
Agricultural Equipment	- 8.137	6.690	- 1.447	> - 100	- 0.337	8.461	8.124
Digital Farming	- 1.408	- 2.395	- 3.803	-,-	-.---	-.---	-,---
Fruit	- 0.594	23.057	22.463	45.2	0.656	14.810	15.466
Agriculture	**- 0.505**	**50.248**	**49.743**	**- 23.7**	**20.263**	**44.963**	**65.226**
Energy	3.959	3.371	7.330	> 100	1.161	1.890	3.051
Renewable Energies	12.068	3.657	15.725	> 100	- 0.094	- 3.818	- 3.912
Energy	**16.027**	**7.028**	**23.055**	**> 100**	**1.067**	**- 1.928**	**- 0.861**
Building Materials	**- 14.865**	**20.450**	**5.585**	**> 100**	**- 16.731**	**16.430**	**- 0.301**
Other Activities	**- 10.224**	**20.232**	**10.008**	**96.7**	**- 4.118**	**9.207**	**5.089**
Transition	**- 2.873**	**- 30.267**	**- 33.140**	**- 47.6**	**- 3.806**	**- 18.651**	**- 22.457**
Total	**- 12.440**	**67.691**	**55.251**	**18.3**	**- 3.325**	**50.021**	**46.696**
Earnings before tax (EBT)							
BayWa Agri Supply & Trade	- 0.621	1.968	1.347	-,-	-.---	-.---	-,---
BayWa Agricultural Sales	1.970	12.796	14.766	-,-	-.---	-.---	-,---
Agricultural Trade	-.---	-.---	-,---	-,-	12.325	14.469	26.794
Agricultural Equipment	- 11.636	2.847	- 8.789	> - 100	- 4.091	5.071	0.980
Digital Farming	- 1.411	- 2.398	- 3.809	-,-	-.---	-.---	-,---
Fruit	- 2.191	20.575	18.384	64.6	- 0.958	12.129	11.171
Agriculture	**- 13.889**	**35.788**	**21.899**	**- 43.8**	**7.276**	**31.669**	**38.945**
Energy	3.833	3.305	7.138	> 100	1.049	1.753	2.802
Renewable Energies	8.128	- 0.230	7.898	> 100	- 3.483	- 6.930	- 10.413
Energy	**11.961**	**3.075**	**15.036**	**> 100**	**- 2.434**	**- 5.177**	**- 7.611**
Building Materials	**- 18.177**	**16.628**	**- 1.549**	**79.1**	**- 20.120**	**12.706**	**- 7.414**
Other Activities	**- 6.701**	**23.876**	**17.175**	**39.1**	**- 0.327**	**12.671**	**12.344**
Transition	**- 3.118**	**- 30.217**	**- 33.335**	**- 53.6**	**- 3.893**	**- 17.807**	**- 21.700**
Total	**- 29.924**	**49.150**	**19.226**	**32.0**	**- 19.498**	**34.062**	**14.564**

Segment information by segment (balance sheet) As at: 30/06/2016 In € million	BayWa Agri Supply & Trade	BayWa Agricultural Sales	Agricultural Equipment	Digital Farming	Fruit	**Agriculture**	Energy	Renewable Energies	**Energy**	**Building Materials**	**Other Activities***	**Transition / Consolidation**	**Group**
Assets	1,861.565	1,099.807	645.162	9.053	561.182	**4,176.769**	263.242	2,458.044	**2,721.286**	**597.205**	**3,817.761**	**- 4,731.757**	**6,581.264**
of which: participating interests recognised at equity	2.518	-.---	6.529	-.---	14.448	**23.495**	-.---	10.283	**10.283**	**0.051**	**168.430**	**-.---**	**202.259**
of which: non-current assets held for sale/disposal groups	-.---	-.---	-.---	-.---	-.---	**-.---**	-.---	18.206	**18.206**	**-.---**	**14.119**	**-.---**	**32.325**
Inventories	508.453	370.801	382.013	0.257	104.306	**1,365.830**	39.270	616.870	**656.140**	**156.109**	**1.347**	**79.486**	**2,258.912**
of which: non-current assets held for sale/disposal groups	-.---	-.---	-.---	-.---	-.---	**-.---**	-.---	-.---	**-.---**	**-.---**	**-.---**	**-.---**	**-.---**
Liabilities	1,484.003	688.566	600.473	5.663	342.078	**3,120.783**	355.003	1,984.503	**2,339.506**	**613.267**	**2,498.175**	**- 3,059.179**	**5,512.552**
of which: non-current assets held for sale/disposal groups	-.---	-.---	-.---	-.---	-.---	**-.---**	-.---	13.969	**13.969**	**-.---**	**-.---**	**-.---**	**13.969**
Additions in intangible assets, property, plant and equipment and investment property (incl. company acquisitions)	7.822	17.571	7.448	0.756	16.408	**50.005**	2.288	9.198	**11.486**	**8.606**	**8.379**	**27.361**	**105.837**
Employees at month's end	399	3,738	3,455	124	2,681	**10,397**	968	902	**1,870**	**4,088**	**639**	**-**	**16,994**

Segment information by segment (balance sheet) As at: 31/12/2015 In € million		Agricultural Trade	Agricultural Equipment	Digital Farming	Fruit	**Agriculture**	Energy	Renewable Energies	**Energy**	**Building Materials**	**Other Activities***	**Transition / Consolidation**	**Group**
Assets		2,821.566	549.733	7.218	412.505	**3,791.022**	224.639	2,084.607	**2,309.246**	**562.733**	**3,597.880**	**- 4,224.224**	**6,036.657**
of which: participating interests recognised at equity		3.164	6.620	-.---	14.555	**24.339**	-.---	10.964	**10.964**	**0.051**	**168.522**	**-.---**	**203.876**
of which: non-current assets held for sale/disposal groups		-.---	-.---	-.---	-.---	**-.---**	-.---	-.---	**-.---**	**-.---**	**9.796**	**-.---**	**9.796**
Inventories		1,086.682	291.188	0.225	29.628	**1,407.723**	36.302	474.748	**511.050**	**138.722**	**0.833**	**83.213**	**2,141.541**
of which: non-current assets held for sale/disposal groups		-.---	-.---	-.---	-.---	**-.---**	-.---	-.---	**-.---**	**-.---**	**-.---**	**-.---**	**-.---**
Liabilities		1,935.987	434.614	5.083	284.131	**2,659.815**	305.921	1,619.700	**1,925.621**	**556.719**	**2,412.878**	**- 2,594.277**	**4,960.756**
of which: non-current assets held for sale/disposal groups		-.---	-.---	-.---	-.---	**-.---**	-.---	-.---	**-.---**	**-.---**	**-.---**	**-.---**	**-.---**
Additions in intangible assets, property, plant and equipment and investment property (incl. company acquisitions)		52.488	25.745	9.154	45.415	**132.802**	7.130	24.947	**32.077**	**26.240**	**22.746**	**-.---**	**213.865**
Employees at month's end		4,080	3,438	105	2,131	**9,754**	970	882	**1,852**	**4,028**	**595**	**-**	**16,229**

* before consolidation

Segment information by region

In € million	External sales 01/01 – 30/06/2016	External sales 01/01 – 30/06/2015	Non-current assets 30/06/2016	Non-current assets 31/12/2015
Germany	2,722.005	2,932.985	1,455.666	1,489.772
Austria	1,174.349	1,252.136	372.377	371.165
Netherlands	-,---	703.387	-,---	-,---
New Zealand	-,---	-,---	262.878	258.747
Other international operations	3,560.066	2,530.364	191.852	167.493
Group	**7,456.420**	**7,418.872**	**2,282.773**	**2,287.177**

Notes to the Interim Report for the period from 1 January to 30 June 2016

Accounting policies and valuation methods

The Interim Report of the BayWa Group as at 30 June 2016 was prepared in accordance with IAS 34 (Interim Financial Reporting), taking into account the framework set out under the International Financial Reporting Standards (IFRS) valid on the reporting date. The reporting currency of the Group is the euro. There have been no changes in the accounting policies and valuation methods applied to the consolidated financial statements as against 31 December 2015. For more information on the details pertaining to the accounting policies and valuation methods applied, reference is made to the consolidated financial statements of BayWa AG as at 31 December 2015.

The following amended accounting standards that had to be applied for the first time in the reporting period had no impact at all or no major impact on the net assets, financial position and result of operations of the BayWa Group.

– Amendments to IFRS 11 (Accounting for Acquisitions of Interests in Joint Operations)
– Amendments to IAS 16 and IAS 38 (Clarification of Acceptable Methods of Depreciation and Amortisation)
– Amendments to IAS 1 (Disclosure Initiative)
– Annual Improvements to IFRSs (Annual Improvements 2012–2014)

In June 2014, the IASB also published amendments to IAS 16 (Property, Plant and Equipment) and IAS 41 (Agriculture) with regard to the accounting for bearer plants. The amendments entered into force for reporting periods beginning on or after 1 January 2016. In BayWa Group, the amendments had already been applied early and retrospectively in the financial year 2015; as a result, the amendments have no impact on the current reporting period. The comparable previous-year figures were adjusted accordingly.

IAS 8 – Accounting and Valuation Principles, Changes in Estimates and Errors

The consolidated financial statements and the Group management report on of BayWa AG as at 31 December 2013 were subject to a random sample audit by the Deutsche Prüfstelle für Rechnungslegung (DPR) / Financial Reporting Enforcement Panel (FREP) pursuant to Section 342b para. 2 sentence 3 number 3 German Commercial Code (HGB).

This audit resulted in findings which had an effect on the assets, financial position and result of operations of the BayWa Group for the financial year 2013 and, consequently, also for subsequent years; these effects led to an adjustment in this Interim Report of the comparable previous-year figures.

In the previous year, the BayWa Group opted for the early adoption of amendments to IAS 16 (Property, Plant and Equipment) and IAS 41 (Agriculture) with regard to the recognition of bearer plants, which were endorsed in European law in November 2015. This necessitated an adjustment to the figure for the comparable period in the previous year.

Please refer to the explanations provided in the consolidated financial statements of BayWa AG as at 31 December 2015 for more information and a detailed presentation of the specific adjustments.

The described adjustments had the following impact on the income statement for the first half of the financial year 2015:

in € million	01/01 – 30/06/2015 unadjusted	Adjustments	01/01 – 30/06/2015 adjusted
Gross profit	**743.591**	**1.712**	**745.303**
Result of operating activities	**28.684**	**6.062**	**34.746**
Result of ordinary activities (EBT)	**14.591**	**- 0.027**	**14.564**
Net income for the period	**11.434**	**0.128**	**11.562**
of which: profit share of minority interest	13.314	- 0.097	13.217
of which: due to shareholders of the parent company	- 1.880	0.225	- 1.655
EBIT	**40.658**	**6.038**	**46.696**
EBITDA	**97.915**	**11.124**	**109.039**

The transition to the consolidated statement of comprehensive income for the first half of 2015 following the adjustments is as follows:

in € million	01/01 – 30/06/2015 unadjusted	Adjustments	01/01 – 30/06/2015 adjusted
Net income for the period	**11.434**	**0.128**	**11.562**
Differences from currency translation	- 5.827	0.268	- 5.559
Sum of items subsequently reclassified in the income statement	**- 13.949**	**0.268**	**- 13.681**
Gains and losses recognised directly in equity	**- 14.032**	**0.268**	**- 13.764**
of which: profit share of minority interest	- 3.508	0.072	- 3.436
of which: due to shareholders of the parent company	- 10.524	0.196	- 10.328
Consolidated total result for the period	**- 2.598**	**0.396**	**- 2.202**
of which: profit share of minority interest	9.806	- 0.025	9.781
of which: due to shareholders of the parent company	- 12.404	0.421	- 11.983

The adjustments had the following effects on the cash flow statement for the first half of 2015:

in € million	01/01 – 30/06/2015 Unadjusted	Adjustments	01/01 – 30/06/2015 adjusted
Cash flow from operating activities	**2.585**	**9.436**	**12.021**
Cash flow from investing activities	**- 55.568**	-.---	**- 55.568**
Cash flow from financing activities	**56.226**	**–9.436**	**46.790**
Cash-effective changes in cash and cash equivalents	3.243	-.---	3.243
Cash and cash equivalents at the start of the period	106.076	2.280	108.356
Inflow/outflow of funds due to changes in the group of consolidated companies and in exchange rates	1.810	-.---	1.810
Cash and cash equivalents at the end of the period	**111.129**	**2.280**	**113.409**

Changes in the group of consolidated companies

Along with BayWa AG, the consolidated financial statements include all major companies over which it can exercise direct or indirect control via subsidiaries.

BayWa Obst Beteiligung GmbH, Munich, Germany; BayWa Fruit B.V., Amsterdam, the Netherlands; Kerifresh Growers Trust 2016, Kerikeri, New Zealand; T&G South East Asia Ltd, Bangkok, Thailand; BayWa r.e. Asia Pacific Pte. Ltd., Singapore; BayWa r.e. (Thailand)

Co., Ltd., Bangkok, Thailand; BayWa r.e. Solar Pte. Ltd., Singapore; BayWa r.e. Solar Systems S.à.r.l., Luxembourg, are all companies established in the reporting year or before, and became part of the fully consolidated group for the first time.

As at 1 January 2016, Intersaatzucht Verwaltungs GmbH, Munich, Germany, which had not been consolidated by the end of the financial year 2015 due to it being of minor significance, was also included in BayWa AG's consolidated financial statements for the first time in accordance with the standards applicable to full consolidation.

Project companies Windpark Stockelsdorf GmbH, Gräfelfing, Germany, and Windpark Bärofen GmbH, Kilb, Austria, also became part of the fully consolidated group for the first time in the financial year 2016.

RENERCO GEM 4 GmbH, Gräfelfing, Germany, was also merged with BayWa r.e. Wind GmbH, Munich, Germany; consequently, RENERCO GEM 4 GmbH is not reported in BayWa AG's group of consolidated companies as an independent company.

BayWa AG, Munich, Germany, took over 100% of the shares in Evergrain Germany GmbH & Co. KG, Hamburg, Germany, through Group company BayWa Agrar Beteiligung Nr. 2 GmbH, Germany, by way of a share deal. With the takeover, the BayWa Group is expanding its international specialities business and plans to take a leading role in the malting barley trade. The biggest market potential for malting barley lies in the European Union and increasingly in the growth of South American and Asian markets. BayWa Agrar Beteiligung Nr. 2 GmbH has had a controlling influence over Evergrain Germany GmbH & Co. KG since 29 January 2016, the date when the purchase price was paid for the acquired shares. The initial consolidation of the company therefore took place for reasons of materiality and practicability on 1 February 2016 within the scope of full consolidation.

The preliminary cost of the shares came to €6.600 million and includes the contractually agreed purchase price component of €4.992 million, which was disbursed in January. The purchase agreement also includes purchase price components which, depending on the respective return on capital investment for the financial years 2016 through 2019, amount to a maximum of €1.608 million.

The transaction costs incurred in connection with the acquisition of the shares amount to €0.365 million. In the financial year 2015 and 2016, these costs are included in the income statement under other operating expenses.

The net assets acquired in connection with the purchase of Evergrain Germany GmbH & Co. KG break down as follows (preliminary figures):

in € million	Book value	Fair value adjustments	Fair value
Intangible assets	-.---	-.---	-.---
Property, plant and equipment	0.019	-.---	0.019
Financial assets	0.025	-.---	0.025
Inventories	-.---	-.---	-.---
Financial assets	6.956	-.---	6.956
Receivables and other assets	5.905	-.---	5.905
Deferred tax assets	0.485	-.---	0.485
Cash and cash equivalents	0.703	-.---	0.703
Non-current liabilities	4.637	-.---	4.637
Current liabilities	6.804	-.---	6.804
Deferred tax liabilities	-.---	-.---	-.---
	2.652	**-.---**	**2.652**
Goodwill (preliminary)			3.948
Preliminary total purchase price, including contingent purchase price components			**6.600**

The gross amount of the receivables amounted to €5.453 million as at the time of acquisition; of this amount, €5.446 million is considered to be recoverable.

If the purchase of the company had been concluded by the first day of the financial year, the share in consolidated revenues would have been €4.610 million higher and the consolidated profit attributable to investors €2.354 million higher.

Since 1 February 2016, the date of its initial inclusion in the group of consolidated companies, Evergrain Germany GmbH & Co. KG has generated revenues of €61.257 million and gains of €0.172 million.

The final purchase price allocation pertaining to this acquisition has not yet been made as the fair value of the assets and liabilities had not yet been definitively calculated at the time when the Interim Report was drawn up.

Effective 1 March 2016, BayWa AG, Munich, Germany, took over the photovoltaic (PV) operations of SOLAR-Center S.à.r.l., Luxembourg, through Group company BayWa r.e. Solar Systems S.à.r.l., Luxembourg, by way of an asset deal to expand its renewable

energies activities; these activities include wholesale operations related to PV panels, inverters and other accessories in the Benelux, France and Germany. The preliminary cost of the acquired operations comes to €2.404 million

The transaction costs incurred in connection with the acquisition of the shares amount to €0.053 million. In the financial year 2016, these costs are included in the income statement under other operating expenses.

The net assets acquired in connection with the takeover of operations break down as follows (preliminary figures):

in € million	Book value	Fair value adjustments	Fair value
Intangible assets	0.708	-.---	0.708
Property, plant and equipment	0.035	-.---	0.035
Financial assets	-.---	-.---	-.---
Inventories	1.661	-.---	1.661
Receivables and other assets	-.---	-.---	-.---
Deferred tax assets	-.---	-.---	-.---
Cash and cash equivalents	-.---	-.---	-.---
Non-current liabilities	-.---	-.---	-.---
Current liabilities	-.---	-.---	-.---
Deferred tax liabilities	-.---	-.---	-.---
	2.404	**-.---**	**2.404**
Goodwill (preliminary)			-.---
Total purchase price (preliminary)			**2.404**

The takeover of operations did not result in any goodwill.

Since 1 March 2016, the date of its initial inclusion in the group of consolidated companies, BayWa r.e. Solar Systems S.à.r.l. has generated revenues of €16.761 million and gains of €0.735 million.

BayWa AG, Munich, Germany, took over 68.4% of the shares in TFC Holland B.V., De Lier, the Netherlands, through Group company BayWa Fruit B.V., Amsterdam, the Netherlands, by way of a share deal. The takeover is an important step for BayWa in its international growth strategy in the Agriculture Segment. TFC Holland B.V. has long-standing international trade relations in all procurement markets for exotic fruits – mainly for avocado, mango, ginger and citrus fruits, as well as with the European food retail industry. By expanding its

portfolio in the growth market for exotic speciality fruits, in particular in the “ready-to-eat” sector, the BayWa Group is strengthening its position as a leading international supplier of exotic and pome fruit. BayWa Fruit B.V. has had a controlling influence over TFC Holland B.V. since 8 March 2016, the date when the purchase price was paid for the acquired shares. The initial consolidation of the company therefore took place for reasons of materiality and practicability on 1 March 2016 within the scope of full consolidation.

The preliminary cost of the shares came to €28.705 million and includes the contractually agreed purchase price component which was disbursed in March.

The transaction costs incurred in connection with the acquisition of the shares amount to €0.980 million. In the financial year 2016, these costs are included in the income statement under other operating expenses.

The net assets acquired in connection with the purchase of TFC Holland B.V. break down as follows (preliminary figures):

in € million	Book value	Fair value adjustments	Fair value
Intangible assets	-.---	-.---	-.---
Property, plant and equipment	5.254	-.---	5.254
Financial assets	0.058	-.---	0.058
Inventories	1.065	-.---	1.065
Receivables and other assets	12.402	-.---	12.402
Deferred tax assets	0.227	-.---	0.227
Cash and cash equivalents	3.476	-.---	3.476
Non-current liabilities	0.890	-.---	0.890
Current liabilities	13.522	-.---	13.522
Deferred tax liabilities	-.---	-.---	-.---
	8.070	**-.---**	**8.070**
Proportionate net assets			5.520
Goodwill (preliminary)			23.185
Total purchase price (preliminary)			**28.705**
Portion of net assets attributable to non-controlling shares			2.550

The portion of net assets of €2.550 million attributable to the non-controlling shares in TFC Holland B.V. comprises the fair value of the assets and liabilities attributable to minority interests.

The gross amount of the receivables amounted to €11.079 million as at the time of acquisition; of this amount, €11.008 million is considered to be recoverable.

If the purchase of the company had been concluded by the first day of the financial year, the share in consolidated revenues would have been €33.158 million higher and the consolidated profit attributable to investors €2.312 million higher.

Since 1 March 2016, the date of its initial inclusion in the group of consolidated companies, TFC Holland B.V. has generated revenues of €22.803 million and gains of €1.664 million.

The final purchase price allocation pertaining to this acquisition has not yet been made as the fair value of the assets and liabilities had not yet been definitively calculated at the time when the Interim Report was drawn up.

BayWa AG, Munich, Germany, took over 100% of the shares in Kenergia Sviluppo S.r.l., Rome, Italy, through Group company BayWa r.e. Italia S.r.l., Milan, Italy, by way of a share deal. The takeover is designed to expand technical management and maintenance business activities in the Italian market. BayWa r.e. Italia S.r.l. has had a controlling influence over Kenergia Sviluppo S.r.l. since 17 June 2016, the date when the purchase price was paid for the acquired shares. The initial consolidation of the company therefore took place on this date within the scope of full consolidation.

The preliminary cost of the shares came to €3.075 million and includes the contractually agreed purchase price component which was disbursed in June.

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

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

in € million	Book value	Fair value adjustments	Fair value
Intangible assets	0.475	3.265	3.740
Property, plant and equipment	0.020	-.---	0.020
Financial assets	-.---	-.---	-.---
Inventories	0.134	-.---	0.134
Receivables and other assets	1.469	-.---	1.469
Deferred tax assets	-.---	-.---	-.---
Cash and cash equivalents	0.134	-.---	0.134
Non-current liabilities	-.---	-.---	-.---
Current liabilities	1.669	-.---	1.669
Deferred tax liabilities	-.---	0.753	0.753
	0.563	**2.512**	**3.075**
Goodwill (preliminary)			-.---
Total purchase price (preliminary)			**3.075**

The purchase of the company did not result in any goodwill.

The gross amount of the receivables amounted to €1.387 million as at the time of acquisition; the entire amount is considered to be recoverable.

If the purchase of the company had been concluded by the first day of the financial year, the share in consolidated revenues would have been €1.712 million higher and the consolidated profit attributable to investors €0.285 million higher.

Since 17 June 2016, the date of its initial inclusion in the group of consolidated companies, Kenergia Sviluppo S.r.l. has generated revenues of €0.106 million and gains of €0.096 million.

Solarpark Homestead GmbH, Gräfelfing, Germany, sold 100% of its shares in Haymaker (Homestead) Ltd., London, UK, on 18 March 2016.

The effect of this transaction on the consolidated financial statements is as follows (preliminary figures):

Consideration received

in € million	18/03/2016
Consideration received in the form of cash and cash equivalents for 100% of the shares	4.081

Assets and liabilities derecognised owing to control relinquished

in € million	18/03/2016
Non-current assets	
Intangible assets	-.---
Property, plant and equipment	-.---
Financial assets	-.---
Deferred tax assets	2.715
	2.715
Current assets	
Inventories	21.038
Receivables and other assets	0.395
Cash and cash equivalents	1.308
	22.741

in € million	18/03/2016
Non-current liabilities	
Non-current provisions	0.126
Financial liabilities	23.448
Trade payables and other liabilities	-.---
Deferred tax liabilities	0.327
	23.901
Current liabilities	
Current provisions	0.106
Financial liabilities	-.---
Trade payables and other liabilities	0.248
	0.354
Net assets on the disposal date	**1.201**

Gains/losses from the disposal of the Group company

in € million	18/03/2016
Consideration received for 100% of the shares	4.081
Net assets relinquished	- 1.201
Disposal gain	**2.880**

The disposal is disclosed in the income statement under revenues and changes in inventories, while tax components are disclosed under tax expenses.

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

in € million	18/03/2016
Purchase price settled through cash and cash equivalents	4.081
Less cash and cash equivalents paid out in connection with the disposal	- 1.308
	2.773

As at 30 June 2016, a total of 305 companies (31 December 2015: 295 companies) were included in the consolidated financial statements in accordance with the standards applicable to full consolidation. In addition, 32 associated companies and joint ventures (31 December 2015: 32 companies) have been included in the consolidated financial statements in accordance with the equity method set out under IAS 28.

Assumptions and estimates

In as much as assumptions and estimates were made in the context of reporting, they have remained unchanged as to the methodology used during the financial year and between financial years. There are no reportable changes which have had a material impact on the current reporting period.

Seasonal and economic influences on business activity

Seasonal influences typical to the business have an impact on almost all the core activities of the Group. Over the course of the year, these lead to fluctuations in revenues and profit which partly offset one another. In the Agriculture Segment, the main activities take place in the first three quarters of the financial year, with the focus on the second quarter.

Conventional energies are impacted more by economic influences which cause fluctuations in business. The price trend exerts a major impact on consumer behaviour and therefore on the development of the business sector's revenues. The backlog in demand subsequently evens out over a number of years. Renewable energies are subject to fluctuations depending on project sales. Business development may also be impacted by political factors as a result of changes in promotion measures. In the Building Materials Segment, business picks up after the first quarter and slows in the fourth quarter due to the weather.

Financial instruments

The book values and fair values of financial instruments that are measured at amortised cost and whose book values do not approximate their fair values are as follows:

in € million	30/06/2016		31/12/2015	
	Fair value	Book value	Fair value	Book value
Non-current financial liabilities				
Financial liabilities	1,130.408	1,123.270	1,076.468	1,068.340

The financial assets and liabilities measured at fair value assigned to the three levels of the fair value hierarchy as at the reporting date, 30 June 2016, are as follows:

in € million	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivative financial instruments & commodity futures	100.999	276.381	-.---	377.380
Securities FAHfT	2.059	-.---	-.---	2.059
Financial assets AfS	5.100	-.---	-.---	5.100
Sum total of financial assets	**108.158**	**276.381**	**-.---**	**384.539**
Financial liabilities measured at fair value				
Derivative financial instruments & commodity futures	70.320	341.778	-.---	412.098
Sum total of financial liabilities	**70.320**	**341.778**	**-.---**	**412.098**

Bonds/equity instruments

In the period under review, there were no issues, share buy-backs or repayments, neither for bonded loans nor for other equity instruments. The treasury share portfolio has remained unchanged since the financial year 2003 and comprises 19,500 shares, which correspond to €49,920, or the equivalent of 0.06% of the share capital.

Appropriation of 2015 retained earnings

On 7 June 2016, the Annual General Meeting of Shareholders approved the following appropriation of BayWa AG's unappropriated retained earnings in the financial year 2015:

Dividend of €0.85 per dividend-bearing share:	€29,463,417.40
Carried forward to new account:	€6,843,110.90
Profit available for distribution:	€36,306,528.30

The dividend was paid out on 8 June 2016.

The amount distributed to the shareholders was reduced by the portion of the shares owned by BayWa AG at the time when the resolution on profit appropriation was made, as these shares are not entitled to dividend pursuant to Section 71b German Stock Corporation Act (AktG). This portion was transferred to other revenue reserves.

Earnings per share

Basic earnings per share (EPS) are calculated by dividing the net profit for the period (net of minority interest) by the average number of shares. So-called potential shares (above all share options and convertible bonds), which can dilute earnings per share, were not issued, which means that diluted and basic earnings per share are the same.

Transactions and events to be reported

Interim reporting must contain information on transactions and events which affect the assets, liabilities, equity, result for the period under review or the cash flow, and which, due to their type, scope or frequency, are unusual. In the period under review, there were no matters requiring reporting. In respect of effects from the acquisition and disposal of companies, reference is made to the explanations above.

Tax computation

Tax computation is carried out by using the weighted average annual income tax rate for each separate region. The deferred tax assets include tax-reducing claims which arise from the expected utilisation of loss carryforwards in the periods ahead, the realisation of which is assured with sufficient probability.

Contingent liabilities and contingent receivables

There are no contingent receivables. There were no major changes in contingent liabilities as against the reporting date of 31 December 2015.

Cash flow statement

The cash flow statement has been drawn up pursuant to IAS 7 by applying the indirect method, and broken down into cash flows from operating, investing and financing activities.

Segment report

The change in the internal structure of the BayWa Group's agricultural trading business activities since the start of the financial year 2016 impacted segment reporting during the reporting period. The agricultural trading business activities, which had previously been aggregated in the Agricultural Trade business unit, were split into two separate business units, BayWa Agri Supply & Trade (BAST) and BayWa Agricultural Sales (BAV), effective 1 January 2016. BAST combines the BayWa Group's national and international trade, distribution and logistics activities for grain, oilseed and additional products. The collection business and trade in operating resources and feedstuff have been pooled in the business unit known as BAV. The comparable figures for the previous year do not need to be adjusted in line with the change in the organisational structure as the information required to do so is unavailable, and the costs of preparing such information would be disproportionate to its benefits. In terms of context, the consolidation of the key figures of the BAST and BAV business units for the first half of 2016 is comparable with the values reported in the previous year for the Agricultural Trade business unit.

Other transactions and events to be reported

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

BayWa AG, Munich, Germany, acquired agricultural trader Kohler GmbH & Co. KG in Tuningen (Baden-Württemberg), Germany, effective 1 July 2016. By way of this takeover, BayWa AG is strengthening its network of locations used for supplying farmers with operating resources as well as the collection of grain in the Baar-Heuberg region, Germany. The location has grain intake capacity totalling 120 tonnes per hour, grain processing and drying machinery as well as a laboratory.

BayWa AG, Munich, Germany, took over the facility of agricultural service provider Agro-Service Großenhain in Großenhain, Germany, effective 1 July 2016. By way of this takeover, BayWa AG is investing in its network of locations in Central Saxony, Germany, and is expanding its capacities for fertiliser and grain handling in the region. This facility provides BayWa with warehousing space of approximately 87,000 square metres in Großenhain, Germany, with a grain and fertiliser storage capacity of more than 30,000 tonnes.

BayWa AG, Munich, Germany, acquired an additional 51% of the shares in Agrimec Group B.V., Apeldoorn, the Netherlands, from Royal Agrifirm Group B.V. on 14 July 2016. By way of this acquisition, BayWa AG is now the sole shareholder of the agricultural equipment company; BayWa AG had previously purchased 49% of the shares in this company in 2014. The respective antitrust authorities have already authorised the transaction. The complete takeover of Agrimec Group B.V. is part of the BayWa Group’s internationalisation strategy in the agricultural equipment business.

Audit of the Interim Report

The Interim Report was not subject to any audit review.

Affirmation by the Legally Authorised Representatives

We hereby affirm that, to the best of our knowledge and in accordance with the generally accepted accounting principles applicable to interim reporting, the consolidated statements give a true and fair view of the net assets, financial position and the result of operations of the Group, and that the Management Report on the Group presents a true and fair description of the development of the Group's business, including its performance, and of the material risks and opportunities inherent in the prospective development of the Group over the remainder of the financial year.

Munich, 2 August 2016

The Board of Management

Prof. Klaus Josef Lutz
(Chief Executive Officer)
Andreas Helber
Roland Schuler
Matthias Taft
Reinhard Wolf