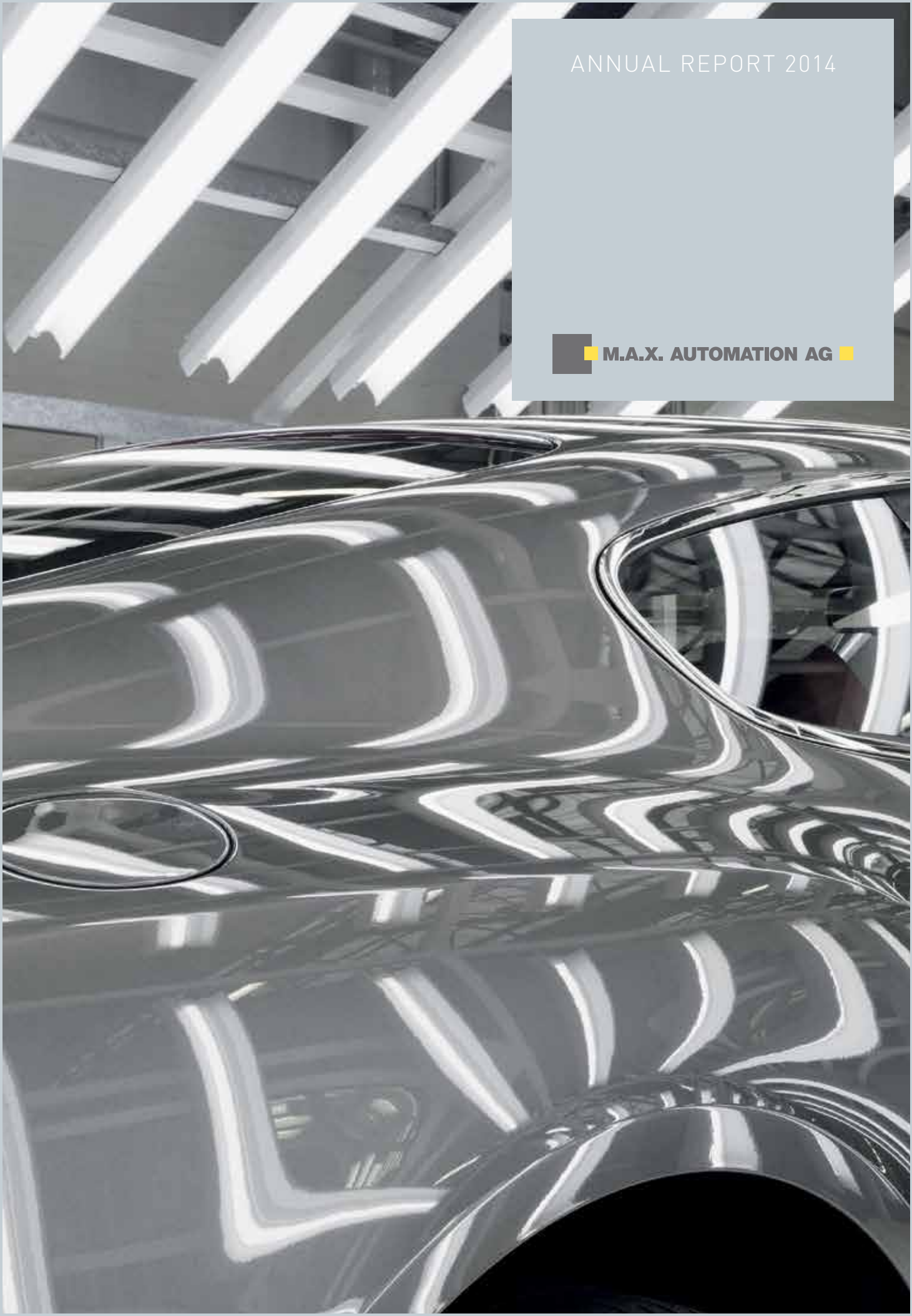
ANNUAL REPORT 2014



M.A.X. AUTOMATION AG

M.A.X. AUTOMATION AG

M.A.X. Automation is a globally active group of companies operating in the industrial automation and environmental technology segments. The company focuses on the sustainable development of medium-sized automation specialists in the high-tech area. The Group's operating companies function as internationally active and technologically leading providers of integrated automation systems. As the management company, M.A.X. Automation AG is responsible for the Group's strategic and financial steering.

The Group companies operate in long-term growth markets such as automotive, medical technology, recycling, packaging automation, and the electrical and electronics industry. They develop and produce technologically complex components and systems solutions based on their extensive process expertise in the specialty engineering area. This allows them to meet the customers' individual requirements, and serve innovative technologies such as micro-assembly and robotics.

M.A.X. Automation AG pursues a long-term strategy of consistently expanding its subsidiaries' international presence, aligning the Group further to the high-tech area, and of thereby tapping new market and customer groups. The objective is to achieve long-term growth in the company's value for its shareholders.

KEY FIGURES IN OVERVIEW

	2014	2013	2012
Results of operations in EUR mill.			
New order intake	339.3	248.3	265.1
Book-to-bill ratio	1.0	0.9	1.1
Order book position as of the year-end*	143.1	154.7	117.0
Revenue	351.4	270.1	244.3
– of which from Germany	131.8	112.6	103.1
– of which from abroad	219.6	157.5	141.2
EBITDA	26.6	23.3	18.6
EBIT before PPA	20.5	18.2	14.1
as % of total operating revenue	5.8 %	6.7 %	5.7 %
Net income for the year	10.0	10.2	8.4
Earnings per share (in EUR)	0.37	0.38	0.31
Cash flow in EUR mill.			
Cash flow from operating activities	17.8	22.6	22.0
Cash flow from investing activities	–2.3	–40.5	–7.0
– of which investments	–9.7	–6.2	–6.9
Cash flow from financing activities	10.3	21.4	–8.9
Cash and cash equivalents at the year-end	52.4	26.3	22.8
Balance sheet in EUR mill.			
Total assets	295.4	295.6	199.6
Net debt	–47.9	–64.1	–6.7
Equity	99.8	94.0	88.4
Equity ratio in %	33.8 %	31.8 %	44.3 %
Employees (numbers)			
Average number of employees	1,681	1,321	1.207
– of which trainees	144	103	89
Employees (headcount)	1,794	1,714	1.299
The share			
Number of shares (in millions)	26.8	26.8	26.8
Market capitalization (in EUR mill.)	113.9	134.8	102.9
Dividend per share (in EUR)	0.15	0.15	0.15
Price on balance sheet date in EUR (Xetra closing price)	4.25	5.03	3.84

* adjusted for IFRS effects

CORE SEGMENTS

Industrial automation – efficient solutions for promising markets

Demand for industrially produced goods continues to grow worldwide. Especially in emerging economies, demand for high-quality and reliable products is growing in line with general living standards. This is accompanied by increasingly better healthcare and longer life expectancy. Industry meets these demands with the help of innovative automation solutions.

M.A.X. Automation develops and produces efficient automation solutions that enable its customers to manufacture rapidly, at high quality levels, and in a resource-sparing manner. The company's industrial subsidiaries deploy their extensive expertise in serving key sectors such as the automotive, medical technology, electronics and packaging industries. Consequently, the subsidiaries enjoy excellent long-term growth prospects.

	2014 in EUR mill.	2013 in EUR mill.	2012 in EUR mill.
New order intake	216.3	126.3	150.7
Segment revenue	236.9	148.0	120.8
Segment EBIT before PPA	18.0	16.9	13.1
Average number of employees excluding trainees	1,001	684	598

Environmental technology – shaping tomorrow's environment today

Handling and deploying resources responsibly represents an indispensible task in preparing for the future, as worldwide population growth is driving higher energy demand and rising waste volumes. At the same time, the sustainable reduction of carbon dioxide emissions and the recycling of raw materials from waste are becoming ever more important. Only in this way will it be possible to address the challenges of the future, especially in many emerging economies.

M.A.X. Automation offers innovative solutions for the sparing utilization of finite resources, and for the disposal and recycling of waste. The environmental technology subsidiaries provide high-performance systems and processes for shredding, conveying and preparing primary and secondary raw materials. These companies thereby enable a smoothly functioning international recycling economy that is prepared for the challenges of tomorrow.

	2014 in EUR mill.	2013 in EUR mill.	2012 in EUR mill.
New order intake	123.0	122.0	114.5
Segment revenue	114.9	122.5	123.7
Segment EBIT before PPA	1.4	3.8	2.6
Average number of employees excluding trainees	532	529	517

HIGHLIGHTS OF 2014

May 2014
AIM Group | Industrial Automation

Innovative assembly: MA micro automation (formerly: Rohwedder Micro Assembly) develops a system for the assembly of vehicle driver assistance systems. The system is characterized by particularly high clock speed, and also integrates machinery for further process steps such as final inspection. An interlinked assembly concept significantly reduces logistics costs in production, creating decisive added value for customers.

July 2014
NSM Packtec | Industrial Automation

Comprehensive solutions for the US market: NSM Packtec, a subsidiary of NSM Magnettechnik, receives a major order from an international food manufacturing industry customer. The company constructs, produces and assembles machines that cover several production steps for the forming, filling, labeling and sealing of yogurt pots. Sealing is performed under cleanroom conditions. The contract scope also includes commissioning of the machines. These are to be deployed on the US market.

September 2014
bdtronic | Industrial Automation

Innovative concepts: bdtronic designs five fully automated production cells for a renowned German automotive supplier. These are utilized in manufacturing innovative heating systems for both hybrid and electric vehicles. bdtronic convinced the customer with its innovative solutions to coat surfaces, and dispense and apply thermally conductive pastes. The contract also included a laser welding system.

September 2014
Vecoplan | Environmental Technology

Processing the future: On a space of more than 2,000 square meters at its headquarters in Bad Marienberg, Vecoplan opens the most modern technology center of the international environmental technology and recycling sector. Here, the company works continuously in a state-of-the-art process technology environment on future solutions for the processing and recycling of waste and residual materials. At this development center, Vecoplan covers the entire value chain in the complex preparation and recycling processes.

December 2014
AIM Group | Industrial Automation

Innovative engine cleaning: ELWEMA Automotive develops a technologically complex cleaning system for cylinder head manufacturing at a German sports car manufacturer. The innovative and patented cleaning concept helps improve existing production processes, ensuring high flexibility. Its cleaning, supply and electrical technology is aggregated within one single unit, thereby offering customers both optimal results and minimal space requirement.

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MARKET PRESENCE

INDUSTRIAL AUTOMATION ENVIRONMENTAL TECHNOLOGY

REPORT BY THE MANAGEMENT BOARD

Dear shareholders,

The 2014 financial year proved to be a successful year overall for the M.A.X. Automation Group. Although the year started on a somewhat subdued note due to some customers postponing orders, the second half year saw a marked recovery – as we expected – and the final quarter completed the year on a strong note. By the year-end, we met our consolidated revenue target (which we downgraded during the year), and even exceeded our consolidated operating profit target (which we also reduced).

The 2014 financial year was a year of transition for M.A.X. Automation: our focus was on integrating the companies of the AIM Assembly in Motion Group, which we acquired in 2013, into our Industrial Automation segment, as well as on exploiting synergy effects between our Group companies to a greater extent. We also further developed the Group companies' technological expertise, and optimized our location network. As a result of the disposal of Euroroll Dipl.-Ing. K.-H. Beckmann GmbH & Co. KG as of the year-end, we have taken a further step to focus our portfolio on our core expertise in high-tech automation.

Some of our important Group key indicators achieved significant year-on-year growth in 2014. It should be noted in this context that the AIM Group companies were only included pro rata temporis in the previous year, and have been reported on a full-year basis in the year under review for the first time:

- Consolidated revenue amounted to EUR 351.4 million, thereby within our target range of between EUR 350 million and EUR 360 million. This represents 30.1 % growth compared with the previous year's EUR 270.1 million.

- Groupwide new order intake reached EUR 339.3 million – 36.7 % growth compared with the previous year's EUR 248.3 million.

- The consolidated order book position stood at EUR 143.1 million as of December 31, 2014, 7.5 % lower than as of the previous year's reporting date (EUR 154.7 million).

- EBITDA (consolidated earnings before interest, tax, depreciation and amortization) amounted to EUR 26.6 million, 14.0 % ahead of the previous year's EUR 23.3 million.

- Consolidated earnings before interest and tax (EBIT) as well as before amortization from purchase price allocations (PPA-related amortization), grew by 12.8 %, from EUR 18.2 million to EUR 20.5 million, thereby exceeding our target corridor of between EUR 16 million and EUR 18 million. Positive effects included earnings contributions ahead of expectations from projects that were finally invoiced in December. Extraordinary income also arose from the disposal of Euroroll, which also outstripped expectations. This was also offset in EBIT with one-off charges arising from the relocation of two subsidiaries in the Industrial Automation segment.

- The EBIT margin amounted to 5.8 % in relation to total operating revenue, compared with 6.7 % in the previous year.

- Consolidated earnings after tax reduced by 1.4 % EUR 10.0 million, compared with EUR 10.2 million in the previous year.

Management Board Member Fabian Spilker

- The Group's equity ratio stood at a solid 33.8 % as of the end of 2014, above the 31.8 % as of December 31, 2013, and also above the targeted minimum of 30 %.

- The Group's net debt fell by a significant 25.3 % to EUR 47.9 million as of December 31, 2014, compared with EUR 64.1 million on the previous year's reporting date. A lower level of capital employed due to improved working capital management, the sale of the Euroroll subsidiary, and pleasing fourth-quarter earnings growth made the main contributions in this context.

The Industrial Automation segment was the main driver behind the Group's good business progress, with segment revenue up 60.1 % to around EUR 236.9 million. Segment EBIT before PPA-related amortization reached EUR 18.0 million, an increase of 6.1 % year-on-year. We incurred costs for the aforementioned location optimization measures and postponements of orders by customers in the year under review.

The Environmental Technology segment underperformed our expectations in 2014, with revenue of EUR 114.9 million down 6.3 % year-on-year. Segment EBIT before PPA-related amortization stood at EUR 1.4 million, compared with EUR 3.8 million in the previous year. This reduction results chiefly from burdens incurred at the altmayerBTD subsidiary, which registered a marked demand fall among the coal power plant operators customer group due to Germany's new energy policy direction. In addition, Vecoplan AG saw Russian customers postponing large-scale contracts (which they had already notified to the company) due to the Ukraine conflict.

A year of transition, such as in 2014, as well as the challenging economic environment in Europe, made particular demands of all employees, whether at Group companies or at the parent company. With their expertise and great commitment, our workforces have undertaken everything to master these challenges successfully. We would like to extend our very warm thanks to you for this performance.

Dear shareholders, as in previous years, it is our wish that you should participate appropriately in the good business results. For this reason, the Management and Supervisory boards are proposing that the Ordinary Shareholders' General Meeting on June 30, 2015 approve a dividend of 15 euro cents per share, thereby entailing a total payout of EUR 4.0 million.

We were not satisfied with the performance of the M.A.X. Automation share last year. It relinquished 15.5 % of its value over the course of the year, despite a favorable stock market environment. In particular, our share underperformed the comparable CDAX index during the second half of the year. We have started to invest in our visibility on the capital market, and our communication with it, in order to convince investors of our

REPORT BY THE MANAGEMENT BOARD

Group's strategically promising positioning and good growth prospects. Significant measures in this context included the switch as of April 1, 2015 of our stock market listing from the General Standard to the Prime Standard segment of the Frankfurt Stock Exchange, which is subject to the highest transparency standards, a broadening of our analyst coverage, and an expansion of our investor relations activities.

With the acquisition of the AIM companies and of packaging specialist NSM Packtec, the acquisition in early 2015 of iNDAT Robotics GmbH (robotics and manufacturing automation), and the disposal of the Euroroll subsidiary, the M.A.X. Group has consistently oriented itself to its core business of high-tech automation, expanded its range of products and services for customers, and also tapped new target markets over the past one and
a half years. Exciting application areas such as robotics and micro assembly, which are gaining increasing significance especially for our automotive customers, as well as new target sectors with long-term growth prospects such as medical technology, will open up new revenue and earnings possibilities for our Group.

Consequently, we regard the M.A.X. Group as promisingly positioned in strategic terms for 2015 and following years. Based on the current Group portfolio, we are assuming Group revenue in a range between EUR 360 million and EUR 380 million for the current financial year, and consolidated EBIT before PPA-related amortization in a range between EUR 20 million and EUR 22 million.

Today, more than ever before, the M.A.X. Automation name stands for reliable and technologically sophisticated, high-end solutions in industrial automation and environmental technology. Together with you, esteemed shareholders, we look forward to leading our company to a promising future.

Düsseldorf, March 2015

The Management Board:

Fabian Spilker
(CEO)

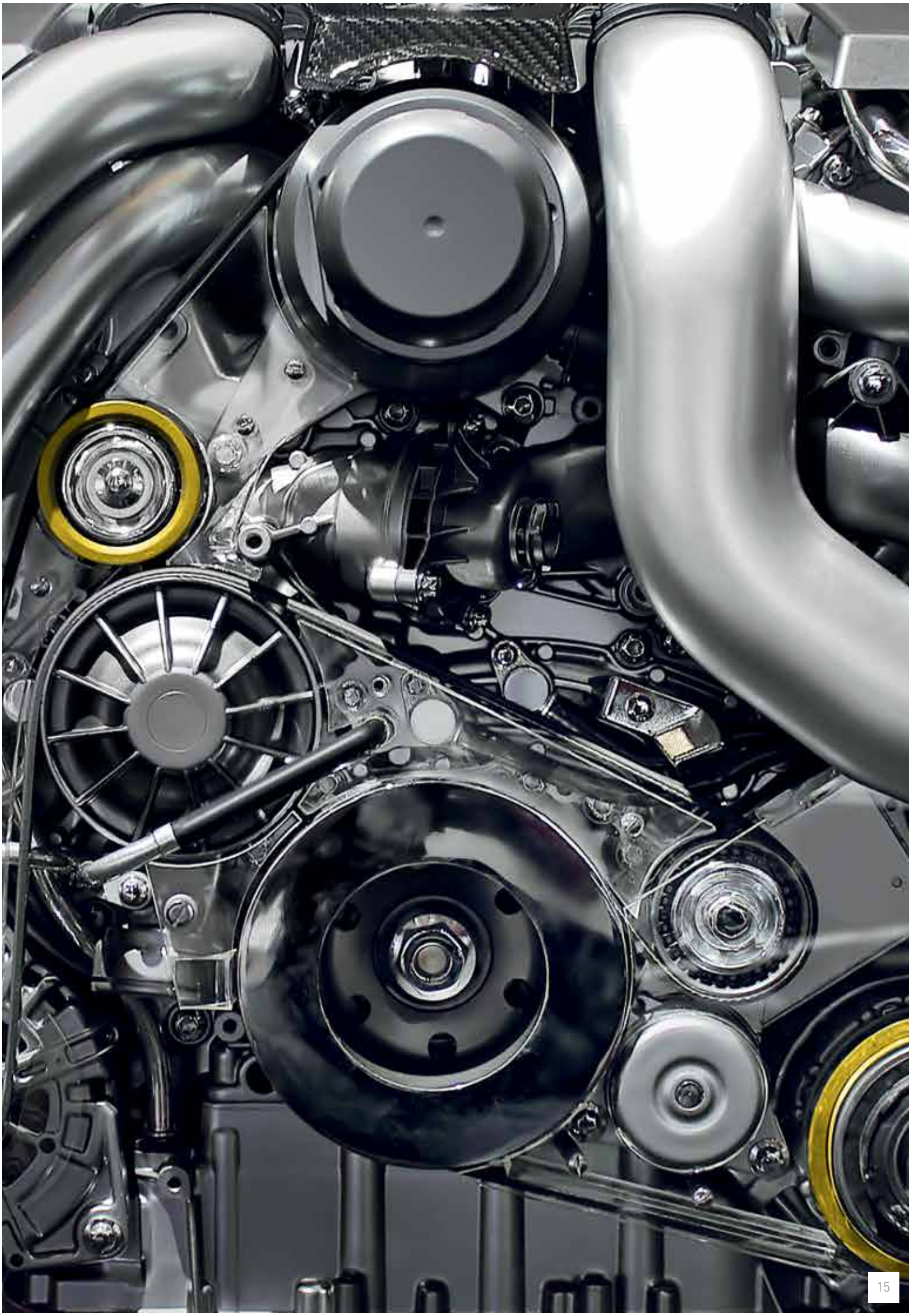
M.A.X. AUTOMATION:

The customized combining of components and systems that can respond to all market requirements.

INDUSTRIAL AUTOMATION

Producing maximum quality means enabling efficient production through high technology

The automotive industry is one of the innovation drivers in the economy. Today's vehicles represent complex high-tech products, meeting users' continually rising demands in terms of driving and handling characteristics, comfort and safety. Our subsidiaries are effective partners to international vehicle manufacturers and their suppliers. They develop efficient and innovative automation solutions for the production of engines, transmissions, steering systems, and other vehicle components, thereby helping to create maximum quality products.

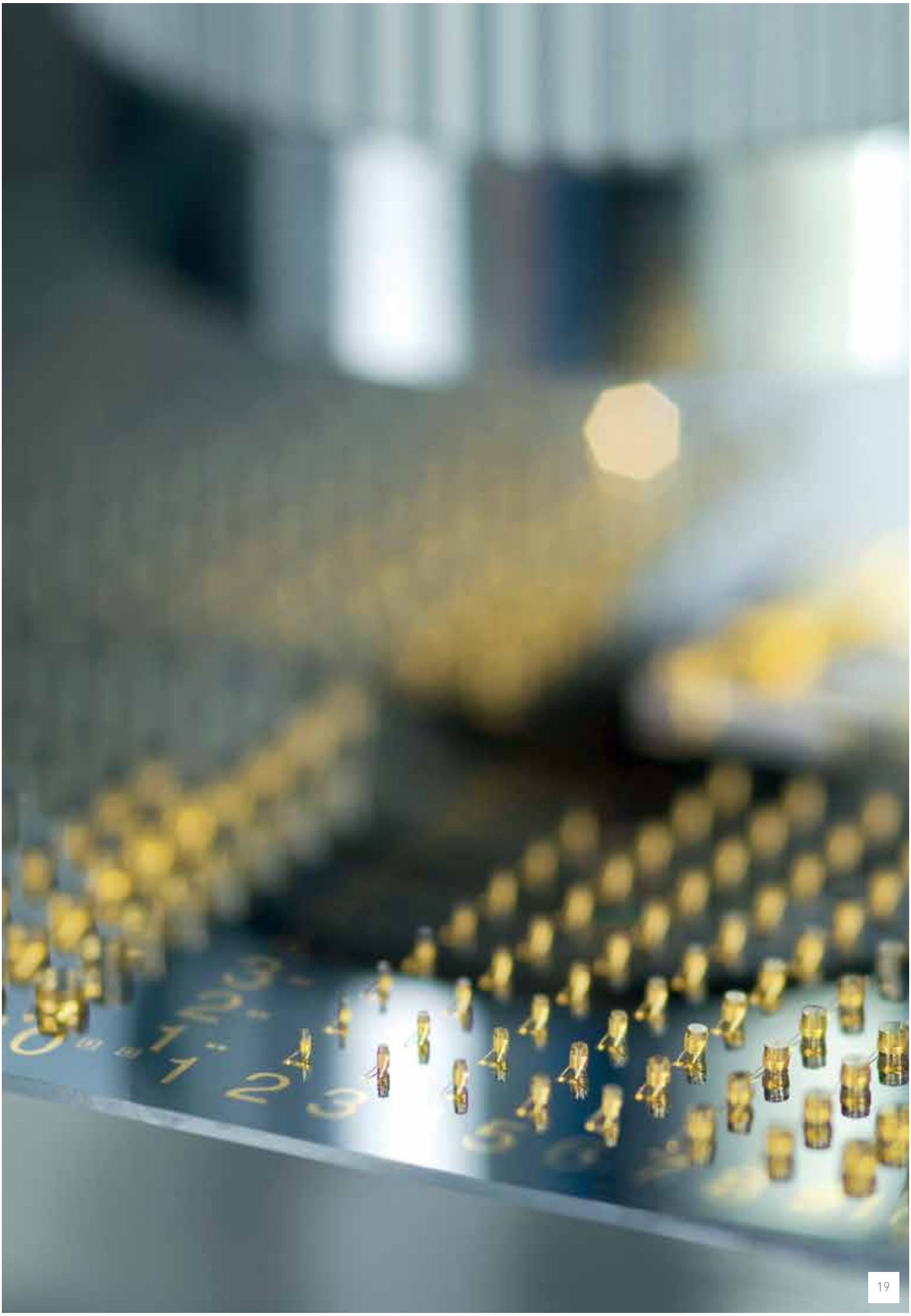


Guaranteeing maximum flexibility means responding more precisely and more individually to the market

Today's automobiles reflect their owners specific wishes and needs. Industry takes such individualization into account through an ever larger selection of vehicle models and freely configurable equipment options. But this also presents manufacturers with the challenge of having to produce an increasing number of product variants in ever shorter times. And this becomes possible through M.A.X. Automation Group solutions: our subsidiary NSM Magnettechnik, for example, guarantees maximum flexibility with its handling and conveying systems, and its extensive robotics solutions.

Generating maximum output means creating ever better products with new technologies

The 21st-century automobile represents a complex electronic network: miniaturized components in the background work away at their tasks to steer individual functions and respond to driver commands. Micro automation – the automated assembly of such components – consequently forms an important prerequisite for all innovations in cars. Our MA micro automation subsidiary meets the highest demands in terms of precision and speed in micro automation, thereby generating maximum output.

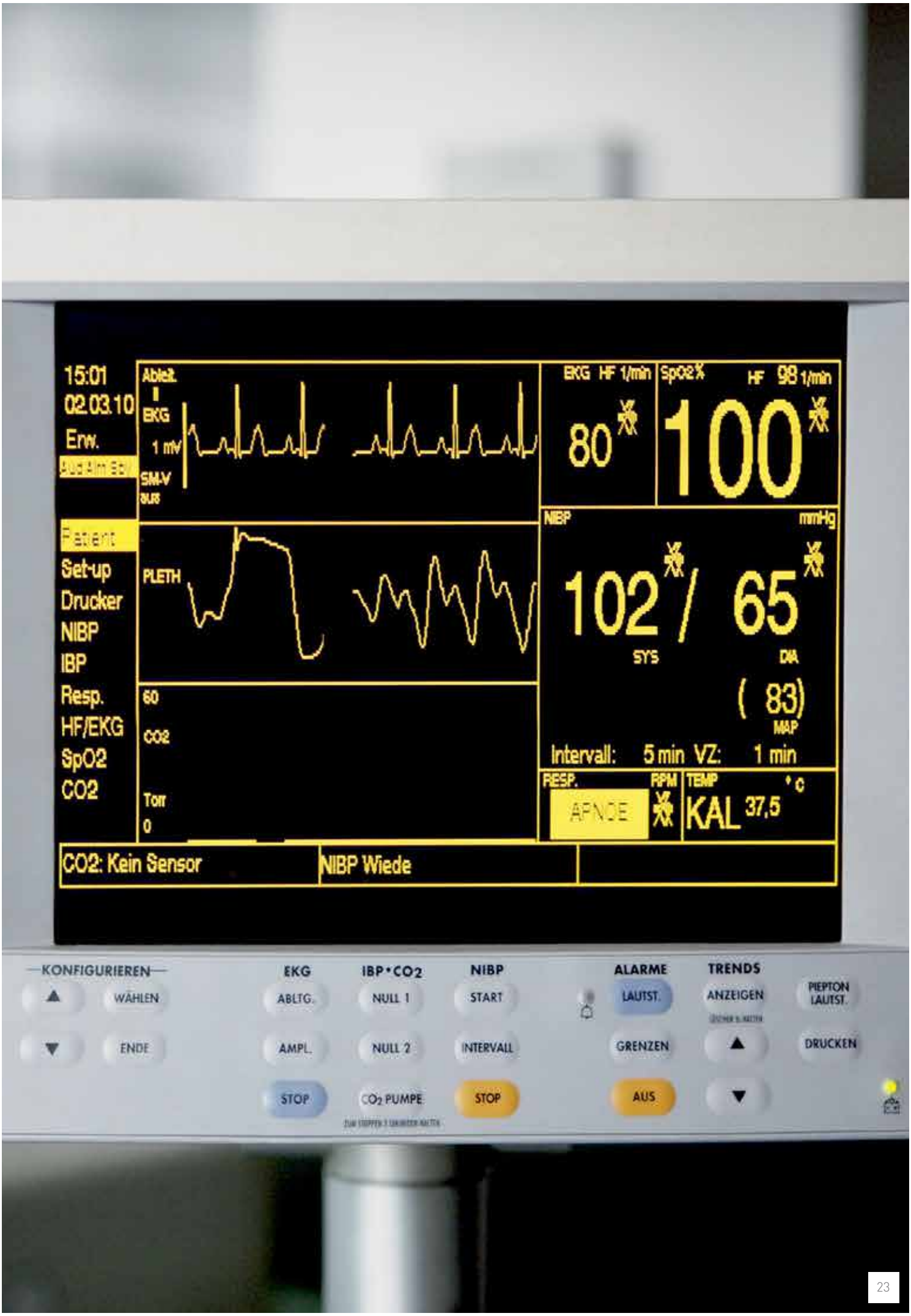


Maximum safety means making autonomous driving a reality

Drivers are no longer alone in their cars. They have extensive driver assistance systems at their side on every journey to facilitate car handling, ease critical situations, and thereby make decisive contributions to driver safety. Autonomous driving is the aim of this development: vehicles that extensively steer themselves. Our subsidiaries such as MA micro automation work together with automotive suppliers on future mobility by developing solutions to assemble driver assistance systems such as sensors, distance controls and front cameras to identify traffic signs or obstacles. This ensures maximum vehicle autonomy.

Maximum quality of life requires a combination of technology and innovation

Modern medical technology enables patients to enjoy a high quality of life: medical devices such as inhalers and autoinjectors allow the chronically ill to self medicate and self treat, including before operations, making them increasingly independent of doctors' and hospital appointments. Growing health awareness and a desire for greater freedom in therapy are transforming medical technology into a long-term future market. Our subsidiary MA micro automation serves this market: in particularly trust based and long-term collaboration with its customers, the company is developing special machines to produce medical devices such as inhalers, contact lenses, stents and autoinjectors (e.g. insulin pens), while meeting the most stringent medical technology quality criteria in this context.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M.A.X. AUTOMATION: Solutions enabling today's refuse and waste to become tomorrow's resources

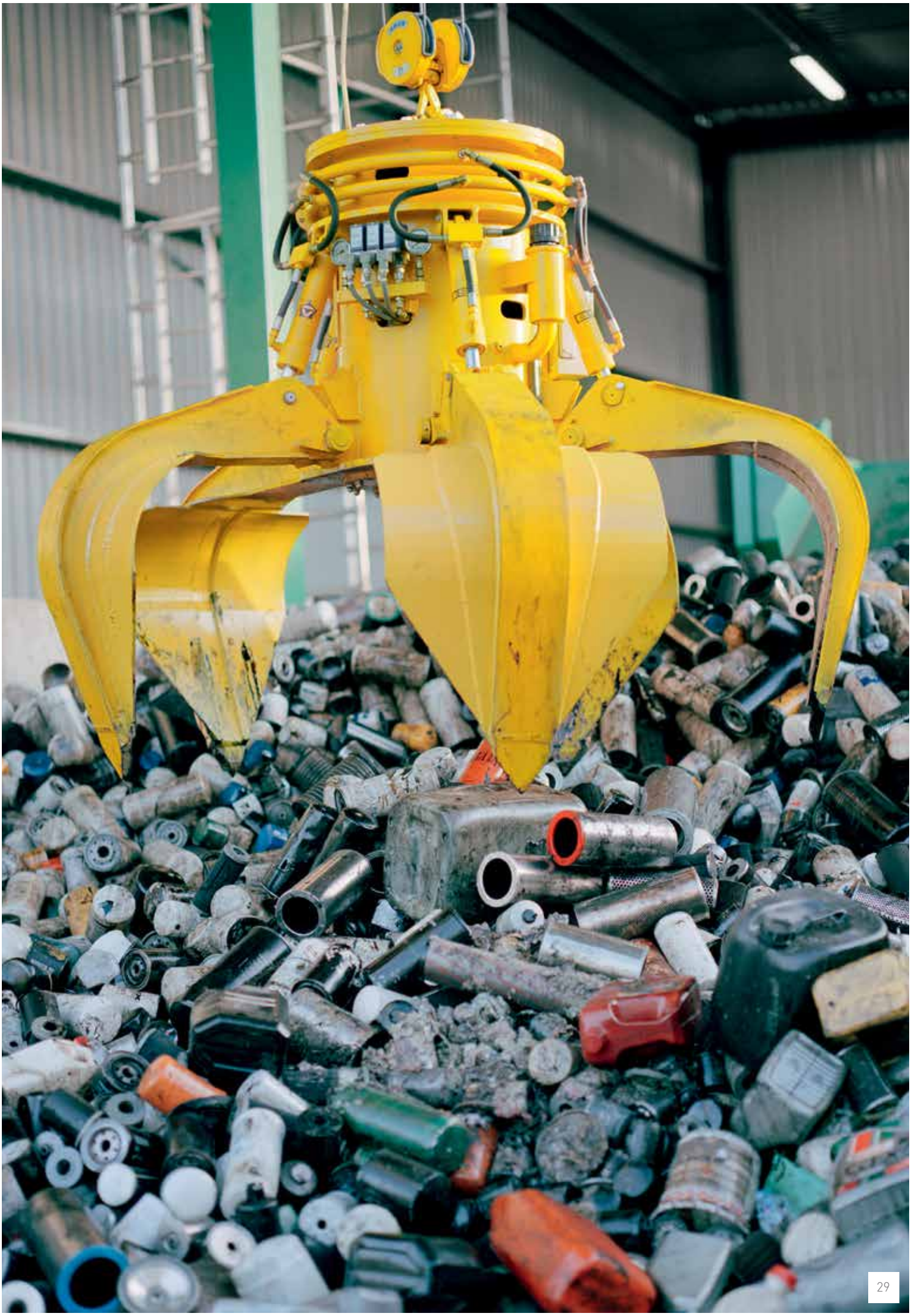
ENVIRONMENTAL TECHNOLOGY

Creating maximum sustainability succeeds when resources are made even more valuable

Wood is omnipresent: whether in the furniture industry or in the building sector – as a raw material the application scenarios are highly versatile, making it a very popular resource. Wood is also a particularly sustainable raw material as it can be grown again, and stores the carbon dioxide that it withdrew from the atmosphere before being processed. Our Vecoplan subsidiary develops state-of-the-art systems and extensive services to process wood as pellets, enabling them to be used further as fuel sources - thereby creating maximum sustainability for this important raw material.

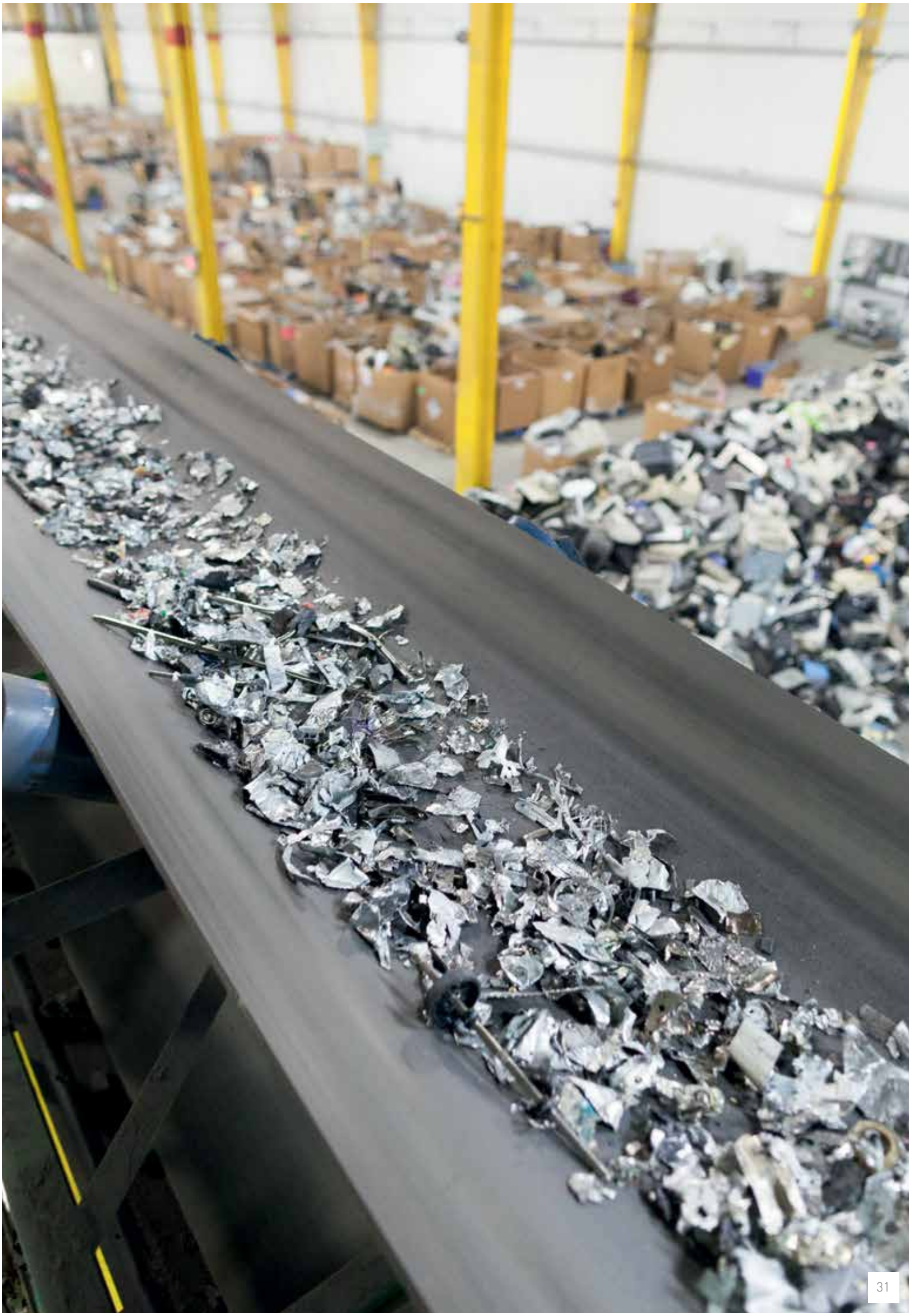
Maximum know-how enables closed economic cycles based on automation

There is no need to simply dispose of waste and refuse, as waste contains valuable secondary raw materials: with the right recycling solutions, household and commercial waste can be reprocessed to produce glass, plastics, aluminum and biomass. Especially the major conurbations in emerging economies face the challenge of controlling their growing mountains of waste and refuse, and of putting the respective materials to new use. Our Vecoplan subsidiary develops and produces machines and systems to return valuable raw materials to the production process, and thereby closing the economic cycle. Maximum know-how for maximum environmental compatibility.

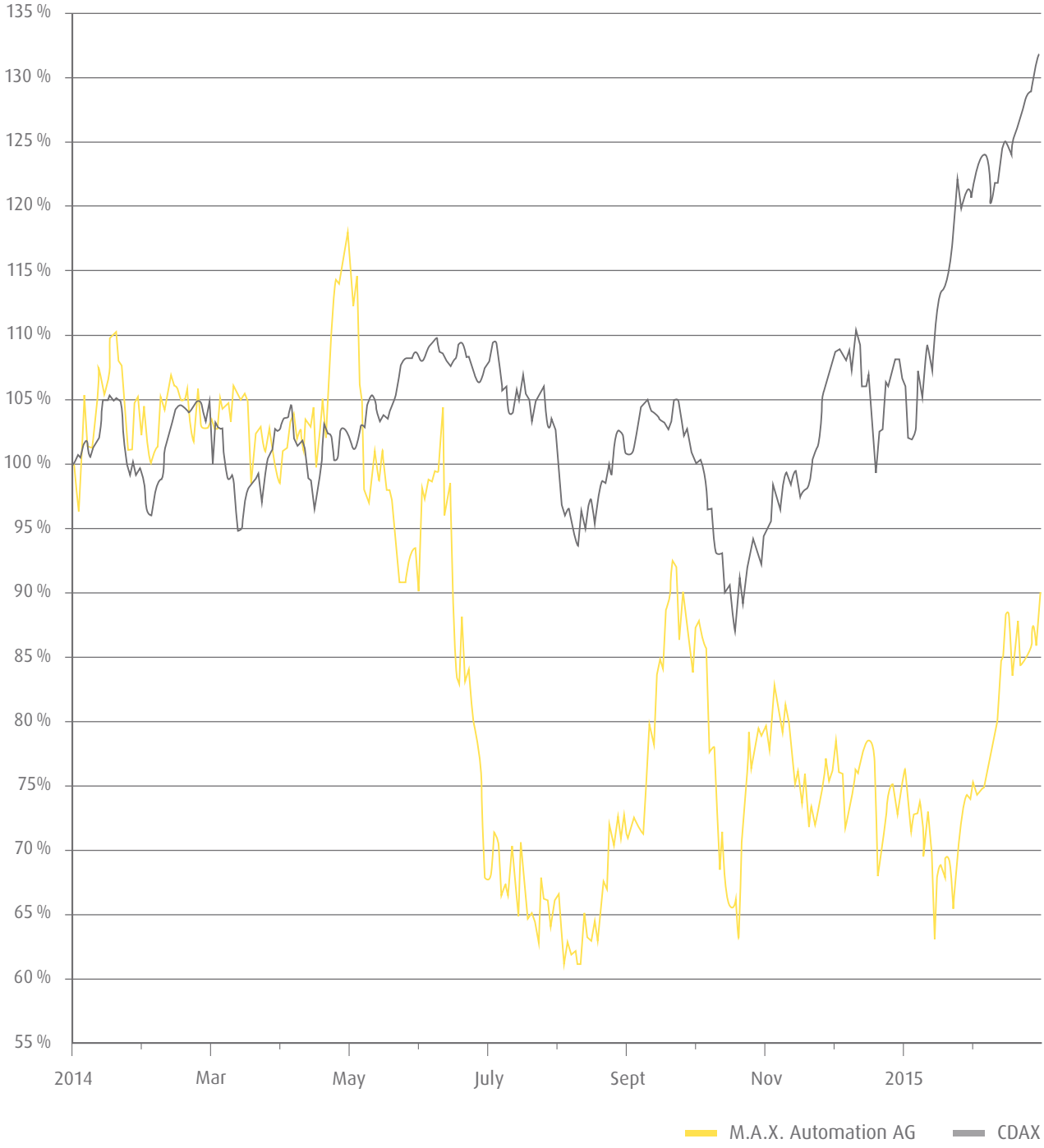


Maximum innovation means constantly discovering new and unutilized resources

Just a quick glance at a supermarket reflects virtually unlimited product ranges – and consequently also the volume of different packaging materials. But this also means that ever-growing quantities of waste have to be disposed of in an environmentally compatible manner before being reprocessed. This calls for innovative systems for conveying, shredding and separating the various materials ever more efficiently. Our Environmental Technology segment develops comprehensive solutions to process raw materials from the manufacturing and materials cycle, delivering maximum innovation.



The M.A.X. share



Awareness and perception of the M.A.X. Automation share to be strengthened

The M.A.X. Automation AG share failed to perform satisfactorily in 2014, losing 15.5 % of its value over the course of the year, despite an overall favorable stock market environment. M.A.X. Automation is pursuing the aim of bolstering the company's perception on the capital market by switching to the Prime Standard segment of the Frankfurt Stock Exchange, as well as by stepping up its investor relations activities - thereby lending further momentum to the M.A.X. Automation share.

THE M.A.X. SHARE

Subdued European equity markets in 2014

European equity markets registered only slight gains in 2014. Significant reasons for this included low economic growth in the Eurozone, which fell short of expectations, and the crisis between Ukraine and Russia. Negative effects were felt from the end of the Federal Reserve's bond purchases, the sharp fall in the oil price, weaker economic growth in China, the diagnosis of the first Ebola cases in the USA, and the sharp depreciation of some emerging economies' currencies. Positive factors, by contrast, included two European Central Bank (ECB) rate cuts during the year, the reduction in key interest rates in China, a widening of Japan's expansive monetary policy, and lively M&A activity.

The DAX index of leading German shares recorded a volatile performance in 2014. The index exceeded the 10,000 point level for the first time on June 5. A marked downtrend started in September, seeing the index slide to below 8,400 points by mid-October. In the subsequent rally, the index reached a new all-time high of 10,087 points on December 5. The index closed the year at just 9,806 points, however, reflecting a 2.7 % year-on-year appreciation (2013: +25.5 %).

The MDAX index was up by 2.2 % over the same period in 2014 (2013: +39.1 %), and the SDAX index by 5.9% (2013: +29.3 %) by the end of 2014. The CDAX, the reference index for M.A.X. Automation AG, had recorded a slight increase of 3.1 % by the year-end (2013: +26.8 %).

In the USA, robust economic data and US Federal Reserve announcements of a cautious change in the interest-rate trend resulted in significant share price gains on equity markets. The US Dow Jones Index was up by 7.5 % in 2014, and the NASDAQ-100 even by as much as 17.9 %.

M.A.X. Automation share in a downtrend

The share of M.A.X. Automation AG was down overall over the course of 2014 – following the previous year's 31.0 % price appreciation. Although it reached prices of more than EUR 5 in May, and its high of EUR 5.50 in April 30, it lost significant value around the mid-year, including in connection with weaker economic prospects in Europe and corresponding general falls on equity markets. It touched its low for the year of EUR 3.78 on August 1, before starting to recover, albeit failing to re-achieve its highs from the first half of the year. The share traded at slightly above EUR 4 in the fourth quarter, closing the year at EUR 4.25. As a consequence, the share fell by 15.5 % in the year under review compared with the corresponding previous year's level (2013 year-end share price: EUR 5.03).

Until May 2014, the performance of the share of M.A.X. Automation AG corresponded approximately to the performance of the comparable CDAX index. The M.A.X. share then underperformed it significantly, however.

The Group's market capitalization fell to EUR 113.9 million as of December 31, 2014, compared with EUR 134.8 million as of the previous year's reporting date.

Key data for the M.A.X. share in 2014	
German Securities Identification Number	658090
ISIN	DE0006580905
Ticker symbol	MXH
Share class	No par value ordinary shares
Number of shares	26.79 million
Notional nominal value per share	EUR 1
Free float share	51.0 %
Segment	General Standard (from April 1, 2015: Prime Standard)
Index	CDAX

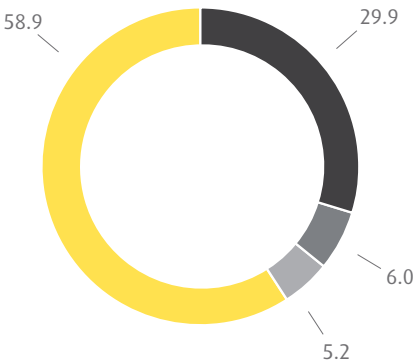
Performance of M.A.X. share 2014[1]	2014	2013
EBIT before PPA-related amortization per share (in EUR)	0.77	0.68
Earnings per share (in EUR)	0.37	0.38
Dividend per share (in EUR)[2]	0.15	0.15
High for the year (in EUR)	5.50	5.54
Low for the year (in EUR)	3.78	3.88
Year closing price (in EUR)	4.25	5.03
Dividend yield (in %)[3]	3.53	2.98
Market capitalization (in EUR mill.)[4]	113.9	134.8

[1] All data based on Xetra closing prices
[2] Proposal by Managing and Supervisory boards
[3] Based on year-end price
[4] As of December 31

Stable shareholder structure

The Günther Group, Hamburg, Germany, continued as the largest single shareholder in M.A.X. Automation AG with a 29.9 % voting rights interest as of March 31, 2015. Further large shareholders based on voting rights notifications as submitted to the Management Board included Stüber & Co. KG with 6.0 % and Baden-Württembergische Versorgungsanstalt with 5.2 %. Around 58.9 % of the voting right comprise the free float held by private and institutional investors as a consequence.

Voting rights notifications submitted to the company during the year under review can be viewed on the company's website at (http://www.maxautomation.de/investor-relations/).



Interests in the share capital
- Günther Group
- Stüber & Co. KG
- Baden-Württembergische Versorgungsanstalt
- Free float

Interests in share capital in % (as of: March 31, 2015)

THE M.A.X. SHARE

Shareholders' General Meeting approves unchanged dividend for 2013

M.A.X. Automation pursues an earnings-based dividend policy that enables shareholders to participate appropriately in the company's profitability and success. Dividend payouts in this context should be seen in the light of the aim of continuously increasing the Group's equity base for its further growth. Distributions from the company's existing net assets base are to be avoided.

At the Ordinary Shareholders' General Meeting on June 27, 2014, shareholders concurred with the proposed application of unappropriated retained earnings as submitted by the Management and Supervisory boards to pay out an unchanged dividend of 15 euros cents for the 2013 financial year. This entailed a total payout of EUR 4.0 million. The payout ratio (in relation to consolidated net income) amounted to 40 %. This resolution took the successful course of business during 2013 into account.

Continuation of a reliable dividend policy

The Management and Supervisory boards of M.A.X. Automation AG intend to propose to the Ordinary Shareholders' General Meeting to be held on June 30, 2015, in Düsseldorf that it approve the payment of a dividend of 15 euros cents per share. The total dividend payout would consequently amount to EUR 4.0 million, equivalent to 40 % of consolidated net income. The proposal for the application of unappropriated retained earnings also takes into account the principle of, firstly, meeting shareholders' entitlement to a return on their investments, and, secondly, giving the Group sufficient scope for maneuver in its business activities.

Intensive dialog with capital market

M.A.X. Automation is committed to the principles of open, comprehensive and prompt communication with the capital market. In accordance with this principle, the Management Board remained in regular contact in 2014 with analysts, investors from both Germany and abroad, as well as the media. This dialog was aimed at presenting the Group's strategic orientation following the acquisition of the AIM companies in November 2013, explaining progress made with integrating the new subsidiaries, and of allocating current business trends to the environment of the Group's target sectors.
Renowned financial and investor media followed the company's development, outlining its strategic and financial prospects. Actively pursued media contacts deepened event-led communication through press releases and mandatory stock exchange announcements.

Share in the Prime Standard segment from April 1, 2015

The Management Board has intensified communication with capital market participants through various measures in order to create the conditions for a share price performance that appropriately reflects the Group's good prospects. Specific steps have already been taken in 2014 to broaden analyst coverage of M.A.X. Automation AG, for example. Existing coverage by Close Brothers Seydler Research and equinet Bank was expanded to include Warburg Research in February 2015.

The company's announced switch from the General Standard to the Prime Standard segment of the Frankfurt Stock Exchange will occur with effect as of April 1, 2015. M.A.X. Automation AG will thereby meet the highest transparency and publicity requirements in future, which are particularly important for institutional investors. The Management Board is convinced that the inclusion in the Prime Standard will increase the company's visibility on the capital market.

REPORT OF THE SUPERVISORY BOARD

Dear shareholders,

General

In the 2014 financial year, the Supervisory Board concerned itself intensively with the strategic, financial and personnel development of M.A.X. Automation AG and the Group. Based on up-to-date verbal and written reports from the Management Board about the business position of M.A.X. Automation AG and the Group, the Supervisory Board supervised the management of M.A.X. Automation AG during the 2014 financial year according to stock corporation law regulations. The Supervisory Board was also available to provide advice to the Management Board during the financial year under review. The Management Board's reports related especially to fundamental questions about financial and investment policy, as well as the profitability and risk position of M.A.X. Automation AG and the Group. A further particular focus lay on integrating the AIM Assembly in Motion Group (AIM Group) into the M.A.X. Automation Group. The Supervisory Board exercised great care in fulfilling the tasks incumbent upon it according to the law and the company's articles of incorporation, and concerned itself intensively with the business transactions of the company and the Group.

The Supervisory Board was presented with regular reports on the course of business with divergence analyses in relation to planning and the previous year, including documentation of liquidity and financial positions. All transactions requiring its approval were discussed intensively with the Supervisory Board, with approval being given where required.

The Supervisory Board members, especially its respective Chair, also remained in intensive dialog with the Management Board outside the scope of meetings, being informed about the situation and development of both individual companies and the Group by way of verbal and written reports, discussing these reports with the Management Board, and consulting intensively about questions relating to business policy, business progress and the further development of the company and the Group.

The Supervisory Board was persuaded of the proper and orderly nature of management on the basis of the Management Board's reports and information. Equally, the Supervisory Board assured itself through questioning the Management Board, the subsidiaries' managers, and the auditor, that all of the requirements of the risk management system were fulfilled both at the parent company and within the Group.

Focus points of Supervisory Board meetings

A total of seven Supervisory Board meetings were held in the year under review. All members of the Supervisory Board attended these seven meetings. Pursuant to the regulations of the company's articles of incorporation, the Supervisory Board consists of three members only, with no committees being formed.

The Supervisory Board consulted at meetings about the most important business events, corporate planning as well as the financial position of M.A.X. Automation AG and the M.A.X. Automation Group.

The Supervisory Board's reviews and supervisory activities related primarily to the following items at the Supervisory Board meetings: At the Supervisory Board accounts meeting on March 28, 2014, the Supervisory Board focused on the audit of the separate annual and consolidated financial statements, as well as the com-

bined management report for the company and the Group. Along with its own primary audit activities as part of preparing for the Supervisory Board accounts meeting, the Supervisory Board put numerous questions to the auditor who was present, and discussed them in detail with the auditor. This meeting also focused on the development of the subsidiaries in 2014, the integration of the AIM Group, personnel matters, and transactions requiring approval. In addition, the agenda for the Ordinary Shareholders' General Meeting was approved, a new set of rules of business procedure for the Management Board were issued, and Supervisory Board efficiency was examined on the basis of a questionnaire (section 5.6 of the German Corporate Governance Code).

At the meeting on March 31, 2014, the separate 2013 financial statements of M.A.X. Automation AG as well as the 2013 consolidated financial statements were approved, with the 2013 separate financial statements being adopted as a consequence.

The meeting ahead of the Shareholders' General Meeting on June 27, 2014 focused on business trends at the subsidiaries and the Group. A further topic included the acquisition that had been realized of H+E Packtec GmbH and further procedure in relation to integrating this company. A potential disposal of Euroroll Dipl.-Ing. K.-H. Beckmann GmbH & Co. KG was also discussed.

At the meeting on August 5, 2014, the Management Board provided a further in-depth report on business trends in the Industrial Automation and Environmental Technology segments. The potential disposal of Euroroll Dipl.-Ing. K.-H. Beckmann GmbH & Co. KG was discussed again. Contracts requiring approval were also discussed and approved.

With the stepping down from office of former Supervisory Board Chairman Hans W. Bönninghausen at the end of September 15, 2014 (see "Corporate bodies" below), at the Meeting on September 25, 2014 Mr. Lerch was elected Supervisory Board Chairman, and court-appointed Supervisory Board member Dr. Kruse was elected Deputy Supervisory Board Chairman.

At the meeting on September 26, 2014, the Management Board reported on the subsidiaries' business trends. Personnel matters and the mandating of the auditor were also approved.

The meeting of December 18, 2014 focused especially on the subsidiaries' business trends in the 2014 financial year, and the corporate planning that had been submitted for the 2015 financial year. The Supervisory Board examined planning, especially in relation to its plausibility, consulted in detail with the Management Board on the respective inherent opportunities and risks, and subsequently approved the planning. A resolution was also passed to redeem the existing Group financing, and to replace it with a new financing structure for the Group. The disposal of Euroroll Dipl.-Ing. K.-H. Beckmann GmbH & Co. KG was also approved unanimously. In addition, personnel matters and transactions requiring approval were discussed and approved, and a report was delivered on the risk management system.

The Supervisory Board also frequently examined the monthly reports submitted at Supervisory Board meetings. These contain information about the revenue and earnings trends of the companies and the Group by segment, both per month as well as cumulatively. These also include the liquidity and financial positions.

REPORT OF THE SUPERVISORY BOARD

Along with its meetings, further Supervisory Board resolutions approved personnel matters, loans granted by M.A.X. Automation AG to subsidiaries, as well as various steps within acquisition and disposal processes.

Corporate bodies

Mr. Hans W. Bönninghausen stepped down from his office as member and Chairman of the Supervisory Board of M.A.X. Automation AG with effect as of the end of September 15, 2014. Dr. Jens Kruse was appointed to be a Supervisory Board member in response to an application submitted by the Management Board for a court-appointed addition to the Supervisory Board of M.A.X. Automation AG. Mr. Gerhard Lerch was appointed as the new Supervisory Board Chairman of M.A.X. Automation AG, and Dr. Jens Kruse was appointed his Deputy. The Supervisory Board would like to thank Mr. Hans W. Bönninghausen for the mutually successful and trust based cooperation.

Risk management

All risks identifiable from the perspective of the Management and Supervisory boards were discussed. The Supervisory Board was persuaded that the Management Board has installed a functioning risk management system. The auditor subjected the risk management system to an audit. This confirms that the Management Board has taken the measures required pursuant to Section 91 (2) of the German Stock Corporation Act (AktG), and installed a monitoring system that is appropriate for the early identification of going concern risks to the company and the Group. In this context, the auditor during the course of this audit identified no transactions that are to be reported to the Supervisory Board.

Separate and consolidated financial statements for 2014

The annual separate financial statements for M.A.X. Automation AG, as prepared by the Management Board, and the consolidated financial statements as of December 31, 2014, as well as the combined management report for the company and the Group, were audited along with the financial accounting by the auditor selected by the Shareholders' General Meeting, Ebner Stolz GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Hannover. Following the Shareholders' General Meeting, the Supervisory Board Chairman issued a written mandate for the auditing of the financial accounting to the auditor. Before the Supervisory Board proposed Ebner Stolz GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Hannover, as the auditor of the separate and consolidated financial statements to the Shareholders' General Meeting, the auditor had confirmed to the Supervisory Board Chairman that no circumstances exist that can detract from its independence as auditor. The auditor was available to respond to queries at the Supervisory Board meeting on March 30, 2015, reporting on the progress of the audit as well as significant findings, responding in-depth to questions from the Supervisory Board.

The auditor arrived at the conclusion that the separate annual financial statements of the parent company and the consolidated financial statements, as well as the combined management report for the company and the Group, along with the company's properly maintained financial accounts, are in accordance with statutory provisions and the articles of incorporation of M.A.X. Automation AG. It raised no objections, and issued unqualified audit certificates in each case. The Supervisory Board also submitted to its own review the audit reports produced by the auditor, the separate annual financial statements for the parent company and the Group, the combined management report for the company and the Group, as well as the Management Board's proposal for the application of unappropriated retained earnings. Drafts and copies of documents were made avail-

able to the Supervisory Board in sufficient advance time to allow thorough examination of all documents. The Supervisory Board concurs with the findings of the audit by the auditor. For its part, following the conclusive findings of its own review, the Supervisory Board raised no objections against the separate annual financial statements, the consolidated financial statements, and the combined management report for the company and the Group, especially in relation to statements concerning further corporate trends and development, and the disclosures pursuant to Section 315 (2) Number 5 and (4) of the German Commercial Code (HGB). The separate annual financial statements as prepared by the Management Board, and the consolidated financial statements of M.A.X. Automation AG as of December 31, 2014 were approved; the separate annual financial statements have thereby been adopted. The Supervisory Board concurred with the proposal submitted by the Management Board relating to the application of unappropriated retained earnings. The Supervisory Board has also approved the conformity statement.

Conformity statement

Pursuant to Section 161 of the German Stock Corporation Act (AktG), the Management and Supervisory boards have issued an updated conformity statement based on the amended version of the German Corporate Governance Code of June 24, 2014, and published it on the Internet. The Supervisory Board has conducted an efficiency audit pursuant to the requirements of the Corporate Governance Code.

The Supervisory Board would like to thank the Management Board, the management board members and managing directors of the subsidiaries, and all employees of the M.A.X. Automation Group, for their committed and successful work during the financial year elapsed.

Düsseldorf, March 2015

The Chairman of the Supervisory Board

Gerhard Lerch

CORPORATE GOVERNANCE REPORT

Corporate Governance

Compliance with nationally and internationally recognized standards for responsible corporate governance and controlling forms an important criterion for investors' investment decisions. M.A.X. Automation AG regards the current German Corporate Governance Code as an appropriate means to secure and strengthen the capital market's trust and confidence in the company and the M.A.X. Automation Group. The following corporate governance report serves to summarize the significant corporate governance principles that are critical to corporate governance at M.A.X. Automation AG.

General information about the management structure

M.A.X. Automation AG is subject to the regulations of German stock corporation law, capital market regulations, the provisions of the company's articles of incorporation, and the rules of business procedure for the Management and Supervisory boards. M.A.X. Automation AG operates a two-level executive and supervisory structure with its Management and Supervisory boards. The Management and Supervisory boards are and feel themselves committed to the interests of the shareholders and the company. The Shareholders' General Meeting comprises the company's third corporate body.

The Supervisory Board

The Supervisory Board consists of three members who are elected by the Shareholders' General Meeting. The Supervisory Board consults with, and supervises, the Management Board in its management of the company. The rules of business procedure for the Supervisory Board include clear and transparent processes and structures as an element of the supervisory and controlling process, reflecting German Corporate Governance Code recommendations for supervisory boards. The Management and Supervisory boards work together closely and on the basis of trust in the interests of M.A.X. Automation AG. The "Report of the Supervisory Board" in this annual report presents details of focal topical points of cooperation between the Management and Supervisory boards.

Along with statutory provisions, when making proposals relating to the election of Supervisory Board members, the Supervisory Board orientates itself exclusively to candidates' professional, specialist, technical and personal characteristics, as well as taking into account appropriate suitability aspects that support the Supervisory Board's function. This includes, for example, having Supervisory Board members with relevant business experience (please also refer to the remarks in the statement of conformity relating to Code section 5.4.1). The Supervisory Board has refrained from setting specific targets for its composition, especially as the simple specification of such targets is not of necessity accompanied by an improvement in the quality of Supervisory Board work.

The Management Board

The Management Board of M.A.X. Automation AG (currently consisting of one member) manages the company, and directs its business. The Management Board is obligated to act in the company's interest. Its work is aimed at enhancing the company's sustained value. It develops the company's strategic orientation, coordinates it with the Supervisory Board, and ensures that it is implemented. The Management Board is also responsible for the company's annual and multi-year planning, as well as for preparing the reports that are required by law, such as separate and consolidated annual financial statements, and interim reports. It is also responsible for appropriate risk management and risk controlling, as well as for regular, prompt and compre-

hensive reporting to the Supervisory Board on all questions of relevance to the Group relating to strategy, corporate planning, business development and trends, the risk position and risk management.

The Supervisory Board has set out the specifics of the Management Board's information and reporting duties. Significant transactions require Supervisory Board approval. Actions and transactions of fundamental importance are communicated in good time to shareholders and the capital market in order to also make decision-making processes transparent during the course of year, and to keep capital market participants sufficiently informed. The Management Board's rules of business procedure set out the transactions that require approval.
Shareholders' General Meeting

Shareholders' General Meeting

Shareholders exercise their rights and voting rights at the Shareholders' General Meeting. M.A.X. Automation AG only has shares that are fully entitled to voting rights. Each share grants one vote. The annual Ordinary Shareholders' General Meeting is held during the first eight months of every financial year. The agenda for the Shareholders' General Meeting, including reports and documents required for the meeting, are published on the company's website at www.maxautomation.de/investor-relations/hauptversammlung/ and www.maxautomation.de/investor-relations/berichte/geschaftsberichte/.

M.A.X. Automation AG provides its shareholders with proxy voting arrangements for the Ordinary Shareholders' General Meeting in order to make it easier for them to exercise their rights. The convening document for the Shareholders' General Meeting explains how proxy instructions can be issued ahead of the meeting. Shareholders are also free to select their own proxy. The registration and legitimation process corresponds to the statutory and internationally standard record date process. In this context, the 21st day before the shareholders' general meeting is regarded as the decisive cut-off date for legitimizing shareholders to participate at meetings.

Financial accounting, auditing and risk management

The consolidated financial statements of M.A.X. Automation AG are prepared according to the principles of International Financial Reporting Standards (IFRS), and the separate annual financial statements and the combined management report for the company and the Group are prepared according to the regulations of the German Commercial Code (HGB).

Before submitting its election proposal to the Shareholders' General Meeting, the Supervisory Board obtained a confirmation of the independence of its planned auditor. The Supervisory Board Chairman asked the auditor to report to it immediately about all matters arising during the audit activities in relation to significant findings or events that in the broadest sense concern the Supervisory Board's tasks, where they could not be addressed immediately.

The existing risk management system of M.A.X. Automation AG is set up to disclose, record, measure and steer business and financial risks to which the company is exposed in its operations. The individual elements of this supervisory system provide reliable information about the current risk position, and support documentation, risk investigation, and elimination of weak points. They consequently help to minimize negative effects that might arise from risks. The combined management report for the company and the Group provides detailed information about the risk management system of M.A.X. Automation AG.

CORPORATE GOVERNANCE REPORT

Transparency

M.A.X. Automation AG utilizes the company's website "www.maxautomation.de" to provide up-to-date information for shareholders and investors. Along with the annual report and interim reports (half-year financial report and quarterly financial reports), shareholders and third parties are informed about current developments by way of unscheduled announcements and press releases.

Sufficiently in advance, M.A.X. Automation AG issues a financial calendar with all of the company's main dates and publications.

Reportable securities transactions and significant voting rights interests

Pursuant to the German Securities Trading Act (WpHG), M.A.X. Automation AG publishes directors' dealings pursuant to Section 15a of the German Securities Trading Act (WpHG) as soon as they have been received, in other words, notifications by members of the Management Board, the Supervisory Board and other individuals who exercise managerial functions at M.A.X. Automation AG in the meaning of Section 15a of the German Securities Trading Act (WpHG), as well as natural and legal persons closely related to such individuals, concerning securities transactions relating to the M.A.X. Automation share. Such notifications are also published on the company's website under www.maxautomation.de/investor-relations/corporate-governance/director-dealings/.

Also as soon as they have been received, the company immediately publishes notifications concerning the purchase or sale of significant voting rights interests pursuant to Section 21 of the German Securities Trading Act (WpHG), or concerning the holding of financial instruments and other instruments pursuant to Section 25 of the German Securities Trading Act (WpHG), or concerning the holding of further financial instruments and other instruments pursuant to Section 25a of the of the German Securities Trading Act (WpHG), on the company's website at www.maxautomation.de/investor-relations/corporate-governance/download-dokumente/. The corresponding notifications for the financial year elapsed are also reproduced in the notes to the consolidated financial statements in this annual report.

Conformity statement – German Corporate Governance Code

On March 30, 2015, the Management and Supervisory boards issued the conformity statement pursuant to Section 161 of the German Stock Corporation Act (AktG). Divergences from the recommendations of the German Corporate Governance Code are disclosed and justified. The conformity statement, including the justification of divergences from it, can be found on the company's website under www.maxautomation.de/investor-relations/corporate-governance/download-dokumente/.

The current and previous versions of the conformity statement since 2007 are also permanently available for shareholders at the aforementioned Internet address.

Compensation report in the corporate governance report

Basic elements of the Management Board compensation scheme

The compensation of Management Board members in office during the 2014 financial year is published in the notes to the consolidated financial statements.

Compensation of Supervisory Board members

The compensation of Supervisory Board members in the 2014 financial year is presented on an individualized basis in the notes to the consolidated financial statements.

Stock option programs and similar securities-based incentive schemes

No stock option programs or similar securities-based incentive schemes exist at M.A.X. Automation AG.

Düsseldorf, March 30, 2015

The Management Board

Fabian Spilker

For the Supervisory Board

Gerhard Lerch
(Chairman)

CONFORMITY STATEMENT

Statement by the Management and Supervisory boards of M.A.X. Automation AG concerning the recommendations of the "German Corporate Governance Code Government Commission" pursuant to Section 161 of the German Stock Corporation Act (AktG)

VThe Management and Supervisory boards of M.A.X. Automation AG issued the last conformity statement pursuant to Section 161 of the German Stock Corporation Act (AktG) on March 31, 2014. The following statement relates to the recommendations of the Code in the version dated May 13, 2013 in the period until September 29, 2014. Additionally, from September 30, 2014 the following statement relates to the recommendations of the Code in the version dated June 24, 2014 that was published in the official section of the electronic Federal Gazette (Bundesanzeiger) on September 30, 2014.

The Management and Supervisory boards of M.A.X. Automation AG declare that the recommendations of the "German Corporate Governance Code Government Commission" have been complied with, and are complied with, with the following exceptions:

Relating to 2.2.1
The Management Board presents a combined management report for both the company and the Group to the Shareholders' General Meeting.

Relating to 2.3.3
The company has refrained from transmitting the 2014 Shareholders' General Meeting via the Internet for technical and organizational reasons. Also for technical and organizational reasons, and cost reasons, the company does not plan either partial or full transmission of the 2015 Shareholders' General Meeting via the Internet.

Relating to 3.8, third paragraph
The directors and officers insurance cover that M.A.X. Automation AG has taken out for the members of its Management and Supervisory boards does not include a deductible, as a rule, as it comprises a group insurance policy that also includes a number of staff members in Germany. A deductible has nevertheless been agreed for the Management Board, in accordance with statutory regulations. M.A.X. Automation AG is of the general view, however, that the motivation and sense of responsibility with which directors perform their duties is not improved by such a deductible. For this reason, the company will continue to refrain from a deductible for Supervisory Board members.

Relating to 4.2.1
Until March 27, 2015, the Management Board consisted of two individuals, one of whom was appointed Management Board Spokesman (Chief Executive Officer). Due to the Spokesman having stepped down from the Management Board on March 27, 2015, the Management Board has since consisted of only one individual, as a consequence of which no Management Board Spokesperson or Chairperson is currently appointed.

Relating to 4.2.3
Given their short duration of only three years in each case, the Management Board contracts comprise no regulations relating to either a settlement and its measurement basis in the case of early discontinuation of Management Board activity, or discontinuation of Management Board activity as the consequence of a change

of control or discontinuation of activity for good reason. In the case of early discontinuation of Management Board activity, this ensures the flexibility required to achieve appropriate negotiation results corresponding to respective specific situations.

Relating to 5.3
The Supervisory Board has not formed any committees. The plenary Supervisory Board itself is active in relation to all matters concerning it. Its members are also in constant contact both with each other and with the Management Board outside the scope of Supervisory Board meetings, which allows them to respond flexibly to all relevant matters. The formation of specialist committees is neither required nor expedient as the statutory minimum number of three members have been appointed to the Supervisory Board. For these reasons, too, neither an audit committee nor a nomination committee have been set up.

Relating to 5.4.1
An age limit for Supervisory Board members has not been set as limiting Supervisory Board membership through an age limit fails to take into account either members' individual qualities or the value contributed by their many years of experience.

Along with statutory provisions, when making proposals relating to the election of Supervisory Board members, the Supervisory Board orientates itself exclusively to candidates' professional, specialist, technical and personal characteristics, as well as taking into account appropriate suitability aspects that support the Supervisory Board's function. This includes, for example, having members with relevant business experience. The Supervisory Board has refrained from setting specific targets for its composition, especially as the simple specification of such targets is not of necessity accompanied by an improvement in the quality of Supervisory Board work.

Relating to 5.4.3
The company reserves the right to also submit applications for court-appointed Supervisory Board members on an indefinite basis. The company nevertheless plans to propose to shareholders the court-appointed Supervisory Board member for election at the next Ordinary Shareholders' General Meeting following the court appointment. This ensures not only that the Supervisory Board is able to act at all times, but also that shareholders can exercise their co-determination rights in the election of Supervisory Board members.

Relating to 5.4.6
The Supervisory Board members do not receive any performance-based compensation for their Supervisory Board work, as the company is of the view that performance-based compensation has no notable effect on the Supervisory Board's activities. This is also intended to prevent the Supervisory Board, in being led by compensation scheme rules, to decide on measures that generate only short-term earnings effects.

Relating to 6.3
The second clause of 6.3 relating to stating the shareholdings of the Management and Supervisory board members has not been applied given the wish to protect the private domain of Management and Supervisory board members. The requisite transparency is ensured through publishing reportable securities transactions and notifications of changes to voting rights interests.

CONFORMITY STATEMENT

Relating to 7.1.2
Before being published, the half-year and quarterly financial report are discussed only with the Supervisory Board chairperson, but not with the entire Supervisory Board, as the Management Board sees this as the only way to retain the requisite flexibility and avoid demarcation problems in matters of relevance to ad hoc publications, in particular.

Düsseldorf, March 30, 2015

The Management Board:

Fabian Spilker

For the Supervisory Board:

Gerhard Lerch
(Chairman)

GROUP MANAGEMENT REPORT

Combined management report for M.A.X. Automation AG for the 2014 financial year

1. Basis of the parent company and the Group

1.1. Business model

M.A.X. Automation AG, headquartered in Düsseldorf, Germany, specializes in the sustainable development of medium-sized companies that operate in the automation of production processes. When realizing corporate acquisitions, M.A.X. Automation aims to acquire a majority of the share capital, if possible 100 % of the shares. The Group operates in the two segments of Industrial Automation and Environmental Technology, which are active in key sectors that enjoy long-term growth prospects such as the automotive industry, medical technology, electronics, as well as recycling and resource conservation.

M.A.X. Automation AG functions as the Group management company, and is responsible for the Group's strategic and financial steering. It also sets and supervises appropriate strategic and operational measures that allow the subsidiaries' defined targets to be met. M.A.X. Automation AG also analyses and defines synergy potentials between the subsidiaries in the areas of purchasing, financing, sales, technology and production, and supports them in the realization of such synergies.

The financial position and performance of M.A.X. Automation AG is significantly affected by the business trends of the subsidiaries in the segments, and their corresponding dividend payouts. The operating subsidiaries' management teams report to the Management Board of M.A.X. Automation AG. The Management Board directs the Group at its own responsibility, and is appointed, controlled and advised by the Supervisory Board of M.A.X. Automation AG. The Supervisory Board maintains close contact with the Management Board, and is included in all business transactions of key significance for the parent company or Group.

As a public stock corporation, M.A.X. Automation AG is listed on the Frankfurt Securities Exchange. The M.A.X. Automation share is listed in the General Standard segment of Deutsche Börse AG, whereby a switch to the Prime Standard segment will take place as of April 1, 2015.

All of the Group's operating subsidiaries are allocated to one of the two segments. The following companies belonged to the Industrial Automation segment in the 2014 financial year:

- AIM-Assembly in Motion GmbH (AIM Group) with its companies
  - ELWEMA Automotive GmbH
  - Rohwedder Macro Assembly GmbH
  - MA micro automation GmbH (formerly: Rohwedder Micro Assembly GmbH)
  - AIM Micro Systems GmbH
- IWM Automation Group
- bdtronic Group
- NSM Magnettechnik Group
- Mess- und Regeltechnik Jücker GmbH
- Euroroll Dipl.-Ing. K.-H. Beckmann GmbH & Co. KG (sold in December 2014)

The Environmental Technology segment comprises the following companies:
- Vecoplan Group
- altmayerBTD GmbH & Co. KG

In their sub-markets, the subsidiaries of M.A.X. Automation AG are leading providers of technologically complex automation and process solutions that are individually tailored to customers' requirements. As an expert and reliable partner to their customers, they develop and produce individual technical components, complete automation systems, and total systems in the context of specialist engineering and machine building. As system providers, they also render important services for their customers, such as consulting, project management commissioning, and maintenance/repair of components and systems.

The Group's target markets are located mainly in Europe, North and South America, and Asia. The subsidiaries are also partly represented on international markets with their own sales companies.

In the Industrial Automation segment, the customer group comprises mainly the automotive industry and its suppliers, as well as medical technology, the electrical and electronics industry, and packaging automation. The customer base of the Environmental Technology segment consists especially of private and public sector waste management and recycling technology companies, the timber and paper industry, the energy sector, as well as the cement and plastics sectors. Section 2.10 provides further information about the operating segments of M.A.X. Automation AG.

1.2. Key management indicators and strategic positioning

1.2.1. Key financial management indicators

M.A.X. Automation AG makes recourse to financial management indicators to manage and assess its Group operating business. These are aimed at securing and enhancing long-term profitability.

The financial performance indicators include:
- New order intake and order book position
- Profitability indicators
- Capital and liquidity indicators
- Personnel data (especially headcounts)

1.2.2. Strategic positioning

The business model of M.A.X. Automation AG characterized by its long-term orientation. It is based on the subsidiaries' respective business models with their specific strengths, as well as standard Group requirements and expectations as set by the parent company. The Group's strategic positioning is characterized essentially by the following aspects:

- **Added value positioning:** The subsidiaries of M.A.X. Automation act as close partners to their customers, and combine individual automation components and extensive system and process expertise to develop customized and technically high-end solutions on a "one-stop-shop basis". In doing so, they pursue the objective of achieving optimizations to their customers' production processes. This allows them to generate important

added values, and offer differentiating characteristics in relation to respective competitors. This positioning is of key significance for the M.A.X. Automation Group's long-term business success and profitability.

- **Comprehensive project management:** The subsidiaries can aggregate different services within a single management project. This includes deploying high-tech in combination with special process expertise and extensive services. Along with business with individual components, these strengths also create the foundation to acquire and implement complex large-scale projects in international markets. This positioning generates high demand for specialized technical staff. Recruiting and fostering qualified and specialist staff consequently forms a central challenge for the subsidiaries.

- **Innovations:** Intense competition and continuous technological further developments characterize the market environment in the M.A.X. Automation Group's respective segments. Innovative products and services that deliver sustainable optimization and consequently measurable added values for customers comprise an important differentiating characteristic – and are essential to the Group's long-term success and profitability as a consequence. An innovation culture that promotes technological progress and enables customers to benefit from smooth operating processes is of key significance to maintaining the individual subsidiaries' market positions and expanding them further.

- **Expansion of international business:** The Group depends to a particular extent on further internationalizing its segments' businesses. Expansion of foreign business in industrial automation and environmental technology is unfolding against the backdrop of dynamic growth markets in emerging economies, among other factors. Major catch-up demand in terms of environmental management in many large cities outside Europe also offers good sales opportunities. The Group companies maintain an international network of sales and service branches, as well as selected production sites abroad, to meet customer requirements locally.

1.3. Research and development

The M.A.X. Automation Group counts internationally leading companies from various sectors among its customer base. These clients make special demands of individual automation solutions based on innovative technologies and processes. In view of this aspect, M.A.X. Automation regards its research and development area as an important factor in examining its non-financial performance. Rapid technological change, highly intense competition, and growing political regulations especially in the environmental segment, comprise the environment for the Group companies' operating businesses.

Given these conditions, research and development (R&D) targeted at respective customer requirements form an essential success factor for the M.A.X. Automation Group. R&D is organized on a decentralized basis: M.A.X. Automation AG does not conduct any of its own research. Its subsidiaries' task is to establish and maintain their own research and development capacities, and further develop them in line with customers' advancing requirements. This allows innovations to be developed in accordance with respective customers' market locations and demand, and existing technological expertise to be expanded.

The tapping of promising new automation market represents an important aspect in this context. Synergies are also leveraged through the subsidiaries communicating with each other about their R&D activities, and the transfer of know-how. Some very intensive work was conducted on research and development projects

in 2014, with corresponding time input and expense. In the Industrial Automation segment, these included developing a new cleaning system, and assembly systems for transmissions, clutches and steering systems. These latter projects should enable customers to achieve further efficiency enhancements through greater deployment of robots – mostly entailing shorter throughput times and less labor. The development of important new processes such as autofocus adjustment and the new generation of the MRC basis cell were also completed. A PDM/CAD interface was also developed that ensures automatic data transfer from CAD to the ERP system.

In cooperation with an external engineering office, we developed a prototype high-speed feeder in our Industrial Automation segment. This system serves to interlink parts transportation in presses. An exclusive sales right exists for this system type.

In the Environmental Technology area, the VEZ was made ready for market based on knowledge gained from developing our VAZ series, our VEBS alternative fuel shredder, and our V-ECO plastics shredder. Further innovations included the BEF Type E and optimization of the Vecobelt.

Section 6.2. in the notes to the consolidated financial statements includes more information about costs for development activities that are capitalized within the M.A.X. Automation Group.

2. Group economic and business report

2.1. Macroeconomic and sector-related conditions

2.1.1. Macroeconomic environment

The global economy reported a positive trend in 2014, although its growth in the first half of the year was weaker than originally assumed. Geopolitical conflicts, such as those in Ukraine and the Middle East, were cited as significant reasons by the International Monetary Fund (IMF). The IMF also saw only a slow economic recovery in the Eurozone, which lost dynamics during the second half of the year. Overall, the IMF calculated global economic growth of 3.3 % in 2014. Economic output in China was up by 7.4 % in this context, and by 2.4 % in the USA.

Eurozone trends set a more moderate pace, with the economy expanding by just 0.8 %, according to the IMF. Although countries such as Spain and Portugal made progress with structural reforms, other nations such as Italy and France continue to suffer from a reform backlog that is hampering economic activity, according to the Kiel Institute for the World Economy (IfW).

The German economy grew by 1.6 % in 2014, according to the German Federal Statistical Office, although it thereby fell significantly short of economic experts' original expectations. This positive trend was driven primarily through growth in private consumption spending, as well as corporate and government investments in machinery, equipment and vehicles. The unemployment rate in 2014 was down 0.2 percentage points to

Sources:
- International Monetary Fund (IMF): World Economic Outlook, Updates October 2014 and January 2015
- Kiel Institute for the World Economy (IfW): "Dämpfer für die Konjunktur", September 11, 2014
- German Federal Employment Agency, press release, January 7, 2015
- German Federal Statistical Office, press release, February 13, 2015

6.7 %, according to the German Federal Employment Agency, with the year-average number of registered unemployed individuals standing at its lowest level since German reunification.

2.1.2. Trends in relevant sectors

Overall, the German mechanical and plant engineering sector registered positive business trends in 2014. In December, the German Engineering Federation (VDMA) confirmed its 1.0 % year-on-year production growth forecast for its member companies. Sector sales stood at around EUR 212.0 billion (2013: EUR 206.0 billion), reflecting 2.9 % growth, according to the Federation's data, thereby exceeding the record level achieved in 2008 (EUR 208.0 billion).

Exports of EUR 151.0 billion were slightly ahead of the previous year's EUR 149.0 billion (+1.3 %), according to the VDMA. The VDMA gave a positive assessment of business in large markets such as EU countries, China, Southeast Asia, the Middle East, North and West Africa, and the USA. The association saw weaker demand by contrast from some large emerging industrialized countries and EU neighbor states, including Brazil, South Korea, India, South Africa and Turkey. Shipments to Ukraine collapsed by a third during the first nine months of the year, according to the VDMA, with exports to Russia dropping by around 16 %. Domestic demand in Germany is reporting an overall dynamic trend according to VDMA data. Sector domestic sales stood at EUR 61.0 billion on a full-year basis, 7.0 % more than in the previous year (EUR 57.0 billion).

The global automotive market continued the previous years' trend in 2014, putting in a further positive performance with a surprising "final spurt" in December. This growth was driven predominantly by the three major regions of Western Europe (+4.8 % to 12.1 million new registrations), China (+12.7 % to 18.4 million new registrations) and the USA (+5.8 % to 16.4 million new registrations). Western European markets nevertheless reported differing trends: markets such as Spain, Portugal and Ireland saw dynamic growth rates, while Italy and France proved disappointing.

Despite good growth rates overall, over the course of the year several German vehicle manufacturers announced cost-saving and efficiency enhancement programs to the tune of billions of euros for the next few years. The manufacturers themselves state that they are thereby aiming to respond to saturation trends on European markets in a timely manner. They also cite uncertainty as to whether the Chinese market will continue its high growth rates.

The German waste and recycling technology sector anticipated pleasing business trends in 2014. According to a business survey conducted in May among member companies of the VDMA's Specialist Waste and Recycling Technology Association, most of the participating companies expected growth over the course of the full year. They also continued to ascribe great importance to international business, anticipating a 71.0 % export ratio (previous year: 75.0 %). Primarily EU member states, North America and Asia were referred to in this context. The German medical technology sector expected a successful business year in 2014. The Spectaris sector association forecast that member companies would grow their total sales by 1.6 % year-on-year to reach a level of EUR 25.0 billion for the first time. The association predicted 1.3 % sales growth EUR 8.0 billion for Germany, with foreign sales rising by 1.8 % to EUR 17.1 billion. Spectaris nevertheless reported in November on weaker demand during the second half of the year. Actual data for the full 2014 year were not yet available as of the time of the publication of this annual report.

2.2. Group business trends

The M.A.X. Automation Group performed positively overall in 2014. Although business at the start of year was moderate – due to customers postponing orders – it recovered significantly, especially in the second half year, with a pleasing fourth quarter. The originally communicated forecast for sales revenue (EUR 360 million to EUR 380 million) and EBIT (EUR 19 million to EUR 21 million) was adjusted during the course of the year to revenue of between EUR 350 million and EUR 360 million, and EBIT of between EUR 16 million and EUR 18 million. The adjusted forecasts were met in terms of consolidated revenue, and exceeded in the case of consolidated operating profit.

In some areas of the Industrial Automation segment, this setback was due to orders which customers have notified for 2014, but which were eventually not issued until the year-end. As a result, these orders will result in corresponding earnings contributions in 2015 as a consequence. In the Environmental Technology segment, effects from the Ukraine crisis led Russian customers to postpone orders.

Key indicators such as new order intake, revenue, earnings before interest, tax, depreciation and amortization (EBITDA), earnings before interest and tax (EBIT), and before and amortization arising from purchase price allocations (PPA-related amortization), as well as net income for the year registered some significant year-on-year growth rates in 2014. It should be noted in this context that the AIM Assembly in Motion Group, which was acquired in early November 2013, was recognized for a full year for the first time in the year under review.

Consolidated new order intake reached a level of EUR 339.3 million, reflecting 36.7 % year-on-year growth. The consolidated order book position as of December 31, 2014 stood at EUR 143.1 million, 7.5 % above its level on the previous year's equivalent reporting date.

Consolidated revenue amounted to EUR 351.4 million, up 30.1 % year-on-year. EBITDA grew from EUR 23.3 million in the previous year to EUR 26.6 million (+14.0 %). Consolidated EBIT before PPA-related amortization grew 12.8 % to EUR 20.5 million. Consolidated net income stood at EUR 10.0 million (-1.4 %).

The Management Board regards the consolidated balance sheet ratio trends as pleasing: Net debt (bank borrowings less liquid assets) reflected repayments of EUR 16.2 million to a level of EUR 47.9 million as of December 31, 2014. The target was for net debt of between EUR 55 million and EUR 60 million. The equity ratio stood at 33.8 % (December 31, 2013: 31.8 %), clearly above the targeted 30 % minimum.

The 2014 financial year was a year of transition for the M.A.X. Automation Group. The focus was on integrating the AIM Group companies into the Industrial Automation segment, and realization of corporate group and synergy effects within the Group. The subsidiaries' location network was also optimized.

The Management and Supervisory boards intend to continue the past years' dividend policy, with shareholders participating appropriately in the positive business trend. They will propose to the Annual General Meeting on

Sources:
- German Engineering Federation (VDMA), press release, December 18, 2014
- German Automotive Industry Association (VDA), Press release, January 16, 2015
- VDMA: "VDMA Abfall- und Recyclingtechnik: Für die Branche stehen die Zeichen auf Wachstum", press release, May 5, 20142014
- Spectaris: Die deutsche Medizintechnik in Zahlen, 2014/2015, November 2014
- Spectaris: Fachverband Medizintechnik, Zahlen und Fakten, www.spectaris.de

June 30, 2015 that it approves a dividend of 15 euro cents per share for the financial year elapsed, compared with 15 euro cents for 2013. This would entail another payout of EUR 4.0 million.

2.3. Particular events during the financial year

2.3.1. NSM Magnettechnik takes over H+E Packtec

On June 27, 2014, the M.A.X. Automation group announced that its subsidiary NSM Magnettechnik in the Industrial Automation segment, through the company NSM Packtec GmbH, Ahaus, had acquired the insolvent company H+E Packtec GmbH from the SH+E Group as part of an asset deal with effect as of July 1. NSM Packtec is a specialist provider with extensive expertise in systems for the filling and packaging of groceries in the dairy and alcohol free beverages industries. This takeover allowed the NSM Magnettechnik Group to realize a targeted addition to its packaging automation expertise.

2.3.2. Change to the Supervisory Board of M.A.X. Automation AG

On August 13, 2014, M.A.X. Automation AG announced that Mr. Hans W. Bönninghausen would step down from his post as a member and Chairman of the Supervisory Board of M.A.X. Automation AG as of September 15, 2014. In response an application by the Management Board, Dr. Jens Kruse, Hamburg, General Manager of M.M. Warburg & CO Kommanditgesellschaft auf Aktien, Hamburg, was court-appointed to be a new Supervisory Board member. The Supervisory Board elected Mr. Gerhard Lerch to be its new Chairman, and Dr. Jens Kruse to be Deputy Chairman.

2.3.3. Sale of the Euroroll subsidiary

The company announced in December 19, 2014 that it had sold 100 % of its shares in the subsidiary Euroroll Dipl.-Ing. K.-H. Beckmann GmbH & Co. KG. FORTAS AG, an investment firm specializing in medium-sized companies, was the buyer of this manufacturer of unpowered roller conveyor systems. This disposal allows M.A.X. Automation to focus further on its core businesses in its Industrial Automation and Environmental Technology segments, as announced. This disposal was preceded by a structured sales process that encountered great investor interest.

2.4. Group financial accounting and scope of consolidation

M.A.X. Automation AG prepared its consolidated financial statements for the 2014 financial year according to International Financial Reporting Standards (IFRS). As a result, the company has been released from the obligation to prepare consolidated financial statements according to the requirements of the German Commercial Code (HGB). Previous year figures were also calculated according to IFRS. Section 2.8. to the notes to the consolidated financial statements covers adjustments to the previous year's financial statements due to accounting amendments and corrections. Significant changes included the recategorization of one property from an operating lease to a finance lease, and the related accounting treatment of the plot of land and lease liability. NSM Packtec GmbH (formerly: H+E Packtec GmbH) was acquired in the second quarter 2014, and consolidated as of July 1, 2014. In addition, the subsidiary Euroroll Dipl.-Ing. K.-H. Beckmann GmbH & Co. KG was sold on December 19, 2014, and deconsolidated as of December 31 of the year. Both transactions had a positive effect on Group earnings.

It should also be noted that the AIM Assembly in Motion Group, which was acquired in 2013, was consolidated as of November 1, 2013 with the companies ELWEMA Automotive GmbH, Rohwedder Macro Assembly GmbH,

Rohwedder Micro Assembly GmbH (operating since February 1, 2015 under the new corporate name of: MA micro automation GmbH) and AIM Micro Systems GmbH. The income statement of the M.A.X. Automation Group for the 2014 financial year consequently includes the revenue and earnings contributions from the acquired companies for the first time for a full 12 months. Section 3. of the notes to the consolidated financial statements provides precise information about the consolidation of the AIM Group and of NSM Packtec, as well as about the deconsolidation of Euroroll.

2.5. Order book position

In 2014, the M.A.X. Automation Group recorded marked year-on-year growth in its new order intake. Orders stood at a total of EUR 339.3 million, up by EUR 91.0 million, or 36.7 %, on the level in 2013 (EUR 248.3 million).

As in previous years, order trends differed between the two segments: Industrial Automation registered high growth of 71.3 % to EUR 216.3 million – mainly influenced by the inclusion of the AIM companies (2013: EUR 126.3 million). In Environmental Technology, orders of EUR 123.0 million were only slightly head of the previous year's level (2013: EUR 122.0 million; +0.9 %). The postponement of large-scale orders by customers negatively affected both segments. In the Environmental Technology segment, such postponements were particularly attributable to uncertainty among Russian customers due to the Ukraine crisis.

The order book position in 2014 was also characterized by major orders received from renowned international customers. In the Industrial Automation segment, NSM Packtec received an order from the food manufacturing industry to develop and produce machines that cover several production steps involving the forming, filling, labelling and sealing of yogurt pots. These machines are to be deployed on the US market. IWM Automation received a technologically complex order from a German premium car manufacturer to build a transmissions assembly system. Rohwedder Macro Assembly was entrusted with a major order in the gearbox coupling area by an international automotive industry supplier company. MA micro automation (formerly: Rohwedder Micro Assembly) also expanded its customer base, acquiring numerous pilot projects holding considerable potential. In the Environmental Technology segment, Vecoplan received a large-scale order in the waste materials processing area in Europe.

The consolidated order book position as of December 31, 2014, reduced to reflect IFRS effects, amounted to EUR 143.1 million, thereby standing EUR 11.6 million, or 7.5 %, below the level on the previous year's equivalent reporting date (EUR 154.7 million). The book-to-bill ratio, the ratio between new order intake in revenue, stood at 0.97 (previous year: 0.92).

2.6. Revenue and results of operations

The revenue of the M.A.X. Automation Group grew to EUR 351.4 million in 2014, thereby attaining its target corridor of between EUR 350 million and EUR 360 million. This corresponds to growth of EUR 81.3 million, or 30.1 %, compared with the previous year's level of EUR 270.1 million. The export share of Group revenue amounted to 62.5 % in 2014, compared with 58.3 % in the previous year. This reflects the Group companies' advancing internationalization of their businesses.

Consolidated total operating revenue increased by EUR 80.9 million, or 29.8 %, to EUR 352.4 million, compared with EUR 271.5 million in the previous year. Total operating revenue includes a reduction in finished goods

and work in progress of EUR 3.4 million, and other work performed by the company and capitalized of EUR 4.3 million.

The cost of materials was up by 33.7 % to EUR 184.0 million (2013: EUR 137.6 million). The cost of materials ratio – in relation to total operating revenue – increased slightly year-on-year from 50.7 % to 52.2 %. This rise derives mainly from purchasing some unplanned third-party work during the first quarter of 2014. Personnel expenses were up by 33.1 % to EUR 103.0 million (2013: EUR 77.4 million). The personnel expense ratio – in relation to total operating revenue – increased slightly year-on-year from 28.5 % to 29.2 %.

Amortization, depreciation and impairment losses of EUR 6.0 million were recorded at 18.2 % above the previous year's EUR 5.1 million.

Other operating expenses decreased from EUR 38.1 million to EUR 47.5 million (+24.6 %). This nevertheless reflects a slight reduction in the expense ratio (in relation to total operating revenue) to 13.5 % (previous year: 14.0 %).

EBITDA of EUR 26.6 million was 14.0 % higher than in the previous year (EUR 23.3 million).

The M.A.X. Automation Group reports consolidated operating earnings before interest and tax (EBIT), as well as before amortization relating to purchase price allocations (PPA-related amortization), of EUR 20.5 million for 2014, compared with EUR 18.2 million in the previous year (+12.8 %). This figure thereby exceeded the target (downgraded during the year) of consolidated EBIT before PPA-related amortization of between EUR 16 million and EUR 18 million. Positive effects included earnings contributions ahead of expectations from projects that were finally invoiced in December. Positive extraordinary items were also recognized, including the sale of the subsidiary Euroroll with around EUR 3.4 million of deconsolidation income. This was also offset in EBIT with one-off charges arising from the relocation of two subsidiaries in the Industrial Automation segment.

PPA-related amortization increased to EUR 3.9 million due to the inclusion of the AIM companies for a full 12 months (2013: EUR 1.2 million). Operating profit after PPA amortization consequently amounted to EUR 16.6 million (2013: EUR 17.0 million).

The net financial result was unchanged year-on-year at EUR -2.4 million. This includes the full-year inclusion for the first time of the AIM Group, as well as higher interest expenses as a result of the expansion of the syndicated loan of M.A.X. Automation AG to finance the acquisition (EUR -1.8 million compared with the previous year), and countervailing positive effects from the move in the US dollar exchange rate (+ EUR 1.8 million compared with the previous year).

Consolidated earnings before tax (EBT) reached EUR 14.2 million, following on from EUR 14.6 million in 2013 (-3.0 %). An expense of EUR 4.2 million was incurred as the result of taxes on income and earnings compared with EUR 4.5 million in the previous year. The tax rate edged down from 30.5 % to 29.3 %.

The Group reports EUR 10.0 million of net income (2013: EUR 10.2 million). This is equivalent to EUR 0.37 of earnings per share, after EUR 0.38 in the previous year.

2.7. Net assets

The total assets of the M.A.X. Automation Group stood at EUR 295.4 million as of the December 31, 2014 reporting date. This corresponds to a moderate decrease of EUR 0.2 million, or 0.1 %, compared with the level on December 31, 2013 (EUR 295.6 million).

Consolidated non-current assets amounted to a total of EUR 111.1 million (December 31, 2013: EUR 119.7 million; -7.2 %). This decline arises from a reduction in property, plant and equipment from EUR 41.9 million to EUR 39.3 million, especially as a result of the deconsolidation of the Euroroll subsidiary that had been sold. In addition, other non-current assets rose from EUR 6.3 million to EUR 0.9 million due to a reduction in cash deposits for guarantees of bills of exchange. The cash deposits at the level of the Group companies no longer exist, as new master agreements were concluded with credit insurers at the level of M.A.X. Automation AG. Deferred tax assets fell from EUR 7.4 million to EUR 6.3 million.

Current assets were up by EUR 8.4 million, or 4.7 %, to EUR 184.3 million as of December 31, 2014 (December 31, 2013: EUR 175.9 million). The level of capital employed in the business was reduced, despite marked business growth during the year under review. Inventories decreased by 6.2 % to EUR 42.0 million. Trade receivables were down by 16.7 % to EUR 82.0 million in the context of an emphasis on receivables management, as well as due to a reduction in receivables arising from long-term production services. Liquid assets were almost doubled to EUR 52.4 million compared with EUR 26.3 million on the previous year's equivalent reporting date. This increase was particularly attributable to the reduction in trade receivables, and income from the disposal of the Euroroll subsidiary.

2.8. Financial position

On the equity and liabilities side of the balance sheet, the M.A.X. Automation Group reported EUR 99.8 million of equity as of December 31, 2014, an increase of EUR 5.8 million, or 6.1 %, compared with the previous year's equivalent balance sheet date (EUR 94.0 million). The equity ratio of 33.8 % was 2.0 percentage points above of the previous year's level (December 31, 2013: 31.8 %), and clearly above the Management Board's targeted 30 % minimum.

Non-current liabilities dipped slightly to EUR 77.6 million (December 31, 2013: EUR 79.0 million; -1.8 %). In this context, non-current bank borrowings rose from EUR 54.0 million to EUR 56.0 million, especially as a result of the expansion of the syndicated loan. Non-current financial liabilities decreased from EUR 3.9 million to EUR 2.8 million. Deferred tax liabilities amounted to EUR 15.6 million, following on from EUR 16.9 million.

Total current liabilities reduced from EUR 122.5 million to EUR 118.0 million as of December 31, 2014. In this context, trade payables were up by EUR 12.3 million to EUR 45.8 million, mainly as a result of a reduced level of prepayments received and payment obligations. Current bank borrowings increased from EUR 36.5 million to EUR 44.3 million in order to finance the higher level of business volume. Current bank borrowings fell by EUR 4.5 million to EUR 10.9 million.

The Group's net debt registered a marked reduction of 25.3 % to EUR 47.9 million as of December 31, 2014 (December 31, 2013: EUR 64.1 million), due to improved working capital management and pleasing fourth-quarter earnings growth.

2.9. Liquidity trends

The M.A.X. Automation Group reported positive cash flow from operating activities of EUR 17.8 million for 2014 compared with EUR 22.6 million in the previous year.

Investing activities generated a EUR 2.3 million cash outflow (2013: EUR -40.5 million). Of this amount, EUR 9.7 million is attributable to investments that are offset by EUR 7.4 million of cash inflow from the disposal of Euroroll.

The cash inflow from financing activities amounted to EUR 10.3 million (2013: EUR 21.4 million). Cash inflows arose from the drawing down of short- and medium-term borrowings, as well as from cash deposits that were no longer required. This was offset by the EUR 4.0 million cash outflow for the dividend payments for the 2013 financial year.

The total cash flows generated an increase in cash and cash equivalents to EUR 52.4 million as of the end of the 2014 reporting period, compared with EUR 26.3 million at the start of the reporting period.

2.10. Segment reporting

In the Industrial Automation segment, the products of the subsidiaries of M.A.X. Automation AG enable particularly efficient and precise production processes to be realized for its customers from key sectors such as the automotive industry, medical technology, electronics and packaging automation. Such technology allows customers to constantly adapt their products to changing market requirements. The subsidiaries are able to offer comprehensive assembly systems including integrated robotic solutions in this context, as well as the micro assembly of complex components, which is becoming increasingly important.

In the Environmental Technology segment, the subsidiaries develop machines and systems with their special know-how that contribute to the sustainable utilization of finite raw materials. This entails the reprocessing of raw and residual materials to be returned into the material cycle, or as replacement fuels for energy utilization. In particular, the Vecoplan Group with its products and services helps customers to comply with increasingly stringent emission protection requirements worldwide.

2.10.1. Industrial Automation segment

The Industrial Automation segment put in a pleasing performance in 2014. The segment's companies registered high demand worldwide overall for extensive automation solutions and related services.

Although some of the segment's areas experienced customers postponing large-scale orders that they had already given advance notification of, the MA micro automation subsidiary (formerly: Rohwedder Micro Assembly) received a significant level of new order intake in the medical technology area over the course of the year, which had originally been expected for the start of 2014. Some of the segment's areas also lost large project orders due to partial intensification of the competitive environment.

During the year under review, some subsidiaries pursued pilot projects to establish additional technological competencies. Examples included driver assistance systems such as sensors, front cameras for the identification of obstacles, or distance controls, which are becoming increasingly important in automotive engineering.

During the year under review, the bdtronic subsidiary started with planning to expand production space at its headquarters in Weikersheim, Baden-Württemberg. A production hall and an administration building are to be created for this purpose. A decision was taken in this context to relocate production from the Garbsen site near Hannover to Weikersheim, where all operating activities are to be concentrated. This measure is aimed at boosting efficiency in production processes and at reducing costs. The company NSM Magnettechnik restructured its subsidiary mabu-pressen in 2014, relocating the company's headquarters from Oberursel to Olfen in North Rhine-Westphalia. NSM Magnettechnik is thereby responding to business trends at mabu-pressen that are below expectations. At its new site, the company will focus on its core competences on the development of presses and automatic punching machines, contributing its expertise in relation to innovative system solutions in joint projects with NSM Magnettechnik.

The Euroroll subsidiary was sold in the year under review. This disposal allows M.A.X. Automation to focus further on its core businesses in its Industrial Automation and Environmental Technology segments.

Industrial Automation segment key figures

The consolidated new order intake of the M.A.X. Automation Group in its Industrial Automation segment amounted to EUR 216.3 million in the 2014 financial year, reflecting growth of EUR 90.0 million, or 71.3 %, compared with the previous year's EUR 126.3 million. In particular, IWM Automation and NSM Magnettechnik reported pleasing order book trends. In 2014, bdtronic achieved the highest new order intake in its corporate history. Following somewhat moderate new order intake during the first half of 2014, MA micro automation (formerly: Rohwedder Micro Assembly) experienced a marked recovery during the second half of the year.

As in previous years, the company's new order intake was characterized by several large-scale orders placed by international customers. NSM Packtec received an order from the food manufacturing industry for the US market, among others. This order comprises machines for the forming, filling, labelling and sealing of yogurt pots. IWM Automation received an order from a German premium car manufacturer to build an assembly plant for transmission systems. Rohwedder Macro Assembly acquired a major order from an automotive supply company in the gearbox coupling area. MA micro automation also expanded its customer base, acquiring numerous pilot projects that promise considerable potential.

The order book position in the Industrial Automation segment amounted to EUR 103.9 million as of December 31, 2014, which is EUR 22.2 million, or 17.6 %, below its level on December 31, 2013 (EUR 126.1 million). The book-to-bill ratio stood at 0.91 on December 31, 2014 (December 31, 2013: 0.85).

Segment revenue reached EUR 236.9 million, representing gains of EUR 88.9 million, or 60.1 %, compared with the previous year's EUR 148.0 million. Along with the consolidation of the AIM companies that were acquired in 2013, IWM Automation, in particular, contributed to this growth. Of the revenue, around 55.9 % was attributable to exports, compared with 47.3 % in the previous year.

EBITDA stood at EUR 21.0 million in the financial year elapsed, compared with EUR 19.0 million in the previous year (+10.3 %). Segment operating earnings before interest and tax (EBIT), and before PPA-related amortization, reached EUR 18.0 million, 6.1 % ahead of the previous year's EUR 16.9 million. Postponed new

order intake and site optimization at bdtronic and mabu-pressen exerted negative effects. The deconsolidation of NSM Packtec generated a positive effect of around EUR 0.6 million, reflecting the favorable price for which it had originally been acquired. Section 3.5. of the notes to the consolidated financial statements provides further related information. Segment profit after PPA amortization consequently amounted to EUR 14.4 million (previous year: EUR 16.2 million, -10.8 %).

The number of employees in the Industrial Automation segment stood at 1,001 individuals on a year-average basis in 2014 (excluding trainees). The segment had employed an average of 684 staff in the previous year (+317 individuals).

Industrial Automation segment key figures

	2014 in EUR mill.	2013 in EUR mill.	Change in %
New order intake	216.3	126.3	71.3
Order book position [1]	103.9	126.1	–17.6
Segment revenue	236.9	148.0	60.1
– of which from abroad	132.5	70.0	89.4
EBITDA	21.0	19.0	10.3
Segment EBIT before PPA-related amortization	18.0	16.9	6.1
Segment EBIT after PPA-related amortization	14.4	16.2	–10.8
Employees (number) [2]	1,001	684	46.3

[1] As of December 31
[2] Annual average excluding trainees

2.10.2. Environmental Technology

The Environmental Technology segment, in which the M.A.X. Automation Group operates with the Vecoplan Group and altmayerBTD GmbH & Co. KG, fell short of expectations in 2014. The altmayerBTD subsidiary comprised a key reason for this: business with the core target group of coal power plant operators was significantly negatively impacted by the new energy policy direction in Germany, and the associated focus on renewable energies. Moreover, in this segment, Russian customers postponed large-scale orders that they had already notified to the company, due to political tensions between Ukraine and Russia.

Over recent years, Vecoplan has been further developed into an international system provider in order to boost the capabilities for acquiring complex major orders. This business is nevertheless characterized by sharp fluctuations in the awarding of orders, and offers little planning security. As in the previous year, Vecoplan consequently returned to a stronger focus on business with individual systems and components.
In Vecoplan's cement/substitute fuels market area, the FuelTrack GmbH (i.L.) joint venture with ThyssenKrupp Industrial Solutions AG (formerly: Polysius AG) was wound down. Competences in the processing of substitute fuels were integrated into Vecoplan.

Environmental Technology segment key figures

The consolidated new order intake of the M.A.X. Automation Group in its Environmental Technology segment amounted to EUR 123.0 million in the 2014 financial year, thereby slightly ahead of the previous year's level (2013: EUR 122.0 million; +0.9 %). Vecoplan acquired a large-scale order in the waste materials pro-

cessing area in this context, reporting new order intake growth in its basic business involving the development and production of individual machines.

The order book position amounted to EUR 39.3 million as of December 31, 2014, thereby EUR 10.7 million, or 37.1 %, above the level on the previous year's reporting date (December 31, 2013: EUR 28.6 million). The book-to-bill ratio improved to 1.07 as of December 31, 2014 (December 31, 2013: 1.00). Segment revenue of EUR 114.9 million was recorded at 6.3 % above the previous year's EUR 122.5 million. The export share stood at 75.9 % (2013: 71.5 %). EBITDA of EUR 4.4 million was recorded at 35.7 % below the previous year's EUR 6.8 million. Segment operating earnings before interest and tax (EBIT), and before PPA-related amortization, amounted to EUR 1.4 million, compared with EUR 3.8 million in 2013. This decline arises mainly from market-related burdens at altmayerBTD. Segment EBIT after PPA-related amortization amounted to EUR 1.2 million (previous year: EUR 3.6 million).

In its Environmental Technology segment, the M.A.X. Automation Group employed an average of 532 staff in 2014 (excluding trainees), three individuals more than in the previous year (529 staff).

Environmental Technology segment key figures

	2014 in EUR mill.	2013 in EUR mill.	Change in %
New order intake	123.0	122.0	0.9
Order book position [1]	39.3	28.6	37.1
Segment revenue	114.9	122.5	–6.3
– of which from abroad	87.2	87.6	–0.5
EBITDA	4.4	6.8	–35.7
Segment EBIT before PPA-related amortization	1.4	3.8	–63.7
Segment EBIT after PPA-related amortization	1.2	3.6	–66.9
Employees (number) [2]	532	529	0.5

[1] As of December 31
[2] Annual average excluding trainees

2.12. Change in financial performance indicators

In 2014, the M.A.X. Automation Group reported the following changes to key indicators that are applied as financial performance indicators. These were affected by first-time recognition of the AIM companies for the full financial year.

	2014 in EUR mill.	2013 in EUR mill.	Change in %
New order intake	339.3	248.3	36.7
Order book position [1]	143.1	154.7	–7.5
Revenue	351.4	270.1	30.1
EBITDA	26.6	23.3	14.0
EBIT before PPA-related amortization	20.5	18.2	12.8
EBIT after PPA-related amortization	16.6	17.0	–2.4
Return on sales (as % of total operating revenue, before PPA-related amortization)	5.8	6.7	–0.9 (% points)
Equity ratio (in %)	33.8	31.8	2.0 (% points)
Net debt	–47.9	–64.1	–25.3
Working capital	78.2	85.1	–8.1
Investments	11.4	41.4	–72.4
Workforce as of December 31 [2]	1,640	1,647	–0.4
of whom trainees [2]	159	151	5.3
Year-average workforce [2]	1,681	1,321	27.3
of whom trainees [2]	144	103	39.8

[1] As of December 31
[2] Number

Revenue and operating profit before PPA-related amortization (EBITDA for PPA-related amortization) comprise central financial performance indicators in this context.

Non-financial performance indicators are not utilized for internal Group steering. For the forecast horizon, primary recourse is made to relevant indicators (revenue and EBIT) from the statement of comprehensive income.

3. M.A.X. Automation AG

The annual financial statements of M.A.X. Automation AG are prepared according to the provisions of the German Commercial Code (HGB). Due to the relationships between the figures, the financial position performance of M.A.X. Automation AG are presented in thousands of euros (TEUR), and not in millions of euros.

3.1. Results of operations and application of earnings

The results of operations of M.A.X. Automation AG depend to a great extent on the trend in its subsidiaries' earnings. Domination and profit transfer agreements were concluded in 2008 with four Industrial Automation subsidiaries. Dividend payments from the other participating interest to the parent company occur depending on their results, and take the subsidiaries' future investment requirements into account. The segment reporting section 2.10. describes the trends in the subsidiaries' results of operations.

In the 2014 financial year, M.A.X. Automation AG reports TEUR 15,283 of income from participating interests (previous year: TEUR 12,279), arising from the subsidiaries' profit transfers. Other operating income stood at TEUR 649 (previous year: TEUR 534), comprising mainly Group charges to the subsidiaries.

On December 19, 2014, Euroroll Dipl.-Ing. K.-H. Beckmann GmbH & Co. KG, NL 15. Objekt Ascheberg GmbH & Co. KG and Euroroll Verwaltungs GmbH were sold for a total price of TEUR 7,425.

Compared with the previous year, the net interest result widened from TEUR -466 to TEUR -1,026. This mainly includes expenses for the syndicated loan that was expanded in 2014.

The company reports a result from ordinary activities of TEUR 16,400, compared with TEUR 11,794 in the previous year. The tax expense amounts to TEUR 3,617 (previous year: TEUR 2,081), and is affected positively by the utilization of trade tax loss carryforwards. The net income for the year stands at TEUR 12,784 (previous year: TEUR 9,713). An amount of TEUR 4,019 was paid out in dividends from the previous year's unappropriated retained earnings.

The Management and Supervisory boards propose distributing a dividend of 0.15 euro per share for the 2014 financial year from the unappropriated retained earnings.

3.2. Net assets and financial position

The total assets of M.A.X. Automation AG amounted to TEUR 136,680 on the December 31, 2014 balance sheet date. This represents TEUR 14,277 increase compared with the previous year's balance sheet date (TEUR 122,403).

Receivables and other assets registered a slight reduction from TEUR 19,208 to TEUR 18,687. Cash and cash equivalents stood at TEUR 20,750 (previous year: TEUR 3,624).

M.A.X. Automation AG reports TEUR 82,702 of equity as of December 31, 2014 (previous year: TEUR 73,937). The equity ratio stood at 60.5 % (December 31, 2013: 60.4 %).

Bank borrowings increased from TEUR 46,065 in the previous year to TEUR 48,205 as of December 31, 2014. This amount includes the aforementioned syndicated loan in an amount of TEUR 48,200.

The financial position and performance of M.A.X. Automation AG are in an orderly condition.

4. Investments

The M.A.X. Automation Group invested EUR 11.4 million in non-current assets in 2014, compared with EUR 41.4 million in 2013. The previous year includes the acquisition of the AIM Group. Along with capitalized development work of EUR 3.6 million, investments in the period under review also included EUR 5.1 million of additions to property, plant and equipment. Further information about investments can be found in section 1.3., as well as under segment reporting.

5. Personnel report

As in previous years, the M.A.X. Automation Group subsidiaries continued in 2014 to apply the approach of moderate hiring in line with demand, and only after utilizing other options.

The Group employed a total of 1,640 staff, including trainees, as of the December 31, 2014 reporting date (December 31, 2013: 1,647 staff; -0.4 %). The average number of employees, including trainees, increased by 360 individuals, or 27.3 %, from 1,321 to 1,681. This growth arises, firstly, from the first-time inclusion for the full 2014 financial year of the AIM Group that was acquired at the end of 2013, and, secondly, from the fact that the average calculation still included the employees of Euroroll, which was sold in December 2014. In terms of headcount, in other words, excluding weighting according to whether individuals are employed full-time or part-time, the M.A.X. Automation Group employed a total of 1,794 individuals as of the year-end (previous year: 1,714).

The M.A.X. Automation Group pursues the objective of creating attractive possibilities for further professional development for expert and committed staff. The Groupwide personnel policy consequently comprises high training standards, as well as the promotion and long-term loyalization of committed employees.

6. Environmental protection

The M.A.X. Automation Group and its subsidiaries place a high priority on environmental protection and resource conservation. The companies ensure that all statutory environmental protection regulations are complied with in full on the markets in which they operate. The company is also constantly further developing its in-house standards for environmental protection, including waste avoidance and removal, emission protection, noise avoidance and resource conservation, for example.

As in previous years, the Group continued in 2014 to place a special focus on responsible and sparing resource utilization. The Group's operating activities resulted in no extraordinary burdens for the environment in the year under review.

7. Report on events after the balance sheet date

7.1. Change to the Management Board

On January 12, 2015, M.A.X. Automation AG announced that Mr. Bernd Priske, the company's Chief Executive Officer, would step down at the end of March 2015, and leave the company. This step occurred on the best amicable basis with the Supervisory Board. Bernd Priske had spent twelve years on the Management Board of M.A.X. Automation AG, and shaped the alignment of the corporate portfolio to the segments of industrial automation and environment technology.

7.2. Rohwedder Micro Assembly becomes MA micro automation

At the end of January 2015, M.A.X. Automation AG announced that its subsidiary Rohwedder Micro Assembly GmbH would operate from February 1, 2015 under the new name of MA micro automation GmbH. The renaming marked an entirely new market profile.

7.3. Acquisition of minority interests in Vecoplan LLC

With an agreement dated January 2, 2015, Vecoplan Holding Corporation, Wilmington, Delaware, USA, acquired the minority interests in Vecoplan LLC, Archdale, North Carolina, USA, for a purchase price of USD 2.0 million.

7.4. Repayment of the syndicated loan

In January 2015, M.A.X. Automation AG repaid the syndicated loan (status as of December 31, 2014: EUR 48.2 million) with an about of EUR 8.2 million.

7.5. NSM Magnettechnik acquires iNDAT Robotics

On February 6, 2015, M.A.X. Automation AG announced that its subsidiary NSM Magnettechnik GmbH had bought 100 % of the shares in iNDAT Robotics GmbH, Ginsheim-Gustavsburg. iNDAT Robotics is a robotics and manufacturing automation specialist whose solutions are deployed at renowned automotive manufacturers and automotive suppliers, in particular. This acquisition enables the M.A.X. Automation Group to offer complex software applications and comprehensive plant systems that include integrated robotics solutions. Such robotic solutions hold great promise for the future. The acquisition also represents a significant expansion of the range of products and services for the automotive industry. In addition, iNDAT Robotics offers synergies with other subsidiaries that require robotic solutions. This new acquisition budgets around EUR 18 million of revenue for the current 2015 financial year (on a stand-alone basis), which is largely already secured by the existing order book position. Moreover, iNDAT Robotics is debt-free.

8. Disclosures pursuant to Section 315 (4) and Section 289 (4) of the German Commercial Code (HGB) (including: Explanatory report by the Management Board Pursuant to Section 176 (1) Clause 1 of the German Stock Corporation Act [AktG])

Pursuant to Section 315 (4) of the German Commercial Code (HGB) parent companies that are stock exchange-listed are obligated to disclose in the Group management report information of relevance to corporate takeovers, such as the composition of capital, shareholder rights and shareholder right limitations, shareholder relationships, and corporate governing bodies. The disclosures relate to the implementation of Regulation 2004/25 EC of the European Parliament and Council of April 21, 2004, concerning takeover offers.

Companies whose voting-right-entitled equities are listed on an organized market in the meaning of Section 2 (7) of the German Securities Acquisition and Takeover Act (WpÜG) must make such disclosures irrespective of whether a takeover offer has been submitted, or is expected. These disclosures are designed to allow potential bidders to gain an extensive view of the company, and alert them to any potential obstacles to takeover.

Pursuant to Section 176 (1) Clause 1 of the German Stock Corporation Act (AktG), the Management Board is also obligated to present an explanatory report relating to the disclosures to the Shareholders' General Meeting. The disclosures pursuant to Section 315 (4) and Section 289 (4) of the German Commercial Code (HGB) are summarized below together with the related explanations pursuant to Section 176 (1) Clause 1 of the German Stock Corporation Act (AktG).

a) Composition of subscribed capital

The subscribed capital of M.A.X. Automation AG of EUR 26,794,415 is composed of 26,794,415 no par value ordinary bearer shares, each of which grants the same rights and, in particular, the same voting rights. No differing classes of equity exist. One ordinary share has a notional share in the issued share capital of EUR 1.00.

b) Voting right and transfer restrictions
The Management Board is not aware of any restrictions relating to voting rights or the transfer of shares.

c) Shareholdings exceeding 10 % of equity
According to the knowledge of the Management Board, and on the basis of securities disclosures submitted to the company, one direct or indirect investment in the issued share capital of M.A.X. Automation AG exists that exceeds 10 % of the voting rights. This relates to Günther Holding GmbH, Hamburg, which holds 29.9 % of the shares in M.A.X. Automation AG (status as of December 31, 2014). Further details relating to this matter can be found in the overview contained in the notes to the financial statements under the item "Shareholdings requiring mandatory reporting pursuant to Section 160 (1) No. 8 of the German Stock Corporation Act (AktG)".

d) Shares with special rights
No shares exist with special rights granting authorizations of control.

e) Voting right controls in the case of employee participation
The Management Board is not aware of employees who participate in the company's equity who do not directly exercise their rights of control.

f) Nomination and recall from office of Management Board members, and changes to the articles of incorporation
The Management Board of M.A.X. Automation AG consists of one or several persons, irrespective of the level of share capital. Pursuant to the articles of incorporation, the Supervisory Board determines the number of Management Board members. Management Board members are nominated and recalled pursuant to the statutory provisions of Sections 84 and 85 of the German Stock Corporation Act (AktG). With the exception of the court nomination of replacements, the Supervisory Board has sole responsibility for the nomination and recall of Management Board members.

It appoints Management Board members for a maximum period of five years. Repeated appointments or extensions of periods of office are permitted, in each case for a maximum of five years. The Supervisory Board is permitted to appoint a chairperson and a deputy chairperson of the Management Board.

In keeping with the regulations of the German Corporate Governance Code, the maximum possible period of appointment of five years is not the rule in the case of first-time appointments.

By way of divergence from Section 179 (2) of the German Stock Corporation Act (AktG) and pursuant to Section 17 (1) of the articles of incorporation, amendments to the articles of incorporation of M.A.X. Automation AG require a resolution of the Annual General Meeting with solely a simple majority of votes, to the extent that neither statutory requirements nor the articles of incorporation contain more extensive provisions. The Supervisory Board is authorized to make amendments to the articles of incorporation that relate solely to wording. In all other matters, the statutory provisions of Sections 179 and 133 of the German Stock Corporation Act (AktG) apply.

g) Authorizations of the Management Board to issue shares and profit-sharing rights
The Management Board is authorized, with Supervisory Board assent, to increase the company's share capital in

the period until June 9, 2015, once or on several occasions, by a total of up to EUR 6,698,000.00 through issuing new voting-entitled ordinary bearer shares against cash capital contributions ("Approved Capital I").

The Management Board is also authorized, with Supervisory Board assent, to determine the start of dividend-entitlement that diverges from the law, as well as to determine further specifics of a capital increase and its implementation, especially the issue amount, and the consideration to be rendered for the new shares, as well as the granting of subscription rights by way of indirect subscription rights pursuant to Section 186 (5) of the German Stock Corporation Act (AktG).

The Management Board is also authorized, with Supervisory Board assent, to increase the company's share capital in the period until June 9, 2015, once or on several occasions, by a total of up to EUR 5,330,000.00 through issuing new voting-entitled ordinary bearer shares against cash capital contributions ("Approved Capital II"). The capital increases can be against cash and/or non-cash capital contributions.

The Management Board is additionally authorized, with the approval of the Supervisory Board, to exclude statutory shareholder subscription rights especially in the following instances:

- for residual amounts arising as a result of the subscription ratio;

- for a capital increase entailing non-cash capital contributions for the acquisition of companies or stakes in companies (also if a purchase price component is paid in cash along with the shares), if the purchase of the company or investment lies in the generally agreed interest of the company, and

- for a capital increase for cash amounting to a total of up to 10 % of the share capital in issue, both at the time when this authorization becomes effective, and at the time of the exercise of this authorization, to the extent that the issue amount of the new shares is not significantly less than the stock exchange price of shares of the same class and entitlement that are already listed. This limitation to 10 % of the share capital must include shares acquired on the basis of a corresponding authorization of the Shareholders' General Meeting pursuant to Section 71 (1) No. 8 of the German Stock Corporation Act (AktG) during the period of effectiveness of the authorization, and which are sold pursuant to Sections 71 (1) No. 8, 186 (3) Clause 4 of the German Stock Corporation Act (AktG), to the extent that the issue amount of the new shares is not significantly less than the stock exchange price of shares of the same class and entitlement that are already listed.

The Management Board is also authorized, with Supervisory Board assent, to determine the start of dividend-entitlement that diverges from the law, as well as to determine further specifics of a capital increase and its implementation, especially the issue amount, and the consideration to be rendered for the new shares, as well as the granting of subscription rights by way of indirect subscription rights pursuant to Section 186 (5) of the German Stock Corporation Act (AktG). The Management Board is authorized, with Supervisory Board assent, to issue profit-sharing rights until June 19, 2016, once or on several occasions. The total nominal amount of the profit-sharing rights may not exceed EUR 25,000,000.00. Besides in euros, the profit-sharing rights can also be issued in the legal currency of an OECD country, albeit restricted to the equivalent euro consideration. The profit-sharing rights must be offered to shareholders for subscription. They can also be transferred to a bank or a banking syndicate with the obligation that they be offered to shareholders for subscription.

The Management Board is nevertheless authorized, with Supervisory Board assent, to exclude residual amounts from shareholders' subscription rights, which arise due to the subscription ratio. The Management Board is also authorized, with Supervisory Board assent, to exclude shareholders' subscription rights in order to offer the profit-sharing rights to individual investors for subscription if the issue price is not significantly less than the profit-sharing rights' theoretical market value as calculated by recognized finance-mathematical methods, and if the profit-sharing rights are only largely structured similarly to bonds, in other words, substantiating neither subscription nor conversion rights to M.A.X. Automation AG shares, nor granting an interest in liquidation proceeds, and the level of interest is not based on the level of the dividend.

The profit-sharing rights can wholly or partially carry variable interest based on the annual net profit or the unappropriated retained earnings, for example.

The Management Board is authorized, with Supervisory Board assent, to determine the further details of the issuing and terms of the profit-sharing rights, especially the issue price, denomination, term and the level of interest.

The company has not utilized these authorizations to date.

h) Key company agreements with change-of-control clauses

M.A.X. Automation AG is currently involved as a borrower in a syndicated loan facility where a change of control would require the owed amounts to be repaid. A change of control presupposes that an individual or group of individuals acting jointly directly or indirectly acquires 50 % of the shares of voting rights in M.A.X. Automation AG; please refer to the information in section 4.2. (17) of the notes to the consolidated financial statements concerning the utilization of this loan. The company has not been entered into any other significant agreements that are subject to a change of control condition arising from a takeover offer.

i) Compensation agreements for a change of control

The company has entered into no agreements with either Management Board members or employees entailing the payment of compensation in the instance of a takeover offer.

9. Corporate governance statement (Section 289a of the German Commercial Code (HGB))

With reference to the corporate governance statement required pursuant to Section 289a of the German Commercial Code (HGB), please refer to the version reproduced as part of the corporate governance report and the 2014 annual report, which is made available on the Internet at the link www.maxautomation.de/investor-relations/corporate-governance/download-dokumente/.

10. Report on board members' compensation

10.1. Remuneration of the Supervisory Board

Supervisory Board remuneration consists of a fixed payment and a payment of EUR 300 per hour for time above and beyond six meeting days. Fixed remuneration for the Supervisory Board for the 2014 financial year amounted to EUR 48,000. The Chair of the Supervisory Board receives fixed payment of EUR 24,000, and the further

members of the Supervisory Board each receives EUR 12,000. Expenses are also reimbursed. Section 6.10. of the notes to the consolidated financial statements presents the total compensation of the Supervisory Board.

10.2. Remuneration of the Management Board

The Management Board consisted of two individuals in the 2014 financial year.

Section 6.10. of the notes to the consolidated financial statements presents the compensation paid in the 2014 financial year to the Management Board members in office.

The compensation scheme of M.A.X. Automation AG is based on the principle of orientation to performance and earnings, reflecting a corporate culture of performance and reward. The Management Board's total compensation comprises fixed and performance-related components.

Criteria for the appropriateness of compensation include, in particular, the tasks and responsibilities incumbent upon the Management Board member, his or her personal performance, the economic and business situation, the company's success, profitability and future prospects taking into account the market environment and the standard nature of the level of compensation and the compensation structure measured against the wage and salary structure within the company, as well as other companies of comparable dimension and sector. The compensation structure is based on sustainable corporate development. The variable compensation components included in the Management Board employment contracts have also comprised a multi-year measurement basis since 2012, and contain regulations whereby an appropriate reduction of compensation is permissible if the company situation deteriorates to the extent that continued granting of compensation would be inappropriate. Management Board compensation includes a cap. No stock options were granted.

The fixed compensation components consist of a fixed salary and benefits in kind, including a pension commitment for one Management Board member. The performance-based variable compensation is based on the consolidated net income for the year, in other words, consolidated earnings after tax.

The Management Board members' employment contracts include no commitments for the instance of the early termination of Management Board activity, and for the instance of the termination of Management Board activity due to a change of control.

11. Risk report

11.1. Risk management and internal controlling system

Along with the timely identification and management of risk, the management of opportunities and risks within the M.A.X. Automation Group also serves the targeted appraisal and realization of existing and future earnings potentials. Risk management forms an integral component of value-oriented corporate management for the Group. The Management Board in 2000 introduced a risk management system within the Group that complies with the German Act concerning Corporate Control and Transparency (KonTraG). This allows potential risks to be identified promptly, and countermeasures to be introduced at M.A.X. Automation AG as the parent company as well as at its subsidiaries. The risk management system was reviewed fundamentally in 2009, and its processes were optimized further in 2011.

The risk management system is based on a systematic process of risk identification, evaluation, and management that spans the entire Group. The risk management system is based on the principle of securing medium and long-term corporate objectives, particularly the preservation and expansion of the company's market position within the sector. The primary goal is to identify value and risk drivers through comprehensive and appropriate management of opportunities and risks, and to handle them appropriately.

The risk management system consists of different components: A set of tools to record and manage risks that jeopardize the company's position as a going concern consists of various IT-supported matrices that are built up in steps. The aim is to manage risk on the basis of risk-identification and risk-evaluation. Risks are identified, their significance for the company is determined, a quantitative risk factor is calculated, and a schedule of fixed measures to control the risk is formulated. The system is completed by a list of risk examples, as well as a set of guidelines for using the electronic file. The reporting interval for subsidiaries to the parent company is set to the quarter-end, and the reports are relayed by data transfer.

The reporting system represents a key component of the internal controlling system, which M.A.X. Automation AG constantly further develops as part of value-oriented reporting.

The accounting handbook of M.A.X. Automation AG has been made accessible to all companies in order to ensure that accounting relating topics are treated and measured on a uniform basis. The accounting handbook is updated regularly.

M.A.X. Automation has worked on a standard basis with LucaNet consolidation software since mid-2008, which is also utilized to prepare medium-term planning across the Group.

The subsidiaries report monthly to the parent company on business progress for the last relevant month and current financial year. This process is supplemented quarterly by rolling quarterly planning.

All reports undergo a critical target/actual analysis. An additional management report comments on divergences from budget, provides information about measures designed to meet the budget, progress during the current reporting month, and other significant key topics such as market and competitive conditions, investments, financing, and legal matters. The report is supplemented by verbal explanations.

Risk management was extended in 2007 to include information about risks pertaining to financial instruments pursuant to IFRS 7. This reporting occurs in a half-yearly cycle. The Management Board also conducts regular conversations with the subsidiaries' board members and managing directors, in order to compare business progress with budgets, and, if required, to introduce measures aimed at fulfilling budgets.

The annual planning round represents a key component of the risk management system. As part of this, the managing directors and board members of the subsidiaries present the progress of business at the end of each financial year, and explain ongoing corporate strategy. Three-year budgets for business development and investments form the basis of the meetings.

The creation of a new controlling concept was launched in 2011, which supports the subsidiaries' management teams in implementing Group objectives. The new controlling concept was implemented across the Group in the following year. The primary aim of M.A.X. Automation AG is the profitable further development of its individual subsidiaries while employing capital efficiently. A standard contract manual has existed for all subsidiaries since 2012. In 2014, the Management Board also approved the development of a set of guidelines for a compliance management system. Corresponding guidelines are to be introduced for the purchasing area in 2015.

Meetings between operational managing directors and the Management and Supervisory boards are also held regularly in order to discuss Group-relevant topics such as the utilization of synergies, and operational business management measures. The rules of internal procedure of the subsidiaries, or relevant management employment contracts, set out the rules of business. These require the approval of the Management Board of M.A.X. Automation AG. Managers supervise the individual functional areas in the subsidiaries. Our auditors also regularly audit the internal controlling system within our companies.

By way of conclusion, it should be noted that neither the risk management system nor the internal controlling system can provide absolute security: also when utilized with the requisite care, the installation of appropriate systems can be generally prone to error.

11.2. Risks

The following individual key risk areas arise for the M.A.X. Automation Group:

- **Economic risks:** The International Monetary Fund (IMF) sees moderate prospects for the global economy in 2015. Negative factors particularly comprise geopolitical crises and the ongoing conflict between Ukraine and Russia, concerns that the Eurozone economic recovery will stagnate, and worries that low inflation in Europe will turn deflationary. It also sees a possibility of financial markets overheating as the strong gains that equity markets have made over the past years fail to reflect rising macroeconomic risks. Prospects in the sectors of mechanical engineering, and waste and recycling technology, are generally positive, by contrast. Discussion about the new energy policy direction in Germany is having a negative impact on demand from the customer group of coal power plant operators, thereby affecting our Group company altmayerBTD, however. Weaker business trends in the German medical technology sector are anticipated for the coming year, although a return to the growth path is anticipated in the medium term, especially due to positive impulses from export business.

  Were the global economy to weaken long-term, a decline in demand for products and services of M.A.X. Automation Group subsidiaries would be expected. This would generate negative consequences for the results of operations of M.A.X. Automation AG and the Group. Particular importance is also attributable to the automotive cycle, which can affect Group companies' business trends. The companies have consequently expanded their activities to several business areas in order to offset dependency on the automotive industry's investment patterns.

  Rising demand on global markets, by contrast, would necessitate a special focus on securing the availability of materials, and on materials price trends. Lower margins might result from higher purchasing prices.

Bottlenecks at suppliers could also feed through to missed deadlines and contractual penalties. Strong demand might also require Group companies to expand their space capacities in order to be able to process projects adequately. To this end, Group company bdtronic started to plan an expansion of its production areas in 2014.

- **Exchange rate and interest rate risks:** Exchange-rate risks require attention with respect to business operations in the US, and the tapping of new markets outside the Eurozone. Forward foreign-exchange sales, currency options, and interest-rate caps are utilized to a minor extent to hedge currency and interest-rate risks. Market-price risks may result from forward foreign-exchange sales if the related agreements require that currencies be sold on the settlement date at a rate below the spot market rate. The market price risk in the instance of options is limited to the option premium paid. Counterparty default risk is limited by the fact that transactions are concluded exclusively with renowned banks. Market liquidity risks are limited to the extent that transactions are agreed exclusively on normal market terms.

- **Personnel risks:** M.A.X. Automation AG and its subsidiaries require qualified technical and managerial staff in order to realize their strategic and operating objectives. Qualified industrial education and further training are intended to secure employees' specialist expertise. Variable remuneration components that are measured against our profitability are intended to promote entrepreneurial thinking and activity on the part of our staff.

  The recruitment of qualified personnel was hampered by the very low unemployment rate in Germany at the time of preparing this annual report. For this reason, the M.A.X. Automation Group companies not only focus on training and developing their own staff, and on loyalizing them to the company, but also on exchanging know-how within the Group.

- **Loss and liability risks:** We aim to limit financial effects for the M.A.X. Automation Group by taking out insurance policies. In the case of complex and expensive projects, the subsidiaries are contractually obligated to limit risks arising from guarantees, product liability, and supplier delays. Security standards in the M.A.X. Automation Group's payment transactions were intensified due to a general increase in fraud cases. A security system comprising state-of-the-art technology ensures the central IT landscape's security and availability.

- **Market risks:** The risk exists at all M.A.X. Automation AG subsidiaries that key customers are lost from the client base, that technology is no longer required by the market, erroneous technical estimates are utilized for major projects, delays occur, or competitors adopt an aggressive approach to the market with corresponding consequences for achievable prices. The risk also exists that customers refuse to accept products, or that competitors challenge existing patents or industrial property rights. These risks may have negative effects on the future success of the subsidiaries. The Group minimizes market risks through intensive observation of the market, comprehensive project controlling, and close communication with customers. To these are added risks relating to deadlines and technical risks on the purchasing market. M.A.X. Automation counters such risks with end-to-end quality controlling of services procured from third parties, as well as through utilizing synergies within the Group association.

- **Financing and liquidity risks:** A failure to abide by covenants restrictions may lead to banks canceling credit facilities or raising interest rates. One subsidiary in the Environmental Technology segment failed to comply with covenants agreed with the Group's lending banks in 2014. The banks were promptly informed accordingly. The company is not aware of any negative effects on the provision of lending, and such negative effects are also not anticipated currently. In 2014, M.A.X. Automation AG complied with all covenants agreed with its lending banks. These covenants refer to key balance sheet and earnings figures derived from the IFRS consolidated financial statements.

  All existing financing lines within the Group were repaid in 2015, and new financing arrangements were set up at Group level. The favorable market environment is being exploited in this context. Counterparty default risk is limited by the fact that banking transactions are concluded exclusively with renowned banks.

  Given some Western states' high level of indebtedness and the continued poor condition of banks' balance sheets, however, it cannot be excluded that more restrictive bank lending policies might narrow the Group's financing options, or entail higher borrowing costs. Liquidity risks may arise from the inability to satisfy payment obligations on a timely basis. As a rule, such risks are normally associated with negative developments in the operating business. The Management Board currently identifies no indications of such a trend, however.

- **Tax risks:** Pursuant to Section 8c of the German Corporation Tax Act (KStG), direct or indirect acquisitions of more than 25 % of the shares or voting rights in a corporation by an acquirer result, as a matter of principle, in the proportionate transfer of unutilized loss carry forwards (so-called "detrimental acquisition investment"). The legislator weakened this regulation's broad application scope through introducing the "hidden reserves clause" with the Growth Acceleration Act (dated December 22, 2009, BGBl. I 2009, page 3,950). According to this clause, the corporation can deduct unutilized losses to the level of existing hidden reserves of domestic foreign assets as of the date of the detrimental acquisition investment.

  The tax authorities responded to queries on April 15, 2014 in a draft of a German Federal Ministry of Finance (BMF) circular relating to "Application of Section 8c of the German Corporation Tax Act taking into account the group clause in the version of the Growth Acceleration Act, and the hidden reserves clause in the version of the 2010 Annual Tax Act". This draft has encountered great criticism, especially of the group clause and the hidden reserves clause. Due to the tax authorities' somewhat pro-fiscal opinion, the risk exists at M.A.X. Automation AG of a proportionate transfer of trade tax loss carryforwards. In coordination with our advisers, we are assuming that the draft will not be retained as far as these aspects are concerned.

  Besides the risks mentioned in the risk report, no further identifiable risks exist, either individually or in combination, that might jeopardize the Group and M.A.X. Automation AG as going concerns.

  As part of auditing the 2014 annual financial statements, the auditor examined the risk management system of the parent company and the Group. It arrived at the conclusion that the system is appropriate to comply with statutory risk management requirements.

11.4. Risk report on the deployment of financial instruments

Section 6.3. of the notes of the consolidated financial statements includes a report on financial risks.

11.5. Explanatory report of the M.A.X. Automation AG Management Board concerning disclosures pursuant to Section 315 (2) No. 5 and Section 289 (5) of the German Commercial Code (HGB)

Legal background

The German Accounting Law Modernization Act (BilMoG), which came into force on May 29, 2009, amended i.a. Sections 289, 315 of the German Commercial Code (HGB) as well as Sections 120, 175 of the German Stock Corporation Act (AktG). Accordingly, the Management Board must present to the Shareholders' General Meeting a written report concerning, among other matters, the newly introduced mandatory disclosures in the management report pursuant to Section 289 (5) of the German Commercial Code (HGB), respectively in the Group management report pursuant to Section 315 (2) No. 5 of the German Commercial Code (HGB), regarding the internal controlling and risk management system with respect to the financial accounting process, respectively Group financial accounting process.

As the result of the subsequent German Shareholder Rights Guidelines Implementation Act (ARUG), the legislator bundled requirements relating to the issuing of explanatory reports in to Section 176 (1) of the German Stock Corporation Act (AktG), and removed the previous regulations in Section 120 (3) Clause 2, 175 (2) Clause 1 of the German Stock Corporation Act (AktG). In this context, however, the reference to Section 289 (5) of the German Commercial Code (HGB), which was added by the German Accounting Law Modernization Act (BilMoG), and which concerns disclosures in the management report relating to the internal controlling and risk management system with respect to the financial accounting process, was not adopted. It has not been conclusively clarified whether this relates to a straightforward editorial oversight, and whether, as a consequence, an explanatory report relating to the disclosures pursuant to Section 289 (5) of the German Commercial Code (HGB) (and also relating to Section 315 (2) No. 5 of the HGB) is also required after the coming into force of the German Shareholder Rights Guidelines Implementation Act (ARUG). By way of precaution, the M.A.X. Automation AG Management Board has decided to integrate this information into this combined management report.

Subject of the report

According to the explanatory memorandum for the German Accounting Law Modernization Act (BilMoG), the internal controlling system comprises the principles, procedures and measures to safeguard financial accounting efficacy, proper financial accounting, and compliance with relevant legal regulations. This also includes the internal controlling system to the extent that it relates to accounting.

As part of the internal controlling system, the risk management system with respect to the financial accounting process, as above, relates to accounting controlling and supervisory processes, particularly in the case of balance sheet items reporting the company's risk cover.

Key characteristics of the internal controlling system and risk management system with respect to the financial accounting process

The key characteristics of the internal controlling system and risk management system at M.A.X. Automation AG with respect to the (Group) financial accounting process can be described as follows:

- The M.A.X. Automation Group is distinguished by clear organizational, corporate, and controlling and supervisory structures.
- Groupwide coordinated planning, reporting, controlling, as well as early warning systems and processes exist

in order to analyze and manage earnings-relevant risk factors and going-concern risks on a uniform basis.
- Functions in all accounting process areas (e.g. financial accounting bookkeeping and controlling) are clearly allocated.
- The IT systems deployed for accounting purposes are protected against unauthorized access.
- Recourse is primarily made to standard software in the financial systems utilized.
- An adequate set of internal guidelines has been established (including a set of Groupwide risk management guidelines and an accounting handbook), which are adapted as required.
- Departments involved in the financial accounting process comply with quantitative and qualitative requirements.
- Key accounting-related processes are subject to regular analytical audits. The existing Groupwide risk management system is constantly adapted to current developments and checked with respect to functionality. The auditor, Ebner Stolz GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Hannover, examined the system as part of the audit of the consolidated financial statements.
- The Supervisory Board regularly concerns itself with risk management questions.

Explanatory report relating to key characteristics of the internal controlling system and risk management system with respect to the financial accounting process

The internal controlling and risk management system relating to the financial accounting process, whose key characteristics have been described above, ensures that corporate matters are reported, prepared and appraised correctly in accounting terms, and are transferred on such a basis to the external accounting function.

The clear organizational, corporate, and controlling and supervisory structures, as well as the qualified personnel and material structure of the accounting system, create the basis for efficient accounting work in the areas involved. Clear legal and internal regulations and guidelines ensure that the financial accounting process is standardized and proper. The clearly defined monitoring mechanisms within the areas engaged in accounting, and early risk identification by the risk management function, ensure coherent accounting.

The internal controlling and risk management system of M.A.X. Automation AG ensures that accounting at M.A.X. Automation AG and at all companies included in the consolidated financial statements is standardized, and complies with legal and statutory regulations, as well as internal guidelines. In particular, the Group-standard risk management system, which complies entirely with statutory requirements, has the task of identifying risks at an early juncture, of measuring them, and of communicating them appropriately. This allows appropriate, relevant and reliable information to be provided promptly to the relevant

12. Opportunities

The M.A.X. Automation Group with its subsidiaries operates on international markets in the automotive industry, the medical technology, electronics and packaging sectors, as well as the waste and recycling sector. The companies consequently operate on long-term growth markets of the future, and are advancing the expansion of the business activities. This strategic positioning generates a number of opportunities that can have a positive impact on the progression of the Group's business in 2015 and subsequent years.

The Group's opportunities profile has expanded further as a result of widening the portfolio of services, in turn due to further developing the company MA micro automation and the iNDAT Robotics acquisition.

In the Industrial Automation segment, the M.A.X. Automation Group primarily identifies important business opportunities in the following areas:

- **Higher requirements of industrial manufacturing:** Products from different industrial areas need to meet ever higher demands and requirements from consumers. This particularly affects key sectors such as the automotive, medical technology and electronics industries. Given growth in emerging economies, demand for such technologically complex products is also rising constantly. Industry is consequently required to make recourse to high-tech automation solutions in order to ensure ever more efficient and precise manufacturing. The subsidiaries of the Industrial Automation segment develop and produce these solutions in close collaboration with their customers, and are consequently in a good position to benefit from the rising requirements that are being made of industrial manufacturing.

- **Changing customer requirements in the automotive industry:** Customers in the automotive industry are developing ever greater demand for a broad selection of vehicle models and individually configurable equipment. At the same time, manufacturers are constantly developing their vehicles further in relation to drive and handling characteristics, comfort and safety. Automotive manufacturers are also endeavoring to cut fuel consumption and CO^2 emissions, not least due to legislation. This makes particular demands of manufacturing that must respond flexibly to new product variants and include innovations in vehicles. The subsidiaries of the M.A.X. Automation Group develop and produce high-quality plant and system solutions for all key automotive components, in other words, for the manufacturing of engines, gearboxes, transmissions and steering systems. They also supply efficient handling and conveying systems, as well as robotics solutions that are deployed in manufacturing. These strengths position them as important partners to their customers, allowing them to participate significantly in technological progress and changing customer requirements in the automotive area.

- **Growing demand for micro automation:** Industrially manufactured products are becoming ever more efficient, and need to perform an increasing number functions within increasingly compact constructions. The automotive industry trend toward autonomous driving provides one example: vehicles are being increasingly equipped with driver assistance systems such as sensors, distance controls and front cameras to identify obstacles, which assist the driver and make a significant contribution to safety. Especially following the acquisition of the AIM Group, M.A.X. Automation offers high performing solutions for micro automation, in other words, the assembly of the tiniest components, as well as inspection systems for industrial image processing.

- **Long-term prospects in medical technology:** Numerous long-term trends characterize the global market for medical technology, such as rising life expectancy, growing health awareness, individual treatment forms, increasing demand for efficient and intelligent products, and patients' wishes for greater scope of freedom in therapy, such as self-medication. These trends are identifiable in industrialized nations, as well as in emerging economies and developing countries. At the same time, the medical technology market presents high entry barriers in terms of technological and qualitative requirements, as well as demanding and long-term collaboration with customers. The AIM Group companies not only command the specialist expertise but also the sound reputation to be able to participate in this market area's long-term growth.

In the Environmental Technology segment, the M.A.X. Automation Group primarily sees important business opportunities in the following areas:

- **Growing significance of climate and environmental protection:** Climate protection, natural resource conservation, and the recycling of waste materials for reintroduction into the material cycle as well as for energy utilization are constantly gaining significance worldwide. A sharpening of public environmental awareness as well as economic and social changes are driving this trend globally. Especially in emerging economies such as China, Brazil and India, ever more efficient solutions to dispose of and process raw materials are required due to rapid metropolitan growth and growing waste volumes. Discussions on the new energy policy direction in Germany provides a further example. The subsidiaries of the M.A.X. Automation Group in its Environmental Technology segment are able to draw on many years of experience and extensive expertise in developing, producing and maintaining innovative individual components and systems solutions. Group company Vecoplan also operates the international environmental technology and recycling sector's most modern technology center, where it is working on future solutions to process waste and residual materials. As a consequence, the Group enjoys the long-term opportunity of benefiting permanently from the growing significance of climate and environmental protection, and of operating as an innovation driver in this context.

- **Increasingly stringent environmental regulations:** Legislation governs environment protection and waste processing at regional, national and international level. In the European Union, for example, binding regulations exist to realize a marked reduction in carbon dioxide emissions in order to contain the so-called greenhouse effect. Further regulations govern recycling: in Germany, for example, the Waste Management and Product Recycling Act sets a so-called waste hierarchy relating to waste avoidance, re-utilization, recycling and waste removal. A total of 65 % of all municipal waste is to be recycled by 2020. In North America, local communities have introduced so-called "zero waste" programs for sustainable environmental management. The M.A.X. Automation Group is positioned promisingly in its Environmental Technology segment to benefit from growing global demand for efficient environmental technology.

The M.A.X. Automation Group continues to focus on its further expansion on international markets. Particular opportunities are identified on the Asian and North American markets in this context.

Moreover, the Management Board continues to endeavor to realize further-reaching synergies between the subsidiaries. Opportunities might arise through cooperation in purchasing, the utilization of service sites abroad, the internal processing and production of mechanical components, and technology transfer. One example is the use of NSM Magnettechnik's efficient robotic solutions by other subsidiaries.

13. Outlook

13.1. Macroeconomic environment

Prospects for global economic growth in 2015 are moderate. Although the International Monetary Fund (IMF) anticipates 3.5 % global growth, slightly higher than in 2014, the IMF perceives negative factors as having increased considerably. Negative factors particularly comprise geopolitical crises and the still unresolved Ukraine/Russia conflict, concerns that the Eurozone economic recovery will stagnate, and worries that low inflation in Europe will slide into deflation. The IMF also regards an overheating of financial markets as possible.

The Chinese economy is set to grow at a slower rate than to date, increasing by 6.8 % in 2015, according to the IMF. For the USA, 3.6 % economic output growth is forecast, reflecting a dynamic trend. The IMF sees the Eurozone economy growing by 1.2 %. It identifies positive factors in the low oil price and the euro's depreciation against the US dollar, thereby improving the competitiveness of Eurozone products. A low level of investment activity would dampen economic growth, by contrast.

The German economy will grow at a moderate rate in 2015. The IMF forecasts a 1.3 % increase in economic output. The ifo Institut is slightly more optimistic, predicting 1.5 % growth. The domestic economy, which is benefiting from lower crude oil prices, will be the motor of this positive trend. At the same time, ifo anticipates stronger export growth compared with previous years due to the euro's depreciation.

13.2. Trends in relevant sectors

The German mechanical and plant engineering sector takes an optimistic view of 2015 business trends. Based on 2014 new order intake, the VDMA sector association forecasts 2.0 % production growth for its member companies. The VDMA nevertheless referred to incalculable risks such as the Ukraine crisis and the slow start to economic reforms in France and Italy. The mechanical engineers identify positive factors in growing investment in the industrial US, lower raw materials prices, and the depreciation of the euro against the US dollar since the end of 2014, which is facilitating exports.

The German automotive industry is assuming further growth in the world automotive market for 2015. The German Automotive Industry Association (VDA) assumes that the large markets of China, Western Europe and the USA will see less dynamic growth than in the previous year. It forecasts global new registrations up by around 2 % to 76.4 million vehicles. Growth of around 2 % is also forecast for Western Europe. The VDA expects positive impulses to derive particularly from the Chinese and North American markets.

The German medical technology sector's expectations for 2015 are moderate. According to information from sector association Spectaris, its member companies see no significant improvement this year following last year's weaker business trends. A return to the growth path is anticipated medium-term, however, driven by good export business.

According to the company's own estimate, moderate growth is expected worldwide for waste and environmental technology, chiefly deriving from an international increase in the regulation of waste flows, and attendant demand growth for processing solutions. The recycling of residual materials is being prioritized increasingly compared with still-widespread landfill dumping.

13.3. Prospective Group business trends

From today's perspective, the Management Board is generally optimistic for the future development and growth of the M.A.X. Automation Group in 2015 and beyond.

Sources:
- International Monetary Fund (IMF): World Economic Outlook, Update January 2015
- ifo Institute, Munich: ifo economic forecast 2014/2015, December 11, 2014

The Industrial Automation segment was further strengthened in strategic terms in 2014 and at the start of the current year. This includes the realignment of MA micro automation (formerly: Rohwedder Micro Assembly) within micro automation with technological core competences in actuators, sensors and optical systems. The acquisition of iNDAT Robotics also enables the NSM Magnettechnik subsidiary to offer comprehensive robotics and manufacturing automation solutions. Packaging automation expertise has been expanded through the NSM Packtec purchase. As a consequence, the segment offers an even greater range of products and services for its customers in several key sectors. The Environmental Technology segment, with Vecoplan as its main segment company, will continue to develop and produce high-quality individual components as well as complex systems solutions. This segment will serve individual customer requirements through a balanced mix from both areas in this context. Appropriate measures are being developed at the altmayerBTD subsidiary, whose business model is negatively affected by the new energy policy direction in Germany.

The Management Board will further focus the M.A.X. Automation Group portfolio on high-end, high-tech engineering solutions, and tap synergy potentials between the individual Group companies. It is also constantly examining potential optimization within the subsidiaries' location network.

Based on the current portfolio and the macroeconomic conditions presented above, the Management Board assumes the following for 2015:

- Group revenue in a range between EUR 360 million and EUR 380 million (previous year adjusted: EUR 350 million to EUR 360 million), and
- Group earnings before interest and tax (EBIT) before PPA depreciation and amortization in a range of between EUR 20 million and EUR 22 million (previous year adjusted: EUR 16 million to EUR 18 million).

13.4. Prospective business trends for the parent company

The results of operations of M.A.X. Automation AG depend to a high degree on the Group earnings trend. Based on the expected trends for the operating companies, the Management Board assumes an unchanged level of income from its participating interests in the 2015 financial year.

Düsseldorf, March 30, 2015

Fabian Spilker

Management Board

Sources:
- German Engineering Federation (VDMA), press release, December 18, 2014
- German Automotive Industry Association (VDA), VDA annual press conference statement, December 2, 2014, and press release, January 16, 2015
- Spectaris: Fachverband Medizintechnik, Zahlen und Fakten, www.spectaris.de

Consolidated financial statements

CONSOLIDATED BALANCE SHEET

of M.A.X. Automation AG, Düsseldorf, as of December 31, 2014

ASSETS	Notes	31.12.2014 TEUR	31.12.2013 TEUR	01.01.2013 TEUR
Non-current assets				
Intangible assets	(1)	18,427	17,452	5,310
Goodwill	(2)	45,991	45,950	29,277
Property, plant and equipment	(3)	39,263	41,875	36,241
Equity accounted investments	(4)	0	0	0
Other investments	(5)	273	660	557
Deferred tax	(6)	6,251	7,401	7,180
Other non-current assets	(7)	895	6,322	4,169
Non-current assets, total		**111,100**	**119,660**	**82,734**
Current assets				
Inventories	(8)	41,993	44,752	37,408
Trade receivables	(9)	81,959	98,379	53,372
Receivables due from related companies	(10)	15	905	199
Prepayments and accrued income, and other current assets	(11)	7,906	5,553	3,147
Cash and cash equivalents	(12)	52,377	26,310	22,765
Current assets, total		**184,250**	**175,899**	**116,891**
Total assets		**295,350**	**295,559**	**199,625**

EQUITY AND LIABILITIES	Notes	31.12.2014 TEUR	31.12.2013 TEUR	01.01.2013 TEUR
Equity				
Subscribed share capital	(13)	26,794	26,794	26,794
Capital reserves	(14)	3,055	3,055	3,055
Revenue reserve	(14)	21,166	15,755	11,259
Equity difference resulting from currency translation		393	–262	–131
Unappropriated retained earnings	(15)	48,389	48,687	47,396
Total equity		**99,797**	**94,029**	**88,373**
Non-current liabilities				
Liabilities arising from minority shareholder settlement claims	(16)	0	1,640	1,667
Non-current loans less current portion	(17)	56,006	53,998	22,619
Pension provisions	(18)	988	814	715
Other provisions	(24)	2,196	1,813	1,714
Deferred tax	(6)	15,585	16,864	12,626
Other non-current liabilities	(17)	2,798	3,854	1,289
Non-current liabilities, total		**77,573**	**78,983**	**40,630**
Current liabilities				
Trade payables	(19)	45,784	58,060	47,579
Current loans and current portion of non-current loans	(20)	44,309	36,461	6,883
Liabilities to related companies	(21)	74	57	29
Current liabilities arising from minority shareholder settlement claims	(16)	2,029	0	33
Other current financial liabilities	(22)	10,850	15,337	7,594
Income tax provisions and liabilities	(23)	5,636	3,583	2,462
Other provisions	(24)	6,407	5,928	4,354
Other current liabilities	(25)	2,891	3,121	1,688
Current liabilities, total		**117,980**	**122,547**	**70,622**
Equity and liabilities, total		**295,350**	**295,559**	**199,625**

The attached notes form an integral part of the consolidated financial statements.
Adjustments to the previous year's figures are explained in section 2.8 to the notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

of M.A.X. Automation AG, Düsseldorf, for the period from January 1 to December 31, 2014

	Notes	2014 TEUR	2013 TEUR
Revenue	(26)	**351,437**	**270,100**
Change in finished goods and work-in-progress		–3,393	104
Work performed by the company and capitalized		4,342	1,286
Total operating revenue		**352,386**	**271,490**
Other operating revenue	(27)	8,587	4,851
Cost of materials	(28)	–183,981	–137,578
Personnel expenses	(29)	–102,957	–77,353
Depreciation, amortization and impairment losses	(30)	–6,047	–5,116
Other operating expenses	(31)	–47,470	–38,110
Operating profit		**20,518**	**18,184**
PPA-related amortization		–3,944	–1,200
Operating profit after PPA-related amortization		**16,574**	**16,984**
Miscellaneous investment income		8	0
Net interest result	(32)	–3,802	–1,956
Other financial profit/loss	(33)	1,403	–404
Earnings before income tax		**14,183**	**14,624**
Income tax	(34)	–4,162	–4,464
Net income		**10,021**	**10,160**
Other comprehensive income that will never be recycled to the income statement			
Actuarial gains and losses on employee benefits	(18)	–213	–81
Income taxes on actuarial gains and losses		63	25
Change in settlement obligations to minority shareholders	(16)	–739	–298
		–889	**–354**
Other comprehensive income that can be recycled to the income statement			
Change arising from currency translation		655	–131
Total comprehensive income		**9,787**	**9,675**
Earnings per share (diluted and basic) in EUR	(35)	0,37	0,38

The attached notes form an integral part of the consolidated financial statements.
Adjustments to the previous year's figures are explained in section 2.8 to the notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

of M.A.X. Automation AG, Düsseldorf, for the 2014 financial year

	Subscribed share capital	Capital reserves	Revenue reserve	Currency translation difference	Net retained profit	Total
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
As of 01.01.2013	**26,794**	**3,055**	**11,259**	**–131**	**47,396**	**88,373**
Dividend payments	0	0	0	0	–4,019	–4,019
Transfer to retained earnings	0	0	4,850	0	–4,850	0
Total comprehensive income	0	0	–354	–131	10,160	9,675
As of 31.12.2013	**26,794**	**3,055**	**15,755**	**–262**	**48,687**	**94,029**
As of 01.01.2014	**26,794**	**3,055**	**15,755**	**–262**	**48,687**	**94,029**
Dividend payments	0	0	0	0	–4,019	–4,019
Transfer to retained earnings	0	0	6,300	0	–6,300	0
Total comprehensive income	0	0	–889	655	10,021	9,787
As of 31.12.2014	**26,794**	**3,055**	**21,166**	**393**	**48,389**	**99,797**

The attached notes form an integral part of the consolidated financial statements.
Adjustments to the previous year's figures are explained in section 2.8 to the notes to the consolidated financial statements.
The restatement of the accounts has no effects on equity as of January 1, 2013.

CONSOLIDATED STATEMENT OF CASH FLOWS

of M.A.X. Automation AG, Düsseldorf, for the period from January 1 to December 31, 2014

		01.01.–31.12.2014 TEUR	01.01.–31.12.2013 TEUR
1.	**Cash flow from operating activities**		
	Consolidated net income for the year	10,021	10,160
	Adjustments relating to the reconciliation of consolidated net income for the year to cash flow from operating activities		
	Amortization/impairment of intangible assets	5,082	2,127
	Depreciation/impairment of property, plant and equipment	4,909	4,189
	Gain (–)/loss (+) from disposal of subsidiaries	–3,374	0
	Gain (–)/loss (+) from disposal of property, plant and equipment and intangible assets	–15	–162
	Gain (–)/loss (+) from disposal of investments	–24	0
	Deferred tax changes recognized in profit or loss	–547	582
	Other non-cash expenses and income	1,482	–769
	Changes in assets and liabilities		
	Increase (–) decrease (+) in other non-current assets	42	23
	Increase (–) decrease (+) in inventories	199	4,658
	Increase (–) decrease (+) in trade receivables	14,342	3,889
	Increase (–) decrease (+) in receivables due from related companies	890	–706
	Increase (–) decrease (+) in prepayments, accrued income and other assets	–2,481	–161
	Increase (+) decrease (–) in pension provisions	174	99
	Increase (+) decrease (–) in other provisions and liabilities	–2,711	2,325
	Increase (+) decrease (–) in trade payables	–12,715	–3,993
	Increase (+) decrease (–) in liabilities to related companies	17	–28
	Increase (+) decrease (–) in liabilities and provisions arising from income taxes	2,522	400
=	**Cash flow from operating activities**	**17,813**	**22,633**
2.	**Cash flow from investing activities**		
	Outgoing payments for investments in intangible assets	–4,564	–1,318
	Outgoing payments for investments in property, plant and equipment	–5,109	–4,854
	Outgoing payments for investments in financial assets	–57	–30
	Payments received from disposals of intangible assets	98	0
	Payments received from disposals of property, plant and equipment	393	614
	Payments received from disposals of financial assets	467	0
	Other changes in non-current assets	0	0
	Outgoing payments for acquisition of subsidiaries, less cash	–923	–34,876
	Payments received from disposal of subsidiaries, less cash	7,375	0
=	**Cash flow from investing activities**	**–2,320**	**–40,464**
3.	**Cash flow from financing activities**		
	Outgoing payments for dividends	–4,019	–4,019
	Draw-down of non-current borrowings	5,274	47,310
	Repayment of non-current borrowings	–3,147	–14,845
	Change in current borrowings	7,124	–7,926
	Increase (–) decrease (+) in restricted cash and cash equivalents	5,324	1,240
	Payments arising from settlement claims for third parties	–214	–324
=	**Cash flow from financing activities**	**10,342**	**21,436**

		01.01.–31.12.2014 TEUR	01.01.–31.12.2013 TEUR
4.	**Cash and cash equivalents**		
	Increase/decrease in cash and cash equivalents	**25,835**	**3,605**
	Effect of changes in exchange rates	232	–60
	Cash and cash equivalents at start of financial year	**26,310**	**22,765**
	Cash and cash equivalents at end of financial year	**52,377**	**26,310**
5.	**Composition of cash and cash equivalents**		
=	Cash and cash equivalents	52,377	26,310
	Additional disclosures regarding cash flow		
	Income tax paid	1,710	3,739
	Income tax reimbursed	215	283
	Interest paid	2,954	1,529
	Interest received	91	243

The attached notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

of M.A.X. Automation AG, Düsseldorf, for the period from January 1 to December 31, 2014

Additional information	01.01.–31.12.2014 TEUR	01.01.–31.12.2013 TEUR
Acquisition of subsidiaries		
Goodwill	0	16,686
Intangible assets	1,630	12,586
Property, plant and equipment	118	5,906
Deferred tax	23	2
Other non-current assets	0	3,494
Inventories	0	11,286
Trade receivables	0	48,834
Prepayments and accrued income, and other current assets	0	2,252
Cash and cash equivalents	0	861
Non-current financial liabilities	0	–3,221
Non-current provisions	0	–668
Deferred tax	–493	–3,437
Trade payables	0	–14,490
Current loans	0	–36,778
Other current financial liabilities	–122	–6,116
Provisions and liabilities from taxes	0	–721
Other provisions	–350	–1,094
Other current liabilities	0	–382
Purchase price	806	35,000
Deconsolidation gain/loss	–613	0
Purchase price payment outstanding	0	0
Cash and cash equivalents acquired	0	–861
Purchase price paid, less cash and cash equivalents acquired	193	34,139

Adjustments to the previous year's figures are explained in section 2.8 to the notes to the consolidated financial statements.

Additional information	01.01.–31.12.2014 TEUR	01.01.–31.12.2013 TEUR
Disposal of subsidiaries		
Intangible assets	48	0
Property, plant and equipment	2,870	0
Investments	0	0
Other non-current assets	15	0
Inventories	1,945	0
Trade receivables	1,683	0
Prepayments and accrued income, and other current assets	34	0
Cash and cash equivalents	0	0
Non-current financial liabilities	–1,563	0
Deferred tax	–52	0
Trade payables	–432	0
Current loans	–178	0
Other current financial liabilities	–191	0
Provisions and liabilities from taxes	–464	0
Other provisions	351	0
Other current liabilities	–65	0
Assets disposed of	4,001	0
Income from disposal of subsidiaries	3,374	0
Purchase price paid, less cash and cash equivalents	7,375	0

The attached notes form an integral part of the consolidated financial statements.

SEGMENT REPORTING

for M.A.X. Automation AG, Düsseldorf, for the 2014 financial year

Segment	Industrial Automation		Environmental Technology		M.A.X. Automation AG	
Reporting period	**2014 TEUR**	**2013 TEUR**	**2014 TEUR**	**2013 TEUR**	**2014 TEUR**	**2013 TEUR**
New order intake	**216,284**	**126,253**	**123,061**	**122,002**	**0**	**0**
Order book position	**103,855**	**126,065**	**39,288**	**28,647**	**0**	**0**
Segment revenue	**236,855**	**147,971**	**114,858**	**122,547**	**0**	**0**
with external customers	236,579	147,553	114,858	122,547	0	0
– of which Germany	104,109	77,603	27,682	34,963	0	0
– of which other EU countries	62,564	41,966	38,657	32,556	0	0
– of which North America	18,292	6,823	39,845	49,383	0	0
– of which China	23,217	6,618	0	0	0	0
– of which Rest of the World	28,397	14,543	8,674	5,645	0	0
Inter-segment revenue	276	418	0	0	0	0
Segment operating profit	**17,964**	**16,930**	**1,395**	**3,847**	**–2,320**	**–2,593**
Including:						
– Depreciation/amortization	–3,012	–2,086	–3,005	–3,000	–30	–30
– Additions to other provisions and pension provisions	–3,427	–2,579	–1,394	–1,544	–792	–321
Segment operating profit after PPA-related amortization	**14,425**	**16,180**	**1,192**	**3,599**	**–2,320**	**–2,593**
Including:						
– PPA-related amortization	–3,539	–750	–203	–248	0	0
Segment result from ordinary activities (EBT)	**12,531**	**15,227**	**1,688**	**2,658**	**1,141**	**–509**
Including:						
– Interest and similar income	40	51	110	220	128	155
– Interest and similar expenses	–2,003	–892	–931	–869	–1,146	–621
Income tax	760	–740	–94	–931	–4,904	–2,816
– Additions to income tax provisions	–58	–876	–148	–751	–2,361	–866
Net income for the period	**13,291**	**14,487**	**1,595**	**1,727**	**–3,763**	**–3,325**
Non-current segment assets (excluding deferred tax)	**38,520**	**43,669**	**26,294**	**27,601**	**96,510**	**99,077**
– of which Germany	38,112	43,269	23,248	24,638	96,510	99,077
– of which other EU countries	115	168	215	278	0	0
– of which North America	130	110	2,831	2,685	0	0
– of which Rest of the World	163	122	0	0	0	0
Investments in non-current segment assets	**8,101**	**21,683**	**3,309**	**2,960**	**11**	**37,072**
Working capital	**55,646**	**57,787**	**22,864**	**27,489**	**–345**	**–204**
Average number of personnel excluding trainees	**1,001**	**684**	**532**	**529**	**4**	**5**

Segment reporting forms part of the notes to the financial statements.
Restatements of the previous year's figures are explained in section 2.8 to the notes to the consolidated financial statements.

	Reconciliation		Total	
	2014 TEUR	2013 TEUR	2014 TEUR	2013 TEUR
	0	**0**	**339,345**	**248,255**
	0	**0**	**143,143**	**154,712**
	–276	**–418**	**351,437**	**270,100**
	0	0	351,437	270,100
	0	0	131,791	112,566
	0	0	101,221	74,522
	0	0	58,137	56,206
	0	0	23,217	6,618
	0	0	37,071	20,188
	–276	–418	0	0
	3,479	**0**	**20,518**	**18,184**
	0	0	–6,047	–5,116
	0	0	–5,613	–4,444
	3,277	**–202**	**16,574**	**16,984**
	–202	–202	–3,944	–1,200
	–1,177	**–2,752**	**14,183**	**14,624**
	–120	–67	158	359
	120	67	–3,960	–2,315
	76	23	–4,162	–4,464
	0	0	–2,567	–2,493
	–1,102	**–2,729**	**10,021**	**10,160**
	–56,475	**–59,088**	**104,849**	**111,259**
	–56,475	–59,088	101,395	107,896
	0	0	330	446
	0	0	2,961	2,795
	0	0	163	122
	0	**–20,364**	**11,421**	**41,351**
	3	**–1**	**78,168**	**85,071**
	0	**0**	**1,537**	**1,218**

Notes

NOTES 2014

of M.A.X. Automation AG

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1. Preliminary remarks

The Group's parent company is M.A.X. Automation Aktiengesellschaft, Breite Strasse 29–31, 40213 Düsseldorf, Germany, whose purpose is to acquire and manage at least 10 % of the share capital of companies and commercial entities, as well as to divest such interests.

The subsidiaries of M.A.X. Automation AG operate in the industrial automation and environmental technology sectors. Most of the companies have existed for several years. All of the companies that are included in the consolidated financial statements apply the calendar year as their financial year, with the exception of the equity accounted company.

Besides the consolidated balance sheet and the consolidated statement of comprehensive income, the consolidated financial statements include as further components the consolidated statement of changes in equity, the consolidated cash flow statement, segment reporting, notes to the consolidated financial statements, the consolidated statement of changes in non-current assets, and a list of shareholdings.

The 2014 consolidated financial statements have been prepared in euros (EUR). Unless stated otherwise, all amounts are presented in thousands of euros (TEUR).

The consolidated financial statements have been prepared according to the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board, London (IASB), as they are to be applied within the European Union, taking into account the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC), all of which as valid as of the reporting date.

All IAS/IFRS regulations that have been approved and must be applied as of the December 31, 2014 reporting date have been taken into account in the accounting and valuation policies applied within the M.A.X. Automation Group. The supplementary regulations contained in Section 315a (1) of the German Commercial Code (HGB) have been complied with. On March 31, 2014, the Supervisory Board approved the audited consolidated financial statements as of December 31, 2013. The Supervisory Board will prospectively approve the audited consolidated financial statements as of December 31, 2014 on March 30, 2015.

2. Accounting policies

The financial statements of the German and foreign subsidiaries that have been included in the financial statements have been prepared uniformly in accordance with IFRS accounting policies. The preparation of consolidated financial statements in conformity with IFRS requires the Management Board to make estimates and assumptions that effect the amounts recognized in the balance sheet, and the disclosure of contingent assets and contingent liabilities as of the reporting date, as well as the reported income and expenses during the reporting period. Such assumptions and estimates are based on premises that reflect the respective current status of knowledge. Actual results can differ from such estimates and assumptions.

The International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRIC) have approved a number of amendments to existing International Financial Reporting Standards (IFRS) and some new

IFRS and interpretations that the M.A.X. Automation Group must apply from the 2014 financial year:

- Amendments to IAS 27 "Consolidated and Separate Financial Statements": Restriction of regulations to separate financial statements (comes into force on January 1, 2014)
- Amendments to IAS 28 "Investments in Associates and Joint Ventures": Mandatory application of equity method (comes into force on January 1, 2014)
- Amendments to IAS 32 "Financial Instruments: Presentation": Offsetting Financial Assets and Financial Liabilities (comes into force on January 1, 2014)
- Amendments to IAS 36 "Impairment of Assets": Recoverable Amount Disclosures for Non-Financial Assets (comes into force in January 1, 2014)
- Amendments to IAS 39 "Financial Instruments: Recognition and Measurement": Novation of Derivatives and Continuation of Hedge Accounting (comes into force on January 1, 2014)
- Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities": Transition guidelines (come into force on January 1, 2014)
- Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosures of Interests in Other Entities" and IAS 27 "Consolidated and Separate Financial Statements": Investment Entities: Applying the Consolidation Exception (come into force on January 1, 2014)
- IFRS 10 "Consolidated Financial Statements" (comes into force on January 1, 2014)
- IFRS 11 "Joint Arrangements" (comes into force on January 1, 2014)
- IFRS 12 "Disclosure of Interests in Other Entities" (comes into force on January 1, 2014)

The IASB and the IFRIC have approved further standards and interpretations that do not yet require mandatory application within the European Union. These standards and interpretations are presented below:

- Amendments to IFRS 11 "Joint Arrangements": Acquisition of Interests in Joint Operations (comes into force on January 1, 2016)
- Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets": Clarification of acceptable depreciation and amortization methods (comes into force on: January 1, 2016)
- Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture": Bearer plants (comes into force on January 1, 2016)
- Amendments to IAS 19 "Employee Benefits": Defined Benefit Plans – Employee Contributions (comes into force on July 1, 2014)
- Amendments to IAS 27 "Consolidated and Separate Financial Statements": Equity Method in Separate Financial Statements (comes into force on January 1, 2016)
- Various amendments: Annual improvements cycle of the IASB 2010–2012 (come into force on July 1, 2014)
- Various amendments: Annual improvements cycle of the IASB 2011-2013 (come into force on July 1, 2014)
- IFRS 9 "Financial Instruments" (comes into force on January 1, 2018)
- IFRS 14 "Regulatory Deferral Accounts" (comes into force on January 1, 2016)
- IFRS 15 Revenue from Contracts with Customers" (comes into force on January 1, 2017)
- IFRIC 21 "Levies": Accounting treatment of government-imposed levies (comes into force on June 17, 2014)

M.A.X. Automation AG will take these new standards and interpretations into account when application becomes mandatory within the European Union. No significant effects on the balance sheet and statement of

comprehensive income are anticipated for 2015. Changes that cannot be assessed yet may arise as a result of application of IFRS 15 for financial years from 2017. Amendments and expansions also arise in relation to the mandatory disclosures to be made in the notes to the consolidated financial statements.

2.1. Assets

Intangible assets

Purchased intangible assets (patents rights and licenses, as well as IT software, know-how, technology and brand rights, industrial property rights, websites, order book positions and customer relationships, as well as development projects) are recognized at cost less amortization. Amortization is applied straight-line over economic useful lives amounting to between 1 and 15 years.

Internally generated intangible assets (development costs) are also recognized. Economic useful life in this case amounts to 5 years. Development costs for newly developed products for which technical feasibility and marketability surveys are available are capitalized at their directly or indirectly attributable production costs to the extent that expenses can be clearly allocated, and insofar as the technical feasibility and marketability of the newly developed products are ensured. Development activity must result with sufficient probability in future cash inflows; borrowing costs are not capitalized. Amortization is applied in line with products' planned economic useful lives.

Where the acquisition costs for a business combination exceed the sum of the fully remeasured assets and liabilities, including contingent liabilities, such positive differences are capitalized as goodwill. Following re-assessment, a negative difference is expensed. Goodwill is allocated to its respective cash-generating unit, recognized as an asset, and impairment-tested on each reporting date pursuant to IAS 36. In this context, only the operating subsidiaries are allocated to the cash-generating units within the M.A.X. Automation Group. In cases where close supply and service connections exist between Group companies, they are aggregated into operating units, with goodwill being tested for impairment on this basis. Impairment losses are expensed immediately in the statement of comprehensive income, and are not reversed in subsequent periods.

Goodwill deriving from corporate acquisitions preceding the IFRS transition date on January 1, 2004, was transferred from the previous financial statements that were prepared according to the German Commercial Code (HGB), and impairment-tested on that date. Goodwill write-downs applied in previous periods were not reversed.

Pursuant to IAS 36.10, goodwill is not amortized, but is instead tested at least annually for impairment. Goodwill is generally impairment-tested at the level of cash-generating unit. The impairment test is based on measuring the recoverable amount. This is derived from the higher of fair value less costs of disposal, and value-in-use. Within the M.A.X. Automation Group, impairment tests are generally conducted by comparing value-in-use and carrying amount. In one case, net realizable value less costs of disposal was compared with the carrying amount. If the carrying amount of a cash-generating unit exceeds its recoverable amount, impairment has occurred, and an impairment loss is to be applied. The requisite impairment loss reduces the value of the goodwill. If such goodwill has been written down completely, the remaining amount is distributed to the other assets in proportion to the respective carrying amounts (IAS 36.104 et seq.).

The carrying amount of the cash-generating unit comprises the net assets, and is derived from operating assets, less disclosed hidden reserves (especially goodwill), and less operating liabilities. Primarily market price-based methods are applied to measure fair value less costs of disposal. Recourse is made to net present value methods to measure value-in-use. The weighted average cost of capital (WACC) approach is applied to the net present value method (Institute of Public Auditors in Germany IDW; Standard IDW RS HFA 16 [30]). The level of market risk premium is selected in compliance with the promulgations of the Institute of Public Auditors in Germany (IDW). The risk-free rate is measured applying a calculation recommended by the IDW (Svensson method). The beta factor is calculated applying capital market data for comparable (peer group) companies from the same sector.

The following requirements are to be taken into consideration in this context:

- Pursuant to IAS 36.50, cash flows from financing activities as well as for income tax are not be included in the calculation of value-in-use.
- The Group's average refinancing costs are to be applied as borrowing costs.
- The costs of equity are calculated on the basis of the capital asset pricing model, and amount to 7.09 % (previous year: 8.22 %). The cost of capital was calculated taking into account a risk-free rate of 1.75 % (previous year: 2.75 %), a risk premium of 6.0 % (previous year: 5.5 %), and a beta of 0.89 (previous year: 0.99). The resultant weighted average costs of capital vary in a range between 7.6 % and 9.4 %. The differences in this context arise from the different levels of leverage at the cash-generating units observed.
- The cost of capital is the pre-tax interest rate that reflects current market estimates of the time value of money and the specific risks of the measurement object. As the returns of risky equity instruments that are observable on the capital market frequently include tax effects, the calculated weighted cost of capital has been adjusted to reflect such tax effects.

Value-in-use is calculated by applying the present value of cash flows for two growth phases. The first phase is based on three-year planning that is prepared by the management of the respective cash-generating unit and approved by the Supervisory Board. Any new information that arises subsequently is taken into account. The second phase is based on a perpetual return on the sustainably recoverable amount taking a 1 % growth rate into account. Based on the order book position and the time taken to process it, the selected planning horizon primarily reflects the following assumptions for short-term and medium-term market trends: sales revenue trend, market shares and growth rates, raw materials costs, cost to acquire and retain customers, personnel trends and investments. M.A.X. Automation plans slight increases to sales revenue and EBIT for the 2015 to 2017 periods. These assumptions are mainly calculated in-house, and predominantly reflect past experience, or are compared with external market values.

Equity accounted investments

Companies over which M.A.X. Automation AG has significant influence, but not control, are recognized applying the equity method. Such companies are recognized at cost when first included in the financial statements. Such interests are carried forward in subsequent periods. Proportionate annual profits or annual losses increase or reduce the value of the interest, although such an interest cannot be written down to lower than 0 (zero) euros. Dividends received from the company are deducted from its value.

Property, plant and equipment

Property, plant and equipment are recognized at cost less depreciation, and any requisite impairment losses. In this context, costs of production include not only directly attributable specific costs but also an appropriate portion of production overheads.

Property, plant and equipment are depreciated straight-line over the following useful lives:

Prospective useful lives	
Buildings	8 to 50 years
Exterior facilities	8 to 33 years
Technical plant and machinery	2 to 15 years
Other plant, operating and office equipment	1 to 17 years

Economic useful lives are determined taking into account prospective physical wear and tear, technical obsolescence, and legal and contractual restrictions.

Assets under construction are recognized at cost. Borrowing costs for qualifying assets are capitalized. Depreciation for such assets commences when they have been completed, or when they are ready for operation. Given indications of impairment, the recoverable amount of the asset is determined on the basis of its value-in-use in order to establish the level of impairment loss. The impairment loss is expensed. If the reason for past impairment no longer applies, the impairment loss is reversed accordingly.

The impairment loss reversal in this context is restricted to the level that would have arisen if no impairment losses had been applied in previous years. Reversals of impairment losses are also recognized in profit or loss.

Non-current financial liabilities

Financial assets are measured at cost on the acquisition date. Interests in subsidiaries and participating interests that are not consolidated are measured at cost, as their fair value cannot be measured reliably. Loans extended are measured at amortized cost. Investments that are not recognized at fair value are tested regularly for impairment. Investments that are impaired are written down to their recoverable amount, with related impairment losses being expensed. If the reason for an impairment loss applied in previous periods no longer exists, the impairment loss is reversed through profit or loss.

Inventories

Inventories are recognized at the lower of cost or net realizable value. Besides production materials and production wages, production costs also include materials and production overheads that require capitalization. Discounts are applied to inventories that lack marketability. Costs are allocated to different types of inventory by means of specific allocation, the average method, or the FIFO method. Impairment losses are applied where specific assets' net realizable values fall below their carrying amounts.

Long-term construction contracts

Revenues and expenses from long-term construction contracts are recognized applying the percentage of completion (PoC) method. The percentage of completion is derived from the relationship between the contract costs that have already been incurred by the end of the financial year, and the total contract costs as currently estimated at the end of the financial year (cost-to-cost method).

Current financial liabilities

Pursuant to IAS 32, financial assets include i.a. trade receivables, receivables due from banks, cash on hand, derivative financial instruments, and marketable other miscellaneous financial assets.

Categorization is applied on the basis of IAS 39:

a) Besides derivative financial assets, financial assets that are measured at fair value through profit or loss include held-for-trading financial assets. Such assets are purchased with the intention of short-term resale (e.g. equities, fixed income securities). Measurement is at fair value; valuation adjustments are recognized in profit or loss.

b) Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not listed on an active market. These include mainly trade receivables. Following initial recognition, receivables are measured at cost less valuation allowances to cover identifiable risks. General valuation allowances to reflect past default rates are recognized only if they can also be evidenced quantitatively. Gains and losses, as well as interest effects arising from applying the effective interest method, are recognized in profit or loss.

The company assumes that the recognized values of its financial instruments generally correspond to their fair values.

Cash and cash equivalents

Cash and cash equivalents are recognized at nominal value. Cash and cash equivalents with restricted availability are reported under other non-current assets.

2.2. Equity and liabilities

Equity issue costs

Equity issue costs are deducted from the capital reserves after taking into account tax incurred on them.

Revenue reserve

The fair value of non-controlling interests deriving from the company agreement is deducted from the revenue reserves.

Liabilities arising from minority shareholder settlement claims

The liabilities are measured at fair value. On January 2, 2015, a purchase agreement was concluded between Vecoplan Holding and the non-controlling shareholders of Vecoplan LLC, whereby the purchase price for the respective shares amounts to TUSD 1,000. By way of clarification of the related value, it is to be assumed that this amount corresponds to the fair value of the respective shares. The liabilities due to the non-controlling shareholders of Vecoplan Midwest LLC are also recognized at fair value, whereby this fair value corresponds to the respective attributable share of earnings.

Pension obligations

The provisions for pensions and similar obligations are measured applying the projected unit credit method for retirement benefit commitments. The calculation is based on the '2005 G ' mortality tables published by K. Heubeck. Not only pensions and entitlements to future pensions that are known on the reporting date are taken into account, but also future expected changes to salaries and pensions. The service cost is included

under personnel expenses in the statement of comprehensive income. On origination, actuarial gains and losses, as well as gains and losses from the revaluation of plan assets, are reported in other comprehensive income, deducted from the revenue reserve. The interest cost is reported in the net interest result.

Tax provisions and other provisions

Tax provisions and other provisions are formed to an appropriate level for all identifiable risks and contingent liabilities. The precondition for recognition is that utilization is probable, and that the level of the obligation can be measured reliably. Non-current provisions are discounted.

Liabilities

Liabilities are measured at cost on initial recognition, and at amortized cost in subsequent years. Discounts are taken into account applying the effective interest method. Non-current, non-interest-bearing liabilities are recognized at present value.

2.3. Statement of comprehensive income

Revenue and other operating income are recognized when a service is rendered, or when a claim is originated. Interest income and interest expenses are recognized in the period in which they are received or incurred. Non-current, customer-specific construction contracts are measured applying the percentage of completion (PoC) method. Here, the costs incurred during the financial year, and the revenues attributable to the financial year, are recognized in profit or loss according to the percentage of completion. The percentage of completion is measured according to the costs incurred (cost-to-cost method). Expenditures connected with the development of new products and processes, including significant improvements and refinements to already existing products, are expensed as incurred, to the extent that the criteria for capitalization are not met.

2.4. Earnings per share

Earnings per share are calculated on the basis of the weighted average number of no par value ordinary shares in issue.

2.5. Currency translation

Receivables, cash and cash equivalents, and liabilities denominated in foreign currency are measured applying the exchange rate on the balance sheet date. Assets and liabilities of the foreign subsidiaries included in the financial statements whose functional currency is their respective national currency are translated into euros applying the rate on the reporting date. Equity is translated at historical rates. The profits and losses of these foreign subsidiaries are included in the consolidated financial statements at the average rate for the financial year.

2.6. Derivative financial instruments and hedges

Derivative financial instruments are deployed exclusively to hedge against currency or interest rate risks. The company does not enter into pure trading transactions without corresponding underlying transactions. In order to limit default risk, derivative financial instruments are concluded exclusively with banks with first-class credit ratings. Derivative financial instruments are measured at fair value both on first-time recognition and on subsequent measurement. The fair value of a financial instrument is the price for which an independent third party would assume rights or obligations arising from the financial instrument from another independent party. As far as possible, fair values are recognized with the values that are actually to be realized on the

market. In the case of listed derivatives, these correspond to the positive or negative market value. Where a stock market value does not exist for a derivative financial instrument, fair value is derived as a theoretical value applying recognized finance-mathematical methods. Initial recognition occurs on the trade date. Value changes to derivative financial instruments are recognized immediately in profit or loss. IAS 39 hedge accounting is not applied. The section on risk management includes more details.

2.7. Deferred tax

Deferred tax arising from temporal valuation differences between IFRS accounts and tax accounts are measured applying the balance sheet oriented liability method, and reported separately. Deferred tax assets include i.a. tax refund claims that arise from the utilization of existing loss carryforwards that is expected to occur with sufficient certainty. Deferred tax is measured on the basis of current tax legislation.

2.8. Restatement of previous years' figures

Provisions that were formed in direct connection with trade receivables for services that have not yet been rendered, or for outstanding receivables, are reported under trade payables as of December 31, 2014, and no longer under other provisions, as this revised reporting is deemed more appropriate. This accounting amendment had no effects on equity. The previous years' figures were restated accordingly. As a consequence, an amount of TEUR 7,144 was reclassified from other provisions to trade payables as of December 31, 2013. This figure stood at TEUR 4,064 as of January 1, 2013.

As part of the audit of the annual financial statements of a US subsidiary that is attributable to the Environmental Technology segment, an error in tax provisions was corrected in an amount of TEUR 231. Tax provisions and the income tax expense have increased accordingly as of December 31, 2013, and equity reduced by TEUR 231. This transaction has no effects on the opening balance sheet as of January 1, 2013. In the Industrial Automation segment, an order was canceled in an amount of TEUR 2,797, which was reported in the order book position as of December 31, 2013. The order book position was restated accordingly.

In the opening balance sheet for the AIM sub-group, the valuation of property, plant and equipment was restated. This is based on new information relating to the appraisal of opportunities and risks. Property, plant and equipment rose by TEUR 2,906 as of December 31, 2013, to reflect a plot of land attributable to a finance lease, along with buildings situated on it. The TEUR 260 of tenant loans reported among other financial investments in the previous year was allocated to the lease liability, which increased non-current financial liabilities by TEUR 2,830. Current financial liabilities rose to reflect the current portion of the lease liability of TEUR 194. Due to the first-time recognition of the property, the purchase price allocation of the AIM Group was to be restated; the resultant original amendments are immaterial. Further corrections to the purchase price allocation were applied in this connection (the affected balance sheet items included intangible assets, goodwill, inventories, deferred tax liabilities, and unappropriated retained earnings).

The following balance sheet items have changed due to the restatements:

in TEUR	31.12.2013 restated	31.12.2013 as reported
Intangible assets	17,452	13,343
Goodwill	45,950	48,238
Property, plant and equipment	41,875	38,969
Other investments	660	919
Inventories	44,752	45,752
Unappropriated retained earnings	48,687	48,876
Deferred tax liabilities	16,864	16,203
Other non-current liabilities	3,854	1,284
Other current financial liabilities	15,337	15,143
Income tax provisions and liabilities	3,583	3,351

The following income statement items have changed due to the restatements:

in TEUR	2013 restated	2013 as reported
Change in finished goods and work-in-progress	104	453
Work performed by the company and capitalized	1,286	937
Depreciation, amortization and impairment losses	–5,116	–5,091
Other operating expenses	–38,110	–38,138
PPA-related amortization	–1,200	–1,153
Net interest result	–1,956	–1,930
Income tax	–4,464	–4,345

3. Consolidation

3.1. Consolidation principles

In the consolidation (elimination) of the investment account, the costs of acquiring the subsidiaries are offset with the fair values of proportionate equity as of the acquisition date (revaluation model). Remaining differences are recognized as goodwill, and tested annually for impairment (DCF method with WACC approach). As part of consolidating liabilities and income, receivables and liabilities between Group companies, as well as expenses and income incurred or accrued within the Group, are consolidated. Intragroup profits and losses are eliminated.

3.2. Scope of consolidation

All of the Group's active subsidiaries are included in its scope of consolidation. These comprise majority interests. Subsidiaries that are immaterial to convey a true and fair view – even when aggregated – are not included.

Besides M.A.X. Automation Aktiengesellschaft, the scope of consolidation on the balance sheet date comprised a total of 29 subsidiaries that are listed in the schedule of shareholdings, as well as the equity accounted joint venture Vecoplan FuelTrack GmbH i.L. In line with the clear strategic orientation, existing

companies are classified into the segments of Industrial Automation and Environmental Technology. The scope of consolidation is composed as follows:

Number of companies included	2014	2013
Industrial Automation	18	19
Environmental Technology	11	12
Group	**29**	**31**

3.3. Changes to the scope of consolidation

Vecoplan Integrated Solutions LLC, which is allocated to the Environmental Technology segment, and which was founded in July 2013, was deconsolidated as of March 31, 2014, generating a deconsolidation gain of TEUR 17. As of July 1, 2014, NSM Packtec GmbH, which is allocated to the Industrial Automation segment, was included in the scope of consolidation.

The companies Euroroll Dipl.-Ing. K.-H. Beckmann GmbH & Co. KG and NL 15. Verwaltung Objekt Ascheberg GmbH & Co. KG, which form part of the Industrial Automation segment, were sold on December 19, 2014, and deconsolidated as of December 31, 2014. The resultant deconsolidation gain amounted to TEUR 3,374.

3.4. AIM Group

The purchase price allocation for the AIM Group, which was acquired on November 5, 2013, was concluded during the financial year under review. The AIM Group operates in the areas of cleaning, testing, assembly and automation technology, focusing on the automotive and medical industries. With this acquisition, M.A.X. Automation pursued its goal of significantly strengthening its Industrial Automation segment both strategically and technologically.

Compared with November 1, 2013, adjustments were made to valuation bases primarily in relation to capitalized customer bases, the order book position, and property, plant and equipment. As part of the continuation of purchase price allocation, recognized goodwill consequently reduced by TEUR 2,288 to TEUR 16,686.

The following table presents the fair values for the transferred assets and liabilities of the AIM Group as recognized as of the acquisition date:

in TEUR	Finalized 01.11.2013	As reported in the previous year 01.11.2013
Non-current assets	**21,988**	**15,496**
Intangible assets	12,586	8,762
Property, plant and equipment	5,906	2,993
Deferred tax assets	2	2
Other non-current assets	3,494	3,739
Current assets	**63,233**	**63,884**
Inventories	11,286	11,937
Trade receivables	48,834	48,834
Prepayments and accrued income, and other current assets	2,252	2,252
Cash and cash equivalents	861	861
Assets, total	**85,221**	**79,380**
Non-current borrowings	**7,326**	**3,950**
Non-current financial liabilities	3,221	618
Other non-current provisions	668	668
Deferred tax liabilities	3,437	2,664
Current borrowings	**59,581**	**59,405**
Trade payables	14,490	14,490
Bank borrowings	36,778	36,778
Other current financial liabilities	6,116	5,940
Tax provisions	721	721
Other provisions	1,094	1,094
Other current liabilities	382	382
Total liabilities	**66,907**	**63,355**

Hidden reserves totaling TEUR 10,575 were identified for the development projects, technology, brand, order book position and customer base. The assets' useful lives amount to between one and six years. Deferred tax liabilities of TEUR 2,894 are incurred on these.

The acquired goodwill is measured as follows:

in TEUR	
Consideration transferred	35,000
Acquired assets	85,221
Acquired liabilities	66,907
Goodwill	**16,686**

The goodwill is determined mainly through access to new customers in markets, as well as the employees' general process, construction and assembly know-how. As the goodwill that has arisen is not recognized for tax purposes, no deferred tax has arisen in relation to it, and none will arise in the future.

3.5. NSM Packtec GmbH

NSM Packtec GmbH, Ahaus, a subsidiary of NSM Magnettechnik GmbH, Olfen, acquired assets from the insolvent company H+E Packtec, as well as 52 of its formerly 84 staff, as part of an asset deal as of July 1, 2014.

NSM Packtec is a specialist provider in systems for the filling and packaging of groceries in the dairy and alcohol free beverages industries. With the takeover, NSM Packtec can make recourse to decades of experience in the planning, construction, commissioning and servicing of plants for the forming, production, filling and enclosing of packages for so-called "pumpable foods" such as yogurt, pudding and fruit juice.

The acquisition allows the NSM Magnettechnik sub-group to realize a targeted addition to its competences as a technologically leading system provider of handling and automation plants. NSM Packtec's know-how will strengthen NSM Magnettechnik's packaging industry expertise, facilitating numerous synergies. The acquired staff include highly qualified engineers, technicians and master craftsmen, as well as all trainees.

An appraisal of the entire acquisition shows that a "business" in the meaning of IFRS 3 has been acquired. A favorable acquisition price was achieved, as the assets of H+E Packtec were acquired in the context of insolvency proceedings, including acquisition of staff. Hidden reserves of TEUR 1,630 relating to the customer base and the order book position were ascertained as part of the purchase price allocation. Of this amount, TEUR 493 is attributable to deferred tax. After deducting TEUR 52 valuation adjustments and the recognition, following a reassessment, of TEUR 472 of obligations arising from the purchase agreement in an amount of TEUR 613, the negative difference of TEUR 1,137 was recognized in other operating income. The acquisition price amounted to TEUR 193. Hidden reserves relating to technologies were not recognized as they are project-specific.

The following table presents the fair values for the transferred assets and liabilities of NSM Packtec as recognized as of the acquisition date:

in TEUR	
Non-current assets	**1,771**
Intangible assets	1,630
Property, plant and equipment	118
Deferred tax assets	23
Non-current borrowings	**493**
Deferred tax liabilities	493
Current borrowings	**472**
Other current financial liabilities	122
Other provisions	350

The following contributions from NSM Packtec are recognized in consolidated earnings as of December 31, 2014:

in TEUR	
Revenue	3,889
Net income for the period	833

The favorable acquisition is recognized with an amount of TEUR 613 in the earnings for the period. No reliable data (revenue and earnings) were available for the first half of 2014 due to the insolvency proceedings.

3.6. Disposal of Euroroll Dipl.-Ing. K.-H. Beckmann GmbH & Co. KG

On December 19, 2014, M.A.X. Automation completed the disposal of 100 % of the shares in Euroroll Dipl.-Ing. K.-H. Beckmann GmbH & Co. KG, Ascheberg, and its general partner firm Euroroll Verwaltungs GmbH,

Ascheberg, as well as 94 % of the shares in special purpose entity NL 15. Objekt Ascheberg GmbH & Co. KG, Hamburg. Deconsolidation was realized as of December 31, 2014 for reasons of simplification. In total, income of TEUR 3,374 arose from the deconsolidation, which is reported under other operating income, as well as income of TEUR 24 from the disposal of the investment in Euroroll Verwaltungs GmbH. A settlement obligation to the purchasers was also formed among other provisions at M.A.X. Automation AG.

The following assets and liabilities were deconsolidated as part of the transaction:

in TEUR	
Non-current assets	**2,933**
Intangible assets	48
Property, plant and equipment	2,870
Investments	0
Other non-current assets	15
Current assets	**3,662**
Inventories	1,945
Trade receivables	1,683
Prepayments and accrued income, and other current assets	34
Cash and cash equivalents	0
Assets, total	**6,595**
Non-current borrowings	**1,615**
Non-current financial liabilities	1,563
Deferred tax	52
Current borrowings	**979**
Trade payables	432
Bank borrowings	178
Other current financial liabilities	191
Income tax provisions and liabilities	464
Other provisions	–351
Other current liabilities	65
Total liabilities	**2,594**

A total purchase price of TEUR 7,425 accrued to M.A.X. Automation, of which TEUR 50 is attributable to the disposal of the investment in Euroroll Verwaltungs GmbH.

4. Notes to the consolidated balance sheet

4.1. Assets

The composition of non-current assets and their changes in 2014 are presented in the consolidated statement of changes in non-current assets. The consolidated statement of changes in non-current assets is attached as an annex to the notes to the consolidated financial statements.

Non-current assets

(1) Intangible assets

Intangible assets comprise patented rights, licenses, IT software, technology, development projects, websites, order book positions, brands and customer relationships. Development costs of TEUR 3,552 were capitalized. The carrying amount stood at TEUR 4,588 as of December 31, 2014.

(2) Goodwill

in TEUR	31.12.2014	31.12.2013
Goodwill	**45,991**	**45,950**
Derivative goodwill	4,223	4,180
– of which Industrial Automation	3,637	3,637
– of which Environmental Technology	586	543
Goodwill from consolidation of the investment account	41,768	41,770
– of which Industrial Automation	35,413	35,415
– of which Environmental Technology	6,355	6,355

The reported goodwill from the consolidation of the investment account is comprised of the goodwill of the AIM Group in an amount of TEUR 16,686 (previous year: TEUR 16,686), of the bdtronic Group in an amount of TEUR 2,747 (previous year: TEUR 2,749), of the NSM Magnettechnik Group in an amount of TEUR 12,124 (previous year: TEUR 12,124), of the IWM Automation Group in an amount of TEUR 2,676 (previous year: TEUR 2,676), of Mess- und Regeltechnik Jücker in an amount of TEUR 1,180 (previous year: TEUR 1,180), of the Vecoplan Group in an amount of TEUR 6,026 (previous year: TEUR 6,026), and of altmayerBTD in an amount of TEUR 329 (previous year: TEUR 329).

(3) Property, plant and equipment

Property, plant and equipment of TEUR 39,263 (previous year: TEUR 41,875) consists of TEUR 25,380 (previous year: TEUR 27,738) of land, rights equivalent to land, and constructions, including constructions on third-party land, TEUR 8,267 (previous year: TEUR 7,504) of technical plant machinery, TEUR 5,359 (previous year: TEUR 6,395) of other plant, operating and office equipment, TEUR 208 (previous year: TEUR 139) of plant under construction, and TEUR 49 (previous year: TEUR 99) of prepayments rendered. Information about existing land charges and collateral assignments can be found in section 4.2. (17).

(4) Equity accounted investments

The "Vecoplan FuelTrack GmbH i.L." joint venture, which was founded on April 7, 2011, and which is 49 % held by Vecoplan AG, was recognized at its acquisition cost of TEUR 25, and was fully written off in 2011 due to start-up losses. The winding down of the company was approved by way of shareholder resolution on March 4, 2014. The proportionate accumulated retained earnings of the M.A.X. Automation Group amount to TEUR 60.

The company's total assets (of which assets: TEUR 3,870) and its liabilities amount to TEUR 3,698. Revenue of TEUR 7,238 was generated in the 2014 financial year. The net income for the year according to the financial statements prepared according to the German Commercial Code (HGB) as of September 30, 2014 (reporting date for majority shareholders) amounted to TEUR 595.

(5) Other investments

Other investments are comprised follows:
The interests in affiliated companies of TEUR 83 (previous year: TEUR 134) relate to shares in general partner limited companies as well as a shelf company that are of minor significance for the consolidated financial statements. Other non-current financial assets exist in an amount of TEUR 190 (previous year: TEUR 526), and include a tenant loan of TEUR 131. Other investments are no longer listed in the statement of changes in non-current assets due to their minor significance for the M.A.X. Automation Group.

(6) Deferred tax

Deferred taxes are to be allocated to the following balance sheet items in line with their origination:

in TEUR		31.12.2014		31.12.2013	
		Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Non-current balance sheet items					
A.	**Non-current assets**	**6,507**	**12,092**	**6,285**	**11,866**
I.	Intangible assets	186	11,055	191	10,849
II.	Property, plant and equipment	606	988	568	1,017
III.	Non-current financial assets	61	49	182	0
IV.	Deferred tax assets for tax loss carryforwards	5,654	0	5,344	0
B.	**Non-current borrowings**	**148**	**78**	**112**	**56**
Current balance sheet items					
C.	**Current assets**	**849**	**3,415**	**740**	**4,942**
I.	Inventories and trade receivables	849	3,415	701	4,908
II.	Current financial assets	0	0	39	34
D.	**Current borrowings**	**264**	**0**	**315**	**0**
Sub-total		**7,768**	**15,585**	**7,452**	**16,864**
Valuation adjustments applied to loss carryforwards		**–192**	**0**	**–51**	**0**
Offsetting		**–1,325**	**0**	**0**	**0**
Total		**6,251**	**15,585**	**7,401**	**16,864**

Deferred tax assets and deferred tax liabilities arising from long-term construction contracts were offset, as were deferred tax assets and deferred tax liabilities within the Group's fiscal units for corporation tax purposes (for the first time: TEUR 1,325 as of December 31, 2014).

Within the Group, domestic tax loss carryforwards in the trade tax area exist in an amount of TEUR 12,041 at the parent company (previous year: TEUR 20,541). The resultant trade tax benefits amount to TEUR 1,660 (previous year: TEUR 2,833).

In addition, domestic trade tax loss carryforwards exist in an amount of TEUR 14,859 (previous year: TEUR 10,535), and corporation tax loss carryforwards in an amount of TEUR 9,003 (previous year: TEUR 4,175), with deferred tax assets totaling TEUR 3,262 (previous year: TEUR 2,021), which were value-adjusted in an amount of TEUR 117 (previous year: TEUR 0). The domestic loss carryforwards amount to TEUR 3,122 (previous year: TEUR 2,025), with the related deferred tax assets of TEUR 732 (previous year: TEUR 490) being value-adjusted in an amount of TEUR 75 (previous year: TEUR 51).

When measuring the value retention of the loss carryforwards, so-called minimum taxation has had to be taken into account in Germany since 2004. Loss carryforwards can be offset against subsequent years' profits up to TEUR 1,000 on an unlimited basis, and beyond by up to 60 %. The value retention of the deferred tax assets relating to loss carryforwards was reviewed. The realization of these loss carryforwards is sufficiently ensured. Of the deferred tax assets relating to loss carryforwards after valuation adjustments, an amount of TEUR 3,723 is covered through deferred tax liabilities. Deferred tax assets of TEUR 891 comprise loss carryforwards that are not covered by deferred tax liabilities, and where losses occurred in previous periods. Measures to utilize the losses in the near term are being implemented.

The following amounts are reported in the consolidated balance sheet:

in TEUR	31.12.2014	31.12.2013
Deferred tax assets:		
– from deductible differences	2,114	2,108
– from tax loss carryforwards	5,462	5,293
– offsetting with deferred tax liabilities	–1,325	0
Total deferred tax assets	**6,251**	**7,401**
Deferred tax liabilities:		
– from taxable temporary differences	**15,585**	**16,864**

(7) Other non-current assets

Other non-current assets of TEUR 895 (previous year: TEUR 6,322) exist mainly from limited available liquid assets of TEUR 561 (previous year: TEUR 5,885), non-current trade receivables of TEUR 257 (previous year: TEUR 303), and from capitalized corporation tax credits of M.A.X. Automation AG and mabu-pressen GmbH of TEUR 74 (previous year: TEUR 110). The tax authority is disbursing the credit in installments over a 10-year period that started in 2008. Discounting of 4% is applied. The aforementioned cash deposits at the level of the Group companies no longer exist, as new master agreements were concluded with credit insurers at the level of M.A.X. Automation AG.

Current assets

(8) Inventories

in TEUR	31.12.2014	31.12.2013
Raw materials and supplies	14,812	15,046
Unfinished goods and work-in-progress	93,989	119,843
Work-in-progress (long-term construction contracts)	–80,000	–101,025
Finished goods and services	31,975	26,675
Finished goods and services (long-term construction contracts)	–23,412	–19,738
Prepayments rendered	4,629	3,951
Inventories	**41,993**	**44,752**

A year-on-year inventory change of TEUR -3,393 occurred in the case of finished goods and services (previous year: TEUR +104), which is reported in the statement of comprehensive income. Differences in relation to the corresponding balance sheet items arise from currency-related value changes to foreign Group companies' inventories, as well as from the deconsolidation of Euroroll. Impairment losses of TEUR 1,104 are included in inventories (previous year: TEUR 2,168). Information about collateral assignments is included in section 4.2. (17).

(9) Trade receivables

Trade receivables include receivables arising from applying the PoC method to long-term construction contracts:

in TEUR	31.12.2014	31.12.2013
Receivables from long-term construction contracts	107,184	126,568
Proportionately recognized cost	–103,412	–120,763
Reported unappropriated retained earnings	3,772	5,805
Prepayments received for long-term construction contracts	–72,004	–82,500
Current receivables from long-term construction contracts	**35,180**	**44,068**

Contract revenue of TEUR 85,497 was generated from long-term construction contracts in 2014.

The following table provides an overview of the trade receivables' term structure:

in TEUR	31.12.2014	31.12.2013
Trade receivables		
Neither overdue nor individually value-adjusted receivables	**29,829**	**34,399**
Overdue receivables that are not individually value-adjusted		
< 30 days	4,632	11,555
> 30 days	3,282	1,795
> 60 days	3,999	542
> 90 days	4,018	4,483
Total	**15,931**	**18,375**
Individually value-adjusted receivables	**1,019**	**1,537**
Carrying amount	**46,779**	**54,311**
Receivables from long-term construction contracts	107,184	126,568
Prepayments received from long-term construction contracts	–72,004	–82,500
Trade receivables	**81,959**	**98,379**

As of the reporting date, individual value adjustments of TEUR 750 had been applied (previous year: TEUR 1,007), and general valuation adjustments of TEUR 499 (previous year: TEUR 600). Information about receivables assignments is included in section 4.2. (17).

The company was able to reduce its receivables position slightly due to non-recourse factoring agreements concluded at one Group company where the factor assumes the default risk.

(10) Receivables due from related companies

The TEUR 15 item relates mainly to trade receivables due from Vecoplan FuelTrack GmbH i.L.

(11) Prepayments and accrued income, and other current assets

The TEUR 7,906 item (previous year: TEUR 5,553) consists of receivables arising from reimbursement claims (insurance companies/banks) of TEUR 2,765 (previous year: TEUR 0), claims due from the tax authorities of TEUR 2,513 (previous year: TEUR 3,167), prepayments and accrued income of TEUR 1,323 (previous year: TEUR 1,216), creditor accounts in debit of TEUR 319 (previous year: TEUR 199), receivables due from staff of TEUR 209 (previous year: TEUR 269), positive market values of derivative financial instruments of TEUR 2 (previous year: TEUR 130), receivables due from minority shareholders of TEUR 0 (previous year: TEUR 24) and other receivables of TEUR 775 (previous year: TEUR 548).

(12) Cash and cash equivalents

Cash and cash equivalents comprise cash positions, checks and bank deposits.

4.2. Equity and liabilities

Equity

Changes to equity during the financial year are presented separately in the "consolidated statement of changes in equity".

(13) Subscribed share capital

The company's fully paid in share capital amounts to EUR 26,794,415.00. It is divided into 26,794,415 no par

value ordinary shares, each of which grants the same rights, especially the same voting rights. No differing classes of equity exist. The company is aware of no restrictions relating to voting rights or the transfer of shares. As a consequence, one share corresponds to the notional investment value of EUR 1.00. The shares are bearer shares.

Pursuant to Section 5 (5a) of the company's articles of incorporation dated June 10, 2010, the Management Board is authorized, with Supervisory Board assent, to increase the company's share capital in the period until June 9, 2015, once or on several occasions, by a total of up to TEUR 6,698 through issuing new voting-entitled ordinary bearer shares against cash capital contributions ("Approved Capital I").

The Management Board is also authorized, with Supervisory Board assent, to determine the start of dividend-entitlement that diverges from the law, as well as to determine further specifics of a capital increase and its implementation, especially the issue amount, and the consideration to be rendered for the new shares, as well as the granting of subscription rights by way of indirect subscription rights pursuant to Section 186 (5) of the German Stock Corporation Act (AktG). Pursuant to Section 5 (6) of the company's articles of incorporation dated June 10, 2010, the Management Board is authorized, with Supervisory Board assent, to increase the company's share capital in the period until June 9, 2015, once or on several occasions, by a total of up to TEUR 5,330 through issuing new voting-entitled ordinary bearer shares against cash capital contributions ("Approved Capital II"). The capital increases can be against cash and/or non-cash capital contributions. The Management Board is additionally authorized, with the approval of the Supervisory Board, to exclude statutory shareholder subscription rights especially in the following instances:

- for residual amounts arising as a result of the subscription ratio;

- for a capital increase entailing non-cash capital contributions for the acquisition of companies or stakes in companies (also if a purchase price component is paid in cash along with the shares), if the purchase of the company or investment lies in the generally agreed interest of the company, and

- for a capital increase for cash amounting to a total of up to 10 % of the share capital in issue, both at the time when this authorization becomes effective, and at the time of the exercise of this authorization, to the extent that the issue amount of the new shares is not significantly less than the stock exchange price of shares of the same class and entitlement that are already listed.

This limitation to 10 % of the share capital must include shares acquired on the basis of a corresponding authorization of the Shareholders' General Meeting pursuant to Section 71 (1) No. 8 of the German Stock Corporation Act (AktG) during the period of effectiveness of the authorization, and which are sold pursuant to Sections 71 (1) No. 8, 186 (3) Clause 4 of the German Stock Corporation Act (AktG), to the extent that the issue amount of the new shares is not significantly less than the stock exchange price of shares of the same class and entitlement that are already listed.

The Management Board is also authorized, with Supervisory Board assent, to determine the start of dividend-entitlement that diverges from the law, as well as to determine further specifics of a capital increase and its implementation, especially the issue amount, and the consideration to be rendered for the new shares, as

well as the granting of subscription rights by way of indirect subscription rights pursuant to Section 186 (5) of the German Stock Corporation Act (AktG).

The Management Board is authorized, with Supervisory Board assent, to issue profit-sharing rights until June 19, 2016, once or on several occasions. The total nominal amount of the profit-sharing rights may not exceed TEUR 25,000. Besides in euros, the profit-sharing rights can also be issued in the legal currency of an OECD country, albeit restricted to the equivalent euro consideration.

The profit-sharing rights must be offered to shareholders for subscription. They can also be transferred to a bank or a banking syndicate with the obligation that they be offered to shareholders for subscription.

The Management Board is nevertheless authorized, with Supervisory Board assent, to exclude residual amounts from shareholders' subscription rights, which arise due to the subscription ratio. The Management Board is also authorized, with Supervisory Board assent, to exclude shareholders' subscription rights in order to offer the profit-sharing rights to individual investors for subscription if the issue price is not significantly less than the profit-sharing rights' theoretical market value as calculated by recognized finance-mathematical methods, and if the profit-sharing rights are only largely structured similarly to bonds, in other words, substantiating neither subscription nor conversion rights to M.A.X. Automation AG shares, nor granting an interest in liquidation proceeds, and the level of interest is not based on the level of the dividend. The profit-sharing rights can wholly or partially carry variable interest based on the annual net profit or the unappropriated retained earnings, for example.

The Management Board is authorized, with Supervisory Board assent, to determine the further details of the issuing and terms of the profit-sharing rights, especially the issue price, denomination, term and the level of interest. The company has not utilized these authorizations to date.

(14) Capital reserves and revenue reserve

The consolidated statement of changes in equity presents the composition and changes in the capital reserves and the revenue reserve.

Earnings attributable to minority interests in an amount of TEUR 2,644 (previous year: TEUR 2,104), and the fair value of the purchase obligation for the minority interests arising from the company agreement in an amount of TEUR 1,647 (previous year: TEUR 1,448), have been deducted from the revenue reserves.

(15) Unappropriated retained earnings

Due to the provisions of the German Stock Corporation Act (AktG), the amount that is available for distributions of dividends to the shareholders is based on the unappropriated retained earnings and other revenue reserves as reported in the separate annual financial statements of M.A.X. Automation AG, which are prepared in accordance with the provisions of the German Commercial Code (HGB). The separate financial statements of M.A.X. Automation AG report unappropriated retained earnings of TEUR 9,322 on the basis of accounting pursuant to the German Commercial Code (HGB). The Management and Supervisory boards propose the distribution of a dividend of 0.15 euro per share from the unappropriated retained earnings. This corresponds to a total dividend payout amount of TEUR 4,019.

Capital management

The overall framework for optimal capital management is set by the strategic orientation of the M.A.X. Automation Group. The focus is on long-term value growth in the interests of investors, employees and customers. This is to be taken into account through continuous earnings improvement as the result of growth and efficiency enhancement. Management of the capital structure aims to always ensure maximum flexibility and scope for capital market activity. This enables optimal pricing when raising equity and debt financing.

Non-current liabilities

(16) Liabilities arising from minority shareholder settlement claims

This balancing item contains the interests of third party shareholders from outside the Group in the equity of fully consolidated companies, and the present value of the purchase obligation of the minority interests arising from the company agreement. Liabilities to the minority shareholders no longer existed as of the balance sheet date. These existed at the following companies in the previous year:

in TEUR	31.12.2014	31.12.2013
Vecoplan LLC, North Carolina, USA (incl. Vecoplan Midwest LLC)	0	1,640
Non-controlling interests	**0**	**1,640**

Due to the purchase of minority interests with an agreement dated January 2, 2015, these are reported in an amount of TEUR 2,029 among current liabilities. In the previous year, the current portion of the settlement claims were offset with third-party shareholders' withdrawals in an amount of TEUR 202, and reported among current receivables.

Shares of earnings amounting to TEUR 214 were disbursed in 2014.

(17) Non-current financial liabilities

in TEUR	31.12.2014	31.12.2013
Non-current loans less current portion	**56,006**	**53,998**
Remaining term 1–5 years	54,583	52,360
Remaining term > 5 years	1,423	1,638
Other non-current liabilities	**2,798**	**3,854**
Remaining term 1–5 years	1,387	2,152
Remaining term > 5 years	1,411	1,702
Total	**58,804**	**57,852**

The non-current loans relate to bank borrowings and include the parent company syndicated loan in an amount of TEUR 48,200. Other non-current liabilities include liabilities to related companies in an amount of TEUR 22 (previous year: TEUR 49), and lease liabilities (see following table "Finance leases").

Finance leases

Finance leases exist within the M.A.X. Automation Group that are recognized on the balance sheet. The leased assets comprise both a property and technical plant. The remaining contractual terms for the technical plant amount to three years. The remaining contractual term for the property lease amounts to 18 years. The M.A.X. Automation Group has a purchase option in 10 years' time, and the lesser has a right of tender after 18 years. A fixed purchase price has been agreed. The acquisition costs for the lease assets amounted to

TEUR 3,970 (previous year: TEUR 4,400). The carrying amount stands at TEUR 3,366 as of December 31, 2014 (previous year: TEUR 4,011). Depreciation of TEUR 99 was applied in the year under review, with deconsolidated lease assets no longer being recognized (previous year: TEUR 50).

in TEUR	2015	2016 to 2019	from 2020	Total
Lease payments	538	1,777	1,598	3,913
Discounting	158	450	195	803
Present values	380	1,327	1,403	3,110

When the lease asset is added, a lease liability is recognized at the same time that corresponds to the carrying amount of the leased asset. Applying the effective interest method, the lease installments reduce the lease liability in the amount of the repayment portion. The interest portion is expensed.

Non-current loans

For the non-current liabilities, and the current liabilities that are reported under section 4.2. (20), collateral comprises mainly land charges for liabilities in an amount of TEUR 8,566 (previous year: TEUR 8,341), collateral assignments of property, plant and equipment, and merchandise, as well as receivables assignments for liabilities in an amount of TEUR 34,905 (previous year: TEUR 21,361), and assignments of the interests in IWM Automation GmbH, NSM Magnettechnik GmbH, Mess- und Regeltechnik Jücker GmbH and AIM-Assembly in Motion GmbH, and the shares in Vecoplan AG in an amount of TEUR 48,200 (previous year: TEUR 46,000).

M.A.X. Automation AG has committed itself to comply with certain covenants to banks that finance its subsidiaries. These covenants relate to the respective annual financial statements prepared according to German Commercial Code (HGB) accounting standards, and mainly in relation to the equity ratio.

The syndicated loan of M.A.X. Automation AG, which was newly taken out as part of the acquisition of the AIM Group, as well as to refinance existing bank borrowings, includes covenants that relate to the IAS/IFRS consolidated financial statements. These relate to both balance sheet and earnings figures. Section 11.2. of the Group management report provides further related information. In 2014, M.A.X. Automation AG complied with all covenants agreed with its lending banks. One Group company in the Environmental Technology segment failed to comply with covenants agreed with the lending banks. The company is not aware of any negative effects on the provision of lending, and such negative effects are also not anticipated at present. The corresponding loan is reported as current.

The level of the interest rate on the long-term loans depends in part on key balance sheet figures in the consolidated financial statements. Interest is based on Euribor, as a rule, plus a margin derived from the key figures. The Group's loans carry interest at both fixed and variable rates. Depending on the term of the agreements, interest rates (including finance leases) ranged between 1.24 % and 5.74 % in 2014.

(18) Pension provisions

The recognized pension provisions arise from commitments to one Management Board member of M.A.X. Automation AG, as well as to staff at a subsidiary. The defined benefit obligations within the M.A.X. Automation Group are not financed through funds.

The following key assumptions were included in the actuarial calculations:

	31.12.2014	31.12.2013
Interest rate	2.2 % and 3.5 %	3.5 %
Salary trend	0.0 % and 1.5 %	1.5 % and 2.8 %
Pension trend	2.0 %	2.0 %
Notional staff turnover rate	None	None
Notional pensionable age	65/66 years	65/66 years

Cost trends in the medical care area have not been taken into consideration in the actuarial assumptions.
The projected pension benefit obligations report the following changes:

in TEUR	31.12.2014	31.12.2013
Balance as of January 1	814	715
Service cost	32	44
Interest cost	27	14
Actuarial gains and losses	212	81
Pensions paid	–26	–24
Offsetting with reinsurance	–71	–16
Pension provision	**988**	**814**

The projected pension benefit obligation of the plan assets (asset value) reports the following changes:

in TEUR	31.12.2014	31.12.2013
Balance as of January 1	156	140
Addition	70	16
Plan assets December 31	**226**	**156**

The present value of the pension obligation does not correspond to the value recognized on the balance sheet due to offsetting with reinsurance. Actuarial gains and losses were recognized directly in equity.

The pension obligations report the following changes over the last five years:

in TEUR	2014	2013	2012	2011	2010
Pension obligation as recognized on the balance sheet	988	814	715	646	564
Plan assets offset	226	156	140	124	109

No significant adjustments to the pension obligations are expected on the basis of experience. Besides pension payments (TEUR 26), pension costs (interest and current service costs) of prospectively TEUR 59 will be incurred in 2015.

Current borrowings

(19) Trade payables

To the extent that they do not relate to long-term construction contracts, prepayments received of TEUR 18,252 (previous year: TEUR 25,904) are reported under trade payables. Trade payables include liabilities arising from construction contracts of TEUR 8,191 (previous year: TEUR 10,789), TEUR 1,419 of obligations to subcontractors (previous year: TEUR 2,415), and TEUR 4,079 (previous year: TEUR 7,144) of liabilities arising from deliveries that have not yet been invoice, and assembly services that are still outstanding.

(20) Current loans and current portion of non-current loans

Short-term bank borrowings of TEUR 44,309 (previous year: TEUR 36,461) were drawn down, for which interest is charged on standard market terms. The level and composition of collateral is presented in section 4.2. (17).

(21) Liabilities to related companies

Liabilities to related companies of TEUR 74 (previous year: TEUR 57) consist of TEUR 74 (previous year: TEUR 37) of trade payables due to Vecoplan FuelTrack GmbH i.L.

(22) Other current financial liabilities

in TEUR	31.12.2014	31.12.2013
Wages and salaries	4,481	4,788
Vacation wages/salaries and overtime	3,070	3,292
Lease liabilities	379	431
Debtor accounts in credit	1,045	537
As part of social security	525	522
Negative market values of derivative financial instruments	138	40
Miscellaneous current liabilities	1,212	5,727
Other current financial liabilities	**10,850**	**15,337**

Wages and salaries include TEUR 4,039 of bonuses (previous year: TEUR 4,429). In the previous year, miscellaneous current liabilities included the double payment by a customer that was settled in January 2014.

(23) Income tax provisions and liabilities

Taxes and levies which have arisen economically as of the balance sheet date but whose level has not yet been determined are covered by tax provisions. In Germany, the M.A.X. Automation Group is generally subject two types of taxes on its income: trade tax and corporation tax. As far as corporation tax is concerned, the standard tax rate of 15 % applies, to which a 5.5 % Solidarity Surcharge is added. Trade tax amounts to an average of around 14 %. The M.A.X. Automation Group abroad mainly generates taxable earnings in the USA. The tax rate is 36.46 %.

Tax provisions report the following changes:

in TEUR	31.12.2013	Changes to consolidation scope	Consumption	Reversals	Additions	31.12.2014
Corporation tax with Solidarity Surcharge	1,819	0	0	6	2,051	3,864
Trade tax	1,441	–464	523	0	961	1,415
Other taxes	245	0	13	0	38	270
Total provisions	**3,505**	**–464**	**536**	**6**	**3,050**	**5,549**
Tax liabilities	**78**	**0**	**78**	**0**	**87**	**87**
Income tax provisions and liabilities	**3,583**	**–464**	**614**	**6**	**3,137**	**5,636**

The changes arising from currency translation are not reported separately due to their being immaterial, and are included among additions to provisions.

(24) Other provisions

Other provisions comprise the following main items:

in TEUR	31.12.2013	Changes to consolidation scope	Consumption	Reversals	Reclassification	Additions	31.12.2014
Non-current warranty provisions	1,736	0	586	32	207	798	2,123
Non-current personnel cost provisions	67	0	0	11	0	7	63
Non-current miscellaneous other provisions	10	0	6	0	0	6	10
Other non-current provisions, total	**1,813**	**0**	**592**	**43**	**207**	**811**	**2,196**
Warranty provisions	2,296	–58	470	670	–207	1,412	2,303
Personnel costs provisions	264	0	209	22	0	286	319
Miscellaneous other provisions	3,368	313	2,040	489	0	2,633	3,785
Other current provisions, total	**5,928**	**255**	**2,719**	**1,181**	**–207**	**4,331**	**6,407**

Miscellaneous other provisions include all of the Group's obligations and risks for which an outflow of funds is probable, and which can be estimated reliably. Among other items, these include TEUR 45 of obligations for commissions (previous year: TEUR 235), TEUR 739 for auditing and consulting costs (previous year: TEUR 572), TEUR 475 for litigation costs/loss compensation (previous year: TEUR 810), TEUR 445 for settlement obligations arising from the disposal of a subsidiary (previous year: TEUR 0), and TEUR 2,081 for other items (previous year: TEUR 1,751). The changes arising from currency translation are not reported separately due to their being immaterial, and are included among additions to provisions.

(25) Other current liabilities

This item, amounting to TEUR 2,891 (previous year: TEUR 3,121), chiefly comprises TEUR 1,359 of wage and church taxes (previous year: TEUR 1,141), and TEUR 1,532 of value added tax (previous year: TEUR 1,980).

5. Notes to the statement of comprehensive income

The AIM Group was included for only two months in the previous year. The figures can be compared to only a limited extent as a consequence.

(26) Revenue

in TEUR	2014	2013
Germany	131,791	112,566
European Union	101,221	74,522
North America	58,137	56,206
China	23,217	6,618
Rest of the World	37,071	20,188
Total	**351,437**	**270,100**

As a matter of principle the M.A.X. Automation Group generates revenue from the sale of goods. The effects of accounting for long-term construction contracts are presented in section 4.1. (9).

(27) Other operating revenue

in TEUR	2014	2013
Income from deconsolidations	3,391	0
Income from favorable acquisition	613	0
Income from reversal of provisions	1,181	956
Income from loss compensation	391	160
Income from elimination of valuation adjustments	200	133
Other	2,811	3,602
Total	**8,587**	**4,851**

The "Other" item mainly comprises non-cash benefits of TEUR 576 (previous year: TEUR 558), bonuses of TEUR 504 that have not yet been disbursed (previous year: TEUR 205), and TEUR 198 from the disposal of property, plant and equipment (previous year: TEUR 242). Income from deconsolidations includes income TEUR 3,374 from the disposal of Euroroll Dipl.-Ing. K.-H. Beckmann GmbH & Co. KG, and TEUR 17 from the disposal of Vecoplan Integrated Solutions LLC.

(28) Cost of materials

in TEUR	2014	2013
Expenses for purchased goods	133,010	103,641
Expenses for purchased services	50,971	33,937
Total	**183,981**	**137,578**

(29) Personnel expenses

in TEUR	2014	2013
Wages and salaries	86,943	65,460
Social security contributions	16,014	11,893
– of which expenses for pensions and benefits	541	299
Total	**102,957**	**77,353**

Benefits in relation to the termination of employment relationships incurred TEUR 1,003 of expenses in the year under review (previous year: TEUR 220).

Employees

Average number of employees excluding trainees	2014	2013
Wage earners	605	514
Salary earners	932	704
Total	**1,537**	**1,218**

(30) Depreciation, amortization and impairment losses

in TEUR	2014	2013
For intangible assets	5,082	2,127
For buildings, leasehold improvements and external facilities	1,349	1,242
For property, plant and equipment	3,560	2,947
– PPA-related amortization included in the items above	3,944	1,200
Total	**9,991**	**6,316**

(31) Other operating expenses

in TEUR	2014	2013
Operational costs	11,037	7,504
– of which rent and lease expenses	3,437	2,192
Distribution costs	22,605	17,086
Administration costs	10,990	9,546
Miscellaneous expenses	2,838	3,974
Total	**47,470**	**38,110**

(32) Net interest result

in TEUR	2014	2013
Interest income	158	359
– of which with affiliated companies	0	0
Interest expenses	3,960	2,315
– of which with affiliated companies	1	2
Net interest result	**–3,802**	**–1,956**

The net interest result includes expenses of TEUR 59 arising from reversing discounts applied to non-current provisions, and TEUR 11 of income arising from the discounting of non-current provisions. The net interest result presented above arises exclusively from financial assets and financial liabilities that were not measured at fair value through profit or loss.

(33) Other financial profit/loss

Other financial profit/loss comprises mainly foreign currency results. This includes expenses arising from the fair value measurement of derivative financial instruments, as well as current exchange rate income. Income from foreign currency exchange rate differences amounts to TEUR 1,617 (previous year: expense of TEUR 504).

Net gains or losses

The following table presents the net gains or net losses on financial instruments as recognized in the statement of comprehensive income:

in TEUR	2014	2013
Financial assets and financial liabilities measured at fair value through profit or loss	–275	431
Loans and receivables	1,206	–1,204

Net gains or net losses on financial instruments were not recognized directly in equity. Along with results from market changes, the net gains and losses on financial assets and financial liabilities measured at fair value through profit or loss also include current expenses and income for these financial instruments. Along with current income/expenses, the net gains and net losses deriving from loans and receivables include both reversals to impairment losses and impairment losses deriving from trade receivables and trade payables.

(34) Income taxes

Earnings before income tax amount to TEUR 14,183 (previous year: TEUR 14,624).

in TEUR	2014	2013
Current taxes on income	–4,930	–3,660
Taxes on income relating to other periods	272	54
Deferred tax	496	–858
– of which loss carryforwards	169	–436
Total	**–4,162**	**–4,464**

Current and deferred taxes are measured applying the respective country-specific income tax rates. The main accounting entries for deferred taxes are shown in 4.1. (6).

The expected notional income tax expense is derived by multiplying the earnings for the year before income taxes by the Group income tax rate. This is derived from the tax rates of the companies that are included in the financial statements. The tax rate has risen compared with the previous year as income generated in countries with higher tax rates has grown. The reconciliation between the notional income tax expense and the income tax reported in the statement of comprehensive income is presented in the following table:

in TEUR	2014	2013
Earnings for the year before income taxes	14,183	14,624
Group income tax rate	32.10 %	30.33 %
Notional income tax expense in the financial year under review	**4,552**	**4,435**
Differences deriving from tax rate	155	–42
Differing tax burdens (country-specific particularities)	68	218
Correction relating to a value adjustment to deferred tax assets relating to loss carryforwards	168	10
Non-tax-deductible expenses	74	148
Income tax relating to other periods/adjustment to previous years' deferred taxes	–246	–78
Taxes borne by minority shareholders	–307	–130
Tax-neutral income (favorable acquisition)	–185	0
Current-year tax calculation differences	–71	0
Other	–46	–97
Taxes on income	**4,162**	**4,464**
Effective tax rate	**29.34 %**	**30.53 %**

(35) Earnings per share (EPS)

The calculation of earnings per share is based on the following data:

in TEUR	2014	2013
Basis for earnings per share (earnings for the year)	10,021	10,160

in thousands of shares	2014	2013
Number of shares as of December 31	26,794	26,794
Weighted average number of ordinary shares for earnings per share	26,794	26,794

No dilution of shares pursuant to IAS 33 occurred during the 2013 and 2014 financial years. Earnings per share report the following changes:

in EUR	2014	2013	2012	2011	2010
Earnings per share	0.37	0.38	0.31	0.45	0.24

Earnings per share would have reported the following changes excluding restatements and corrections to the financial statements (see section 2.8.):

in EUR	2014	2013	2012	2011	2010
Earnings per share	0.37	0.39	0.31	0.45	0.24

6. Other disclosures relating to the consolidated financial statements

6.1. Consolidated statement of cash flows

The consolidated statement of cash flows is presented applying the indirect method.

6.2. Research and development

Section 1.3. in the notes to the consolidated financial statements includes information about M.A.X. Automation Group research and development activities.

Developments occur mainly as part of customer orders. Development costs totaling TEUR 5,070 were incurred in 2014 (previous year: TEUR 1,827). Of this amount, TEUR 3,552 was capitalized (previous year: TEUR 553). This corresponds to a 70 % capitalization rate (previous year: 30 %). Amortization and impairment losses of TEUR 524 were applied to development costs (previous year: TEUR 266). Of the capitalized development costs, TEUR 3,121 is attributable to the Industrial Automation segment, and TEUR 431 to the Environmental Technology segment.

6.3. Risk management

General information about financial risks

The Group is exposed to various risks deriving from financial instruments. These are categorized as follows:

- Credit risk
- Liquidity risk
- Market price risk

Credit risks arise mainly from trade receivables. Guaging risks deriving from the project business definitely comprises a particularity in this context. Liquidity risks may arise from an inability to satisfy payment obligations in due time. As a rule, such risks are normally associated with negative developments in the operating business. Market price risks derived from changes to currency exchange rates and interest rates. Currency risks exist on the sales side chiefly in the case of invoicing on a US dollar basis. The risks that are presented can negatively affect the Group's financial position and performance.

The Group monitors the deployment of financial instruments as part of its risk management. This entails functional separation between the companies' operative processing of the transactions, and the financial control-

ling function that is directed by the parent company. The Group's guidelines are oriented to identify potential risks at an early stage, thereby allowing countermeasures to be launched. These guidelines are constantly adapted to market requirements.

The focus aspect of risk management is steered via the operating business and financing activities. Derivative financial instruments are deployed only to reduce or avoid risks arising from the operating business. The section about market price risks provides additional information about the derivative financial instruments.

Risk categories

1. Credit risk

Credit risk describes the risk of financial loss if a counterparty fails to fulfill its contractual obligations or payment obligations. Such risk mainly comprises default risk, and the risk of a deterioration in credit standing. Trade receivables arise from the worldwide sales activities of the individual companies' operating businesses. No debtor exists that accounts for more than 10 % of the Group's receivables position. The Group manages credit risk on the basis of internal financial controlling.

Deriving from the differing credit ratings of the customers, the following credit insurance is taken out, as a rule:

- Export insurance
- Letters of credit
- Prepayments
- Guarantees and letters of comfort
- Internal credit lines
- Collateral assignments

The Group's default risks are limited to normal business risk that is reflected through the formation of valuation adjustments. Counterparty risk on derivative financial instruments is taken into account by concluding derivative transactions exclusively with renowned banks. The maximum default risk (credit risk) comprises the complete default of the positive carrying amounts of the financial instruments. From today's perspective, the default risk on the financial instruments whose values have not been adjusted is generally appraised as low, as default probability is kept low as a result of tight risk management.

2. Liquidity risk

Operative liquidity management entails aggregating the companies' short- and medium-term cash flows at Group level. Along with the maturities of financial assets and liabilities, these cash flows also comprise the expectations for the Group companies' operating cash flows.

The following cash flows from interest and redemption payments arise for the Group's liabilities as of December 31, 2014:

in TEUR	Carrying amount 31.12.2014	Cashflow in 2015	Cashflow 2016–2019	Cashflow from 2020
Non-derivative financial liabilities	**162,760**	106,232	58,624	3,313
Financing liabilities	100,315	46,267	56,782	1,517
Trade payables (excluding prepayments received)	45,784	45,784	0	0
Other interest-bearing and non-interest-bearing liabilities	16,539	14,181	1,842	1,796
Cash outflows from derivative financial instruments	**–134**	**2,582**	**0**	**0**
– Currency derivatives	–105	2,582	0	0
– Interest rate derivatives	–29	0	0	0
Cash inflows from derivative financial instruments	**–134**	**2,477**	**0**	**0**
– Currency derivatives	–105	2,477	0	0
– Interest rate derivatives	–29	0	0	0

The overview includes the following contents:
- Undiscounted outgoing repayment and interest rate obligations deriving from financing liabilities
- Undiscounted outgoing payments deriving from trade payables
- Undiscounted outgoing payments for other interest-bearing and non-interest-bearing financial liabilities
- Undiscounted cash outflows and cash inflows (not offset for the respective year) for derivative financial instruments

The following assumptions are imputed for the and discounted outgoing payments:
- If payment is possible on different dates, the earliest date is imputed as the due date.
- Derivative financial instruments include derivatives with both negative and positive fair values.
- The interest payments from financial instruments with variable interest rates are extrapolated based on estimated interest rates that are calculated on the basis of interest rates as of the date of the preparation of the financial statements.

Future cash outflows are basically covered by operating inflows. Demand financing peaks in terms of timing and amount are sufficiently covered by the liquidity that the company holds available, as well as by the interplay of short-term and long-term credit lines.

3. Market price risk

Due to its international orientation, the Group is exposed to market price risks in the form of currency exchange rate risks and interest rate risks. Such risks can negatively affect the Group's financial position and performance. Constant monitoring of key economic factors and relevant market information is applied in order to assess and appraise such risks. The Group deploys hedges targeted against currency and interest rate risks. The Group has established a centrally oriented risk management system for systematic risk recording and measurement. Continuous reporting occurs to the Management Board.

Currency risks:

The Group's international orientation means that both its operating business and its reported financing and cash flows are exposed to risks emanating from fluctuations in foreign currency exchange rates. The Group's exchange rate risk is sales-driven, and consists mainly of the exchange rate between the US dollar and the

euro. In particular, transaction risk, which consists of the fact that revenues are denominated in foreign currencies and the related costs are incurred euros, can exert a considerably negative effect on the Group's earnings and liquidity. Exchange rate fluctuations are partly hedged through deploying corresponding currency exchange rate hedging instruments. Forward currency transactions and currency option transactions are entered into to hedge currency transactions. The company does not enter into pure trading transactions without corresponding underlying transactions.

Forward currency sales can generate market price risks in the form of an obligation to sell currencies at a rate below the standard cash market rate on the settlement date. The market price risk in the case of options is limited to the option premium. The terms and level of currency hedges correspond to the hedged underlying transactions. As of the reporting date, the Group holds in its positions hedging instruments for a remaining term of up to 12 months in order to be able to hedge the future transactions.

Financial instruments for currency hedging:

	Nominal volume in TUSD		Fair value in TEUR	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Forward currency transactions (sale)	1,500	3,000	–95	120
Currency options (USD puts)	4,500	0	0	0

	Nominal volume in TCHF		Fair value in TEUR	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Forward currency transactions (sale)	1,619	0	–10	0

Pursuant to IFRS 7, the company prepares sensitivity analyses relating to market price risks that allow the effects on earnings and equity of hypothetical changes to relevant risk variables to be calculated. The periodic effects are measured by relating the hypothetical changes in the risk variables to the financial instruments position as of the reporting date. This entails imputing that the position on the reporting date is representative for the full year.

The currency sensitivity analyses are based on the following assumptions:
- Non-derivative financial instruments that are denominated in a foreign currency are subject to a currency risk, and are consequently included in the sensitivity analysis.
- Currency rate related changes to the market values of currency derivatives that are neither included in a hedge pursuant to IAS 39 nor included in a natural hedge affect the currency result, and are consequently included in the sensitivity analysis.

If the euro were to have appreciated by 10 % against the US dollar on the balance sheet date, consolidated equity would have been TEUR 257 lower due to direct changes (previous year: TEUR 381 lower). If the euro were to have depreciated by 10 % against the US dollar on the balance sheet date, consolidated equity would have been TEUR 315 higher due to direct changes (previous year: TEUR 464 higher).
If the euro were to have appreciated by 10 % against the US dollar on the balance sheet date, consolidated net income would have been TEUR 377 lower (previous year: TEUR 160 lower). If the euro were to have depreciated by 10 % against the US dollar on the balance sheet date, consolidated net income would have been TEUR 461 higher (previous year: TEUR 196 higher).

The risks deriving from the GBP, CNY, CHF and PLN have been subjected to a sensitivity analysis. These generate no significant effects, however.

Interest rate risks:
Assets and liabilities that are sensitive to interest rates are held to a normal extent within the Group. The operating business is financed predominantly through entering into fixed interest liabilities with congruent terms. Variable interest refinancing possibilities are nevertheless utilized to a minor extent, however, in order to maintain flexibility on the market. Derivative financial instruments such as interest rate swaps and caps are deployed to limit the resultant risks.

An interest rate cap transaction exists where the variable interest rate to be paid is limited to 4.35 %. The term of the transaction is June 7, 2024. An interest rate cap transaction also exists where the variable interest rate to be paid is limited to 4.15 %. The term of the transaction is December 31, 2018. An interest rate swap also exists which has a term until June 30, 2017.

in TEUR	Nominal volume		Fair value	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Interest rate cap	714	794	2	5
Interest rate swap	1,175	945	–31	–41

Pursuant IFRS 7, interest rate risks are presented by way of sensitivity analyses. These present the effects of changes to market interest rates on interest income and interest expenses, other earnings components, as well as equity, where relevant. The interest rate sensitivity analyses are based on the following assumptions:

- Market interest rate changes to non-derivative fixed interest financial instruments only affect earnings if they are measured at fair value. Accordingly, all fixed interest financial instruments measured at amortized cost are subject to no interest rate risks in the meaning of IFRS 7.
- Market interest rate changes affect the result from nonderivative variable interest financial instruments whose interest payments are not designated as underlying transactions as part of cash flow hedges against interest rate changes, and are consequently taken into account in the sensitivity calculations.
- Market interest rate changes to interest rate derivatives that are not included in the hedge pursuant to IAS 39 affect the net interest result, and are consequently included in the sensitivity calculations.

If the market interest rate level had been 100 basis points higher in the year under review, consolidated net income would have been TEUR 529 lower (previous year: TEUR 64 lower).
If the market interest rate level had been 100 basis points lower in the year under review, consolidated net income would have been TEUR 915 higher (previous year: TEUR 266 higher).
If the market interest rate level had been 100 basis points higher in the year under review, consolidated equity would have been TEUR 529 lower (previous year: TEUR 14 lower).
If the market interest rate level had been 100 basis points lower in the year under review, consolidated equity would have been TEUR 915 higher (previous year: TEUR 14 higher).

Other price risks:
As part of presenting market risks, IFRS 7 also requires information about how hypothetical changes to other price risk variables affect the prices of financial instruments. Risk variables particularly include stock

market prices and indices in this context. The company had no holdings of such financial instruments either in the year under review, or in the previous year.

6.4. Earnings per share

Earnings per share amount to EUR 0.37.

6.5. Segment reporting

Segment reporting is included as an annex to these notes. Segment classification into the areas of Industrial Automation and Environmental Technology corresponds to the current internal reporting status. Allocation to the respective segments is based on each case on the products and services that are offered. In its Industrial Automation segment, the M.A.X. Automation Group operates with its companies comprising the AIM Group, the NSM Magnettechnik Group, the bdtronic Group, the IWM Automation Group, and Mess- und Regeltechnik Jücker GmbH. In its Environmental Technology segment, the M.A.X. Automation Group operates with its companies comprising the Vecoplan Group and altmayerBTD GmbH & Co. KG. Section 2.10. the Group management report provides further information about the individual companies' operating activities.

Pursuant to IFRS 8, key segment data are published which are also reported regularly to the Group Management Board, and which are of central importance for the management of the company. A particular focus is placed in this context on revenue and EBIT as key performance indicators. Working capital is also regularly subjected to more precise analysis. Internal reporting is in line with external financial accounting applying IFRS. This segment report presents the main income and expense items, as well as relevant earnings metrics. Segment assets are also analyzed, with the location of the company's headquarters being the determinant factor. Average headcount, investment, new order intake and order book positions also form part of the segment report as further steering metrics. Intragroup transactions are generally conducted on terms that are standard among third parties. Revenue is segmented by sales markets. No customer generated more than 10 % of consolidated revenue in 2014.

6.6. Events after the reporting period

In January 2015, M.A.X. Automation AG repaid the syndicated loan (status as of December 31, 2014: TEUR 48,200) with an about of TEUR 8,200.

With an agreement dated January 2, 2015, Vecoplan Holding Corporation, Wilmington, Delaware, USA, acquired the minority interests in Vecoplan LLC, Archdale, North Carolina, USA, for a purchase price of TUSD 2,000.

On February 6, 2015, NSM Magnettechnik GmbH acquired 100 % of the shares of iNDAT Robotics GmbH, Ginsheim-Gustavsburg, and of iNDAT Engineering + Service GmbH, Braunschweig. The purchase price amounted to TEUR 10,500, of which TEUR 1,500 is not due until the end of August 2016. The purchase agreement also includes various earnout regulations that depend on trends in EBIT, new order intake and key personnel figures. The assets and liabilities that have transferred to the M.A.X. Automation Group are currently being evaluated.

Section 7.4. of the Group management report provides further related information.

6.7. Other financial obligations

Other financial obligations amount to a total of TEUR 16,174 as of the reporting date (previous year: TEUR 21,643). This relates mainly to TEUR 4,659 of obligations arising from rental and lease contracts (previous year: TEUR 3,051), and from leases in an amount of TEUR 10,671 (previous year: TEUR 16,955).

Operating leases

Operating leases exist within the M.A.X. Automation Group. The leased assets mainly comprise real estate, cars, IT systems and office fittings and furniture. The lease durations amount to between 2 and 28 years. No extension and/or purchase options exist. Economic ownership remains with the lessor if the lessor bears the opportunities and risks connected with the asset. For this reason, the lease installments are recognized in profit or loss within the M.A.X. Automation Group during the contractual term of the lease.

A tenant loan is also granted along with the lease payments. Interest is applied to the tenant loan so that as the tenant loan increases, the lease installments fall. The tenant loan is secured through land charges on the corresponding real estate, and through guarantees provided by external parties. The guarantees are connected with various conditions, all of which were met on the balance sheet date.

The financial obligations arising from these agreements amount to:

in TEUR	2015	2016 to 2019	from 2020	Total (previous year)
Obligations from rental and lease agreements	1,411 (1,057)	2,966 (1,985)	282 (9)	4,659 (3,051)
Obligations from leases	2,234 (2,583)	4,145 (5,602)	4,292 (8,770)	10,671 (16,955)
Obligations from other agreements	782 (1,068)	61 (554)	0 (15)	843 (1,637)

Contingencies

A tenant loan has been assigned to secure the lessor's claims.

6.8. Related party transactions

Individuals and companies (including affiliated companies) which can be influenced by the company, or which can influence the company, are regarded as related parties in the meaning of IAS 24. The M.A.X. Automation Group companies render and procure various services for, or from, related companies as part of their normal operating activities. Such supply and service relationships are conducted on standard market terms. Services are rendered on the basis of existing contracts.

Related companies:

Liabilities due to non-consolidated administrative companies and shelf companies amounting to TEUR 22 have been recognized (including TEUR 22 under non-current financial liabilities).

Revenue of TEUR 1,049 (previous year: TEUR 3,556), other operating income of TEUR 29 (previous year: TEUR 76) and interest income of TEUR 10 (previous year: TEUR 21) were generated with related companies. A company that is related to M.A.X. Automation AG has provided a guarantee for the full amount of tenant

loans reported under other investments. Related expenses for guarantee commissions were not incurred in the period under review. Guarantee commissions will be charged from the third year for the provision of the guarantee. These amount to initially 1 %, before rising by a further one percent annually up to a maximum of 6 %.

A nonpecuniary consulting agreement with Günther Holding GmbH was concluded with effect as of September 1, 2014.

Related individuals:
Business transactions with related natural persons amounts to a total of TEUR 202 (previous year: TEUR 363). Of these, TEUR 202 (previous year: TEUR 301) relate to consultancy services (management consulting), and travel expenses for Supervisory Board members extending above and beyond basic compensation of TEUR 48. This includes the consulting expense of TEUR 11 (previous year: TEUR 168) for Mr. Lerch for his activity as part of the strategic further development of Vecoplan. Section 6.10. explains relationships with the Management and Supervisory boards.

6.9. Auditor

Auditors' fees of TEUR 377 were incurred in the year under review (previous year: TEUR 488).

in TEUR	31.12.2014	31.12.2013
1. Auditing services for financial statements	262	260
a) Services for the current year	203	250
b) Services for the previous year	59	10
2. Other certification services	79	168
3. Tax advisory services	6	26
4. Other services	30	34
Total	**377**	**488**

Other certification services comprise activities connected with corporate acquisitions (e.g. due diligence), and the review of the half-year report.

6.10. Management and Supervisory Board

Management Board members

Bernd Priske, Willich (Management Board member until March 27, 2015)
Dipl.-Betriebswirt
Management Board Spokesman (Chief Executive Officer)

Member of the following statutory supervisory boards:
• Deputy Supervisory Board Chairman of Vecoplan AG, Bad Marienberg (until January 31, 2015)

Fabian Spilker, Düsseldorf
Dipl.-Kaufmann
Management Board member

• Supervisory Board member of Vecoplan AG, Bad Marienberg (from February 2, 2015)

Total Management Board compensation

The Management Board was paid total compensation of TEUR 856 in the 2014 financial year. The compensation that was granted is composed as follows (amounts in brackets relate to the previous year):

in TEUR	Basic compensation		Performance-based compensation		Benefits	Total compensation
	Fixed salary	Other compensation	Short-term variable compensation	Long-term variable compensation		
Bernd Priske	220	29	251	0	20	520
	(220)	(29)	(259)	(0)	(25)	(533)
Fabian Spilker	170	16	150	0	n.a.	336
	(26)	(0)	(25)	(0)	(n.a.)	(51)

The following compensation accrued to the Management Board in 2014 (the figures in brackets relate to the previous year):

in TEUR	Basic compensation		Performance-based compensation		Benefits	Total compensation
	Fixed salary	Other compensation	Short-term variable compensation	Long-term variable compensation		
Bernd Priske	220	29	259	0	0	508
	(220)	(29)	(168)	(0)	(0)	(417)
Fabian Spilker	170	16	25	0	0	211
	(26)	(0)	(0)	(0)	(0)	(26)

The compensation of TEUR 8 to which Mr. Bernd Priske is entitled for his activity as Supervisory Board Chairman of Vecoplan AG in the 2014 financial year pursuant to the articles of incorporation of Vecoplan AG was not, and is not being, paid to him, as he has waived such payment.

The provision for the pension commitment granted to Management Board member Bernd Priske amounts to TEUR 226. A reinsurance policy in an amount of TEUR 226 was assigned to the benefit of the Management Board.

Other Management Board compensation includes incidental benefits in the form of benefits in kind, primarily company car use. Company car use is taxable as a compensation component for the individual Management Board member. Compensation arising from directors and officers insurance for the Management Board is not measurable as this relates to group insurance comprising a number of staff members. The Management Board members' employment contracts include no commitments for the instance of the early termination of Management Board activity, and for the instance of the termination of Management Board activity due to a change of control.

Supervisory Board members

Hans W. Bönninghausen, Rösrath
Business executive, consultant
Supervisory Board Chairman (until September 15, 2014)

Member of the following statutory supervisory boards:

- Supervisory Board member of FORTAS AG, Rösrath
- Supervisory Board Chairman of Vecoplan AG, Bad Marienberg (until September 15, 2014)

Gerhard Lerch, Hannover
Dipl.-Betriebswirt, consultant
Supervisory Board Chairman (until September 25, 2014 Deputy Supervisory Board Chairman)

· Supervisory Board Chairman of Vecoplan AG, Bad Marienberg (from September 19, 2014)

Dr. Jens Kruse, Hamburg
General Manager of M.M. Warburg & Co. KGaA, Hamburg
Deputy Supervisory Board Chairman (from September 25, 2014)

· Deputy Supervisory Board Chairman of MeVis Medical Solutions AG, Bremen
· Supervisory Board member of Biesterfeld AG, Hamburg

Oliver Jaster, Hamburg
Managing Director of Günther Holding GmbH, Hamburg
Member of the following statutory supervisory boards:

· Supervisory Board Chairman of ALPHA Business Solutions AG, Kaiserslautern
· Supervisory Board member of ZEAL Network SE, London

Total Supervisory Board compensation
Supervisory Board compensation amounted to TEUR 64 for 2014 (TEUR 48), as well as for the time extending above and beyond six meeting days per financial year to an amount of TEUR 182 (TEUR 263).

in TEUR	Basic compensation	Consultancy services	Total
Hans W. Bönninghausen	29	38	67
Gerhard Lerch	19	140	159
Dr. Jens Kruse	4	4	8
Oliver Jaster	12	0	12

The list above includes fixed compensation for the Supervisory Board mandates of Vecoplan AG for Mr. Bönninghausen in an amount of TEUR 12, and for Mr. Lerch in an amount of TEUR 4. Mr. Lerch's consultancy service also include variable compensation of TEUR 11 for his consulting activities at Vecoplan AG. Please see section 6.8. the information about the Supervisory Board members' consultancy services. Please refer to section 10 of the Group management report for more information about compensation of the Management and Supervisory boards pursuant to Section 315 (2) No. 4 and 314 (1) No. 6 of the German Commercial Code (HGB).

7. Reportable interests pursuant to Section 160 (1) No. 8 of the German Stock Corporation Act (AktG)

On April 24, 2013, LBBW Asset Management Investmentgesellschaft mbH, Stuttgart, Germany, notified us pursuant to Section 21 (1) of the German Securities Trading Act (WpHG) that its percentage of voting rights in our company exceeded the threshold of 5 % on April 22, 2013, and amounts to 5.25 % (1,406,500 voting rights). Of these voting rights, 5.225 % (or 1,400,000 voting rigths) are to be attributed to Baden-Württembergische Versorgungsanstalt für Ärzte, Zahnärzte und Tierärzte pursuant to Section 22 (1) Clause 1 No. 6 of the German

Securities Trading Act (WpHG). On July 3, 2013, Stüber & Co. Kommanditgesellschaft, Balzers, Liechtenstein, notified us pursuant to Section 21 (1) of the German Securities Trading Act (WpHG) that its percentage of voting rights in our company exceeded the threshold of 5 % on June 13, 2013, and amounts to 5.001 % (1,340,000 voting rights). Stüber & Co. Kommanditgesellschaft, Balzers, Liechtenstein, informed us on January 8, 2014, that it now holds 1,500,000 voting rights in our company.

On November 6, 2013, Mr. Oliver Jaster, Germany, informed us pursuant to Section 21 (1) of the German Securities Trading Act (WpHG) that his percentage of voting rights in our company exceeded the thresholds of 3 %, 5 %, 10 %, 15 %, 20 % and 25 % on November 5, 2013, and now amounts to 29.87 %. This corresponds to 8,003,854 voting rights. Of these voting rights, 29.87 % (corresponding to 8,003,854 voting rights) are to be attributed to Mr. Jaster through Orpheus Capital II GmbH & Co. KG, Hamburg in Germany, Orpheus Capital II Management GmbH, Hamburg in Germany, Günther Holding GmbH, Hamburg in Germany, and Günther GmbH, Bamberg in Germany pursuant to Section 22 (1) Clause 1 No. 1 of the German Securities Trading Act (WpHG).

On September 19, 2014, Universal-Investment-Gesellschaft mbH, with headquarters in Frankfurt am Main, Germany, informed us that its percentage of voting rights pursuant to Section 21 (1), 22 (1) Clause 1 No. 6 of the German Securities Trading Act (WpHG) fell below the threshold of 3 % on September 18, 2014, and amounts to 2.998 % as per this date (corresponds to 803,186 voting rights). Of these voting rights, 2.998 % (or 803,186 voting rigths) are to be attributed to this company pursuant to Section 22 (1) Clause 1 No. 6 of the German Securities Trading Act (WpHG).

On December 4, 2014, Deutsche Asset & Wealth Management Investment GmbH, Frankfurt am Main, Germany, informed us pursuant to Section 21 (1) of the German Securities Trading Act (WpHG) that its percentage of the voting rights in M.A.X. Automation AG, Düsseldorf, Germany, fell below the threshold of 5 % on December 1, 2014, and amounts to 4.89 % as per this date (corresponds to 1,309,868 voting rights). Of these voting rights, 0.76 % (corresponds to 204,500 voting rights) are to be attributed to this company pursuant to Section 22 (1) Clause 1 No. 6 of the German Securities Trading Act (WpHG).

8. Statement pursuant to Section 161 of the German Stock Corporation Act (AktG) relating to the German Corporate Governance Code

As a company listed on the stock market in Germany, M.A.X. Automation AG, Düsseldorf, issued as of March 31, 2014 the statement required by Section 161 of the German Stock Corporation Act (AktG), making it permanently available to shareholders by publishing it on the company's website at www.maxautomation.de.

9. Exemption from disclosure for subsidiaries

The following subsidiaries utilize the provisions pursuant to Section 264 (3) of the German Commercial Code (HGB) relating to the exemption from publishing separate annual financial statements and management reports for the 2014 financial year:

- bdtronic GmbH, Weikersheim
- IWM Automation GmbH, Porta Westfalica

• NSM Magnettechnik GmbH, Olfen
• Mess- und Regeltechnik Jücker GmbH, Dillingen

The following subsidiaries utilize the provisions pursuant to Section 264b of the German Commercial Code (HGB) relating to the exemption from publishing separate annual financial statements and management reports for the 2014 financial year:
• altmayerBTD GmbH & Co. KG, Rehlingen

In the case of these companies, M.A.X. Automation AG publishes by way of exemption its consolidated annual financial statements and Group management report in the German Federal Gazette (Bundesanzeiger).

Düsseldorf, March 30, 2015

The Management Board

Fabian Spilker

CONSOLIDATED STATEMENT OF CHANGES IN NON-CURRENT ASSETS FOR 2014

of M.A.X. Automation AG

Consolidated statement of changes in non-current assets for M.A.X. Automation AG, Düsseldorf, for the 2014 financial year

		Cost						
		1.1.2014	Changes to consolidation scope	Currency differences	Additions	Disposals	Re-classification	31.12.2014
		TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
I.	**Intangible assets**							
1.	Concessions, industrial property rights, and similar rights and assets, as well as licenses to such rights and assets	25,905	1,496	117	736	223	47	28,078
2.	Internally generated intangible assets	2,157	0	0	3,552	0	0	5,709
3.	Prepayments rendered	212	0	0	276	0	–47	441
		28,274	**1,496**	**117**	**4,564**	**223**	**0**	**34,228**
II.	**Goodwill**							
1.	Goodwill	5,377	0	62	0	0	0	5,439
2.	Goodwill arising from consolidation of the investment account	50,530	0	–10	0	0	0	50,520
		55,907	**0**	**52**	**0**	**0**	**0**	**55,959**
III.	**Property, plant and equipment**							
1.	Land and buildings	59,568	–2,866	267	683	5	102	57,749
2.	Technical plant and machinery	22,515	65	65	2,626	1,559	7	23,719
3.	Other plant, operating and office equipment	23,017	–2,275	219	1,554	514	118	22,119
4.	Plant under construction	139	0	0	197	0	–128	208
5.	Prepayments rendered	99	0	0	49	0	–99	49
		105,338	**–5,076**	**551**	**5,109**	**2,078**	**0**	**103,844**
		189,519	**–3,580**	**720**	**9,673**	**2,301**	**0**	**194,031**

The attached notes form an integral part of the consolidated financial statements.

Cumulative depreciation/amortization/impairment losses						Carrying amounts	
1.1.2014	Changes to consolidation scope	Currency differences	Additions	Disposals	31.12.2014	31.12.2014	31.12.2013
TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
10,178	–88	110	4,558	125	14,633	13,445	15,727
597	0	0	524	0	1,121	4,588	1,560
47	0	0	0	0	47	394	165
10,822	**–88**	**110**	**5,082**	**125**	**15,801**	**18,427**	**17,452**
1,197	0	19	0	0	1,216	4,223	4,180
8,760	0	–8	0	0	8,752	41,768	41,770
9,957	**0**	**11**	**0**	**0**	**9,968**	**45,991**	**45,950**
31,830	–856	51	1,349	5	32,369	25,380	27,738
15,011	0	40	1,675	1,274	15,452	8,267	7,504
16,622	–1,468	142	1,885	421	16,760	5,359	6,395
0	0	0	0	0	0	208	139
0	0	0	0	0	0	49	99
63,463	**–2,324**	**233**	**4,909**	**1,700**	**64,581**	**39,263**	**41,875**
84,242	**–2,412**	**354**	**9,991**	**1,825**	**90,350**	**103,681**	**105,277**

CONSOLIDATED STATEMENT OF CHANGES IN NON-CURRENT ASSETS FOR 2013

of M.A.X. Automation AG

Consolidated statement of changes in non-current assets for M.A.X. Automation AG, Düsseldorf, for the 2013 financial year

		Cost						
		1.1.2013	Changes to consolidation scope	Currency translation differences	Additions	Disposals	Re-classification	31.12.2013
		TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
I.	**Intangible assets**							
1.	Concessions, industrial property rights, and similar rights and assets, as well as licenses to such rights and assets	11,766	13,413	–36	680	28	110	25,905
2.	Internally generated intangible assets	1,347	0	0	553	0	257	2,157
3.	Prepayments rendered	47	81	–1	85	0	0	212
		13,160	**13,494**	**–37**	**1,318**	**28**	**367**	**28,274**
II.	**Goodwill**							
1.	Goodwill	5,393	5	–21	0	0	0	5,377
2.	Goodwill arising from consolidation of the investment account	33,840	16,686	4	0	0	0	50,530
		39,233	**16,691**	**–17**	**0**	**0**	**0**	**55,907**
III.	**Property, plant and equipment**							
1.	Land and buildings	55,740	3,549	–90	167	153	355	59,568
2.	Technical plant and machinery	17,986	2,410	–28	1,079	851	1,919	22,515
3.	Other plant, operating and office equipment	20,013	1,704	–72	1,649	1,001	724	23,017
4.	Plant under construction	1,533	116	0	1,860	5	–3,365	139
5.	Prepayments rendered	0	0	0	99	0	0	99
		95,272	**7,779**	**–190**	**4,854**	**2,010**	**–367**	**105,338**
		147,665	**37,964**	**–244**	**6,172**	**2,038**	**0**	**189,519**

The attached notes form an integral part of the consolidated financial statements.
Adjustments to the previous year's figures are explained in section 2.8. to the notes to the consolidated financial statements.

Cumulative depreciation/amortization/impairment losses						Carrying amounts	
1.1.2013	Changes to consolidation scope	Currency translation differences	Additions	Disposals	31.12.2013	31.12.2013	31.12.2012
TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
7,489	908	–35	1,844	28	10,178	15,727	4,277
331	0	0	266	0	597	1,560	1,016
30	0	0	17	0	47	165	17
7,850	**908**	**–35**	**2,127**	**28**	**10,822**	**17,452**	**5,310**
1,199	5	–7	0	0	1,197	4,180	4,194
8,757	0	3	0	0	8,760	41,770	25,083
9,956	**5**	**–4**	**0**	**0**	**9,957**	**45,950**	**29,277**
30,390	252	–17	1,242	37	31,830	27,738	25,350
13,775	668	–13	1,132	551	15,011	7,504	4,211
14,866	952	–41	1,815	970	16,622	6,395	5,147
0	0	0	0	0	0	139	1,533
0	0	0	0	0	0	99	0
59,031	**1,872**	**–71**	**4,189**	**1,558**	**63,463**	**41,875**	**36,241**
76,837	**2,785**	**–110**	**6,316**	**1,586**	**84,242**	**105,277**	**70,828**

GROUP AUDIT CERTIFICATE

and responsibility statement

Audit certificate

We have audited the consolidated financial statements prepared by M.A.X. Automation Aktiengesellschaft, Düsseldorf – consisting of balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes to the consolidated statements – as well as the management report for the company and the Group for the financial year from January 1 until December 31, 2014. The company's legal representatives are responsible for the preparation of the consolidated financial statements and management report for the company and the Group according to IFRS as applicable in the EU, and German commercial law regulations that are to be applied additionally pursuant to Section 315a (1) of the German Commercial Code (HGB). Our task is to issue an assessment of the consolidated financial statements and the management report for the company and the Group on the basis of the audit that we conduct.

We conducted our audit pursuant to Section 317 of the German Commercial Code (HGB) in compliance with proper German auditing principles as promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer [IDW]). Accordingly, the audit is to be planned and conducted so as to allow incorrect information and infringements that significantly affect the presentation of the view of the financial position and performance conveyed by the consolidated financial statements in compliance with applicable accounting regulations, and by the management report for the company and the Group, to be identified with sufficient certainty. When determining audit actions, knowledge about the Group's operating activities, and economic and legal environment, as well as expectations in relation to potential errors, are taken into account. As part of the audit, the efficacy of the accounting-related internal controlling system, and evidence for the disclosures in the consolidated financial statements and the report on the company and the Group, are appraised primarily on the basis of random sampling. The audit comprises an assessment of the annual financial statements of the companies included in the consolidated financial statements, the demarcation of the scope of consolidation, the accounting and consolidation principles applied, and the significant estimates made by the legal representatives, as well as an appraisal of the overall presentation of the consolidated financial statements and the management report on the company and the Group. We are of the opinion that our audit forms a sufficiently secure basis for our assessment.

Our audit has resulted in no qualifications.

On the basis of our assessment based on the knowledge gained from the audit, the consolidated financial statements correspond to IFRS as applicable in the EU and the German commercial law regulations that are also to be applied pursuant to Section 315a (1) of the German Commercial Code (HGB), and convey in compliance with such regulations a true and fair view of the Group's financial position and performance. The management report on the company and the Group is in harmony with the consolidated financial statements, conveys overall an appropriate view of the Group's position, and suitably presents the opportunities and risks pertaining to future development.

Hannover, March 31, 2015
Ebner Stolz GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft

Wilfried Steinke
Certified Public Auditor

Steffen Fleitmann
Certified Public Auditor

Responsibility statement

To the best of my knowledge, I assure that, pursuant to applicable accounting principles, the consolidated financial statements convey a true and fair view of the Group's financial position and performance, that the course of business, including the business results and the Group's position, are presented in the Group management report, which is combined with the management report for M.A.X. Automation AG, to convey a true and fair view, and that the significant opportunities and risks pertaining to the Group's prospective development are described.

Düsseldorf, March 30, 2015

M.A.X. Automation AG
The Management Board

Fabian Spilker

SUBSIDIARIES

M.A.X. Automation Aktiengesellschaft, Düsseldorf, List of shareholdings as of December 31, 2014

a) Companies included in the consolidated financial statements

Name and headquarters of company	Interest in capital (%)
Subsidiaries of M.A.X. Automation AG:	
AIM – Assembly in Motion GmbH, Ellwangen	100
altmayerBTD GmbH & Co. KG, Dettenhausen	100
bdtronic GmbH, Weikersheim	100
BTD Behältertechnik Dettenhausen Verwaltungs GmbH, Dettenhausen	100
IWM Automation GmbH, Porta Westfalica	100
Mess- und Regeltechnik Jücker GmbH, Dillingen	100
NSM Magnettechnik GmbH, Olfen	100
Vecoplan AG, Bad Marienberg	100
Subsidiaries of AIM – Assembly in Motion GmbH:	
AIM Micro Systems GmbH, Triptis	100
ELWEMA Automotive GmbH, Ellwangen	100
Rohwedder Macro Assembly GmbH, Bermatingen	100
MA micro automation GmbH (formerly: Rohwedder Micro Assembly GmbH), St. Leon-Rot	100
Subsidiaries of bdtronic GmbH:	
bdtronic BVBA, Diepenbeek, Belgium	100
bdtronic Suzhou Co. Ltd., Suzhou, China	100
BARTEC Dispensing Technology Inc., Tulsa, Oklahoma, USA	100
bdtronic Ltd., Ashton under Lyne, UK	100
bdtronic S.r.l., Monza, Italy	100
Second-tier subsidiaries and subsidiaries of IWM Automation GmbH:	
IWM-Automation Verwaltungs GmbH, Porta Westfalica	100
IWM Automation Polska Sp. z o.o., Warsaw, Poland	100
(20 % IWM Automation GmbH and 80 % IWM-Automation Verwaltungs GmbH)	
Second-tier subsidiaries and subsidiaries of NSM Magnettechnik GmbH:	
mabu-pressen GmbH, Olfen	100
NSM Packtec GmbH, Ahaus	100
Second-tier subsidiaries and subsidiaries of Vecoplan AG:	
Vecoplan Maschinenfabrik Verwaltungs GmbH, Bad Marienberg	100
Vecoplan Limited, Birmingham, UK	100
Vecoplan Austria GmbH, Wels, Austria	100
Vecoplan Holding Corporation, Wilmington, Delaware, USA	100
Vecoplan LLC, Archdale, North Carolina, USA (subsidiary of Vecoplan Holding Corporation)	80
Vecoplan Midwest LLC, New Albany, Indiana, USA (subsidiary of Vecoplan LLC)	61
Vecoplan Iberica S.L., Mungia-Bizkaia, Spain	100
Waste Tec GmbH, Wetzlar	100

b) Companies included in the consolidated financial statements applying the

Name and headquarters of company	Interest in capital (%)
Participating interests of Vecoplan AG:	
Vecoplan FuelTrack GmbH i.L., Bad Marienberg	49

c) Companies not included in the consolidated financial statements

Name and headquarters of company	Interest in capital (%)	Equity (TEUR)	Net profit/loss (TEUR)
Subsidiaries of M.A.X. Automation AG:			
BDS Führungskräfte GmbH, Düsseldorf	100	22	0 (p/y)
Subsidiaries of altmayerBTD GmbH & Co. KG:			
Altmayer Verwaltungs GmbH, Rehlingen	100	25	0 (p/y)
Subsidiaries of Mess- und Regeltechnik Jücker GmbH:			
Mess- und Regeltechnik Verwaltungs GmbH, Dillingen	100	30	0 (p/y)

INDUSTRIAL AUTOMATION CORE SEGMENT

AIM Group

The AIM Group (Assembly in Motion), with its headquarters in Ellwangen (Baden-Württemberg), develops and produces technologically sophisticated, high-end automation solutions for customers from the automotive and medical technology sectors, as well as the sensor technology and general industrial areas.

AIM comprises four specialized subsidiaries: ELWEMA Automotive GmbH manufacturers engine components such as cylinder crankcases and crankshafts, as well as cleaning, testing and assembly systems. The Group commands a strong market position and serves renowned vehicle manufacturers.

Rohwedder Macro Assembly GmbH develops special systems for first-tier automotive industry suppliers, and specializes primarily in the development and manufacturing of partially and fully automated assembly lines for gearboxes, clutches and steering systems.

MA micro automation GmbH (formerly: Rohwedder Micro Assembly GmbH) focuses on the micro automation area, meeting the highest technological standards in terms of assembly speed and precision. Both companies are active for renowned customers from the automotive, medical technology and general industry sectors.

AIM Micro Systems GmbH develops and produces technologies for the manufacturing of opto-electronic modules and micro-optical components for the automotive and medical technology industries, as well as for the sensor and laser sectors.

Managing Director	**Antonio Alvarez**
Interest held	100 %
Subscribed capital in EUR mill.	0.04
2014 revenue in EUR mill. (IFRS, consolidated)	100.0
Employees (year average)	392.7
Year of foundation	2010
Member of M.A.X. Group since	2013
www.aim-holding.de	

bdtronic Group

The company, which is based in Weikersheim (Baden-Württemberg), ranks as one of the world's leading providers of dosing and metering technology systems. The Group develops technologically complex solutions for the processing of reaction molding resins, and acts as a complete system-provider for the automation of assembly and production processes, particularly for electronic components.

bdtronic is constantly expanding its technological competences and product portfolio. For example, the company also produces impregnating systems for electro-motors, stators and rotors. It also operates in plasma treatment to improve the adhesive properties of material surfaces. Heat staking as an alternative joining technique represents a further service.

bdtronic serves international customers from the automotive industry, electronics and electrical goods producers, filter manufacturers, sensor technology companies, household goods manufacturers, the solar energy industry, and medical technology companies. In order to ensure global marketing and distribution, the company operates sales companies in Belgium, the UK, Italy, China and the USA.

Managing Director	Patrick Vandenrhijn
Interest held	100 %
Subscribed capital in EUR mill.	0.08
2014 revenue in EUR mill. (IFRS, consolidated)	24.9
Employees (year average)	170.6
Year of foundation	2001
Member of M.A.X. Group since	2004
www.bdtronic.com	

INDUSTRIAL AUTOMATION CORE SEGMENT

IWM Automation Group

Headquartered in Porta Westfalica (North Rhine-Westphalia), the IWM Automation Group ranks as a recognized specialist engineering company. The company is known in the industrial automation sector for custom-built and innovative production systems provided on a one-stop shop basis. This applies to both standard systems and high-tech solutions.

IWM Automation commands extensive expertise in engineering, as well as in assembly, welding, forming, dosing/metering and testing technology. This allows the company to develop comprehensive solution approaches to complex tasks. The automotive industry represents the company's most important sales market.

IWM Automation is a reliable partner to renowned international vehicle manufacturers and their suppliers, enjoying an excellent reputation in the sector. The Group's automation solutions ensure fast, precise and high-quality production.

Managing Director	**Jakob Dirksen**
Interest held	100 %
Subscribed capital in EUR mill.	0.75
2014 revenue in EUR mill. (IFRS, consolidated)	40.8
Employees (year average)	135.2
Year of foundation	1978
Member of M.A.X. Group since	1998
www.iwm-automation.de	

NSM Magnettechnik Group

NSM Magnettechnik, which is based in Olfen (North Rhine-Westphalia), is a technologically leading system provider of highly automated high-speed handling plants. The Group operates in five business areas: press automation, packaging automation, and conveying and press systems, as well as forming, filling and sealing machines. Through iNDAT Robotics GmbH, which was acquired in 2015, NSM Magnettechnik also offers effective robotics and manufacturing automation solutions.

In the press automation area, the company produces systems for the transporting, stacking and separating of steel and aluminum sheet bars, primarily in automotive construction. In the packaging automation area, the company focuses on high-speed handling systems for cans, lids and caps in the manufacturing and filling industry. The conveying systems area builds solutions for the transportation of parts and waste removal from machining and operating processes, as well as the filtering of separate materials. The press automation systems area builds high-frequency automated precision stamping machines for the non-cutting forming of mass stamped parts. The area comprising machines for forming, filling and sealing develops and builds comprehensive equipment and plant systems for the dairy, yogurt and fruit juice industries.

The Group specializes in supplying and commissioning turnkey systems. Extensive service offerings round out this spectrum. NSM Magnettechnik serves customers worldwide and active in sectors such as the automotive industry, press manufacturing, food and beverage production, the chemicals industry, machine tool manufacturing, the electrical and electronic industry, as well as the production of consumer goods.

Managing Director	**Michael Freischmidt Jens Ohnholz**
Interest held	100 %
Subscribed capital in EUR mill.	4.1
2014 revenue in EUR mill. (IFRS, consolidated)	54.3
Employees (year average)	252.4
Year of foundation	1959
Member of M.A.X. Group since	1990
www.nsm-magnettechnik.de	

Mess- und Regeltechnik Jücker GmbH

Mess- und Regeltechnik Jücker GmbH, headquartered in Dillingen (Saarland), plans, develops, supplies and manages measuring and control technology systems, as well as drive and automation technology systems. Jücker is a specialist provider of software and control technology, and has earned an excellent reputation as a systems integrator and controls supplier for complex automation processes.

Mess- und Regeltechnik Jücker serves customers from the automotive industry, the chemicals and steel industries, as well as companies from the power generation, steel and iron, cement and transportation industries.

By optimizing the controlling of production processes, the company has oriented its range of services to strengthen manufacturing companies' competitiveness. Its precise controlling solutions enable flexible manufacturing that meets high product quality standards. Jücker operate independently of manufacturers, thereby enabling it to offer its customers individually customized and economical solutions.

Managing Director	**Jens Ohnholz Michael Freischmidt**
Interest held	100 %
Subscribed capital in EUR mill.	0.4
2014 revenue in EUR mill. (IFRS)	16.2
Employees (year average)	78.1
Year of foundation	1986
Member of M.A.X. Group since	1998
www.juecker-germany.de	

ENVIRONMENTAL TECHNOLOGY CORE SEGMENT

Vecoplan Group

The Vecoplan Group is a globally leading provider of systems and components for the processing of wood and waste in the manufacturing and recycling industries. The company is a specialist in the shredding and processing of primary and secondary raw materials. As a system-provider, Vecoplan develops, designs and produces complex machines and plants.

International customers from the following sectors receive targeted and comprehensive service: forestry (timber, biomass and pellets), waste (household and commercial waste, substitute fuels and the cement industry) and recycling (paper, plastics and special applications).

Vecoplan operates subsidiaries in Germany, the USA, the UK, Spain and Austria, as well as numerous sales and service locations worldwide. The company operates its own development department in Bad Marienberg (Rheinland-Pfalz), and opened the world's largest and most state-of-the-art technology center for the environmental and recycling sector at its headquarters in 2014. Vecoplan also operates pilot plants in North Carolina (USA).

Managing Director	**Werner Berens**
Interest held	100 %
Subscribed capital in EUR mill.	8.0
2014 revenue in EUR mill. (IFRS, consolidated)	96.7
Employees (year average)	455.9
Year of foundation	1969
Member of M.A.X. Group since	1995
www.vecoplan.de	

altmayerBTD GmbH & Co. KG

altmayerBTD, headquartered in Dettenhausen (Baden-Württemberg) and operating an additional location at Rehlingen (Saarland), designs and sells systems for the storing and conveying of explosive bulk materials, as well as specialist flue gas cleaning systems. The portfolio is supplemented through its systems for the conveying, handling and recycling of pulverized coal, communal sewage sludge, and alternative fuels, as well as containers and components for industrial systems and plants.

As a system-provider, the company renders development and construction services, as well as servicing. Its customers around the world include the chemicals, food manufacturing, plastics, cement, forestry, pharmaceuticals, paper, power generation, steel, and waste disposal industries.

altmayerBTD is also a renowned producer of tanks, containers and storage units in Europe, and ranks among the sector's technology leaders thanks to numerous innovations. Its product range comprises industrial containers, rainwater storage systems, hygienic heated and drinking water systems, and buffer storage facilities, including solar buffer storage systems. The customers include large-scale industry, the plant engineering sector, specialist heating wholesalers and the solar energy sector.

Managing Director	**Udo Weinert (CEO) Andreas Weber**
Interest held	100 %
Subscribed capital in EUR mill.	3.39
2014 revenue in EUR mill. (IFRS)	18.2
Employees (year average)	122.8
Year of foundation[1]	2009
Year of joining M.A.X. Group [2]	1993/1997
www.altmayerbtd.de	

1) Predecessor companies BTD Behältertechnik 1951, Altmayer Anlagentechnik 1927
2) Predecessor companies BTD Behältertechnik 1993, Altmayer Anlagentechnik 1997

2015 financial calendar

Quarterly financial report for Q1: May 15, 2015
2015 AGM: June 30, 2015
Half-year financial report 2015: August 14, 2015
Quarterly financial report for Q3: November 13, 2015

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