ATON GmbH, Munich

GROUP MANAGEMENT REPORT

AS OF 31 DECEMBER 2015

(Translation – the German text is authoritative)

Contents

I. GROUP PROFILE

1. Business segments

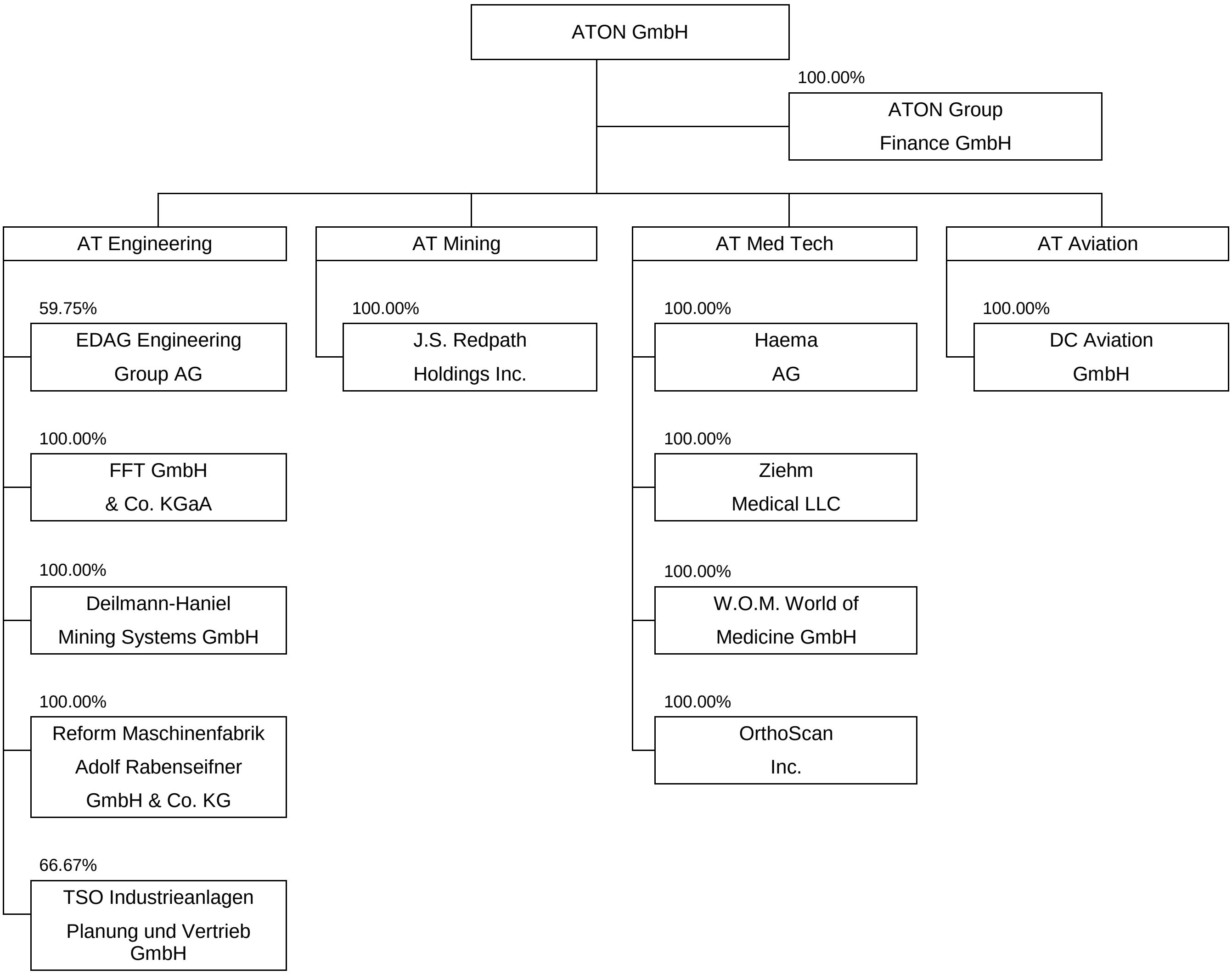
The ATON Group is an association of internationally operating companies in the business segments AT Engineering, AT Mining, AT Med Tech and AT Aviation.

The ATON Group comprises the ATON GmbH, a corporation established under German law, and the following investments:

	31.12.2015	31.12.2014
Subsidiaries	89	134
thereof consolidated	76	116
Joint Ventures	13	13
thereof consolidated	12	12
Associates	3	4
thereof consolidated	2	3
Total	**105**	**151**
thereof consolidated	**90**	**131**

In the ATON Group the development of the core competencies in the individual business segments is still in focus. Strategic investments, merging similar activities and using synergies as well as selling off peripheral activities shall enhance the companies' competitive advantage, optimise the use of existing resources and thus further increase added value.

The organisational structure of the ATON Group with the operating units allocated to the relevant business segments is as follows as of 31 December 2015:



The services of the **segment AT Engineering** cover in particular areas of engineering and plant construction for the automotive industry, along with other sectors of the mobility and mining industry, as well as manufacturing of specialised machines.

As a globally leading independent engineering partner to the international mobility industry, the **EDAG** Group develops ready-for-production solutions for the automotive future. The industry focus is on the automotive and commercial vehicle industry. The service portfolio includes the development of vehicles, derivatives, modules, and production plants. The EDAG Group is organised into the three lines of business Vehicle Engineering, Production Solutions and Electric/Electronics. Vehicle Engineering offers global engineering services and know-how along the entire automotive development process focusing on manufacturers and suppliers of the automotive industry. The service portfolio covers the key aspects of vehicle development and ranges from styling, form-finding and modelling through package, body and interior/exterior design development to the entire functional integration of systems into the vehicle. Production Solutions deals with the development of production facilities and factory concepts. The focus hereby is on factory, process and plant development as well as automation engineering and product cost management. Electric/Electronics covers the development and integration of electric/electronics systems in vehicles for vehicle manufacturers and system suppliers. The fields of activities include vehicle electric/electronics, comfort and body electronics, driver assistance and safety systems, infotainment and telematics systems as well as electrics/vehicle electrical systems. On 2 December 2015 EDAG group went public. As a result, 40.25 % of EDAG shares have been disposed. As a consequence EDAG Engineering Group AG and all its subsidiaries have been deconsolidated within ATON group as of 2 December 2015. EDAG Engineering Group AG is now accounted for as an investment using the equity method.

The **FFT** Group develops turnkey body production and assembly lines for the manufacturers and TIER1-suppliers of the automotive industry as well as for other non-automotive sectors. The company assumes responsibility for the implementation of complete production plants. The flexibility and adaptability of production facilities are in the focus of the development and implementation process of the FFT Group. By developing and implementing innovative production technologies FFT meets the requirements set by modern production technology. The integration of modern 3D technologies and digital factory tools as well as the systematic use and virtual start-up of these elements are the basis of flexible plant concepts.

Deilmann-Haniel Mining Systems is a plant engineer and a specialist manufacturer of machinery for the realisation and preparation of subsurface coal mines, as well as special applications for all subsurface mining operations. Due to the advanced integration into the segment AT Engineering, the company was reclassified from the segment AT Mining into the segment AT Engineering in 2015.

REFORM is a specialised supplier of grinding machinery located in Fulda. Its product range spans from small knife grinding machines for the timber and paper industry to large-scale, CNC-controlled machinery for processing machine engines in the aviation industry.

TSO designs, plans, manufactures and assembles customised machinery and equipment for non-food bulk commodities and dusts. Through its tailored solutions, TSO is a competent partner when it comes to conveyor and transport installations, load sensing equipment, dosing and filtering technology in particular.

The **segment AT Mining** offers mining and shaft-sinking services and products worldwide.

The **Redpath** Group is a global mining service provider. The group's core competencies include contract mining, shaft-sinking and equipment, maintenance and renovation, as well as the development, construction and management of subsurface mines and installations.

The **segment AT Med Tech** develops solutions for the healthcare market in the fields of surgery and diagnostics, specialising in X-ray diagnostics, basic medical diagnostics and minimally invasive surgery, as well as products for the pharmaceuticals industry and hospitals.

Haema is the nationwide largest private blood donor service operating in the Federal Republic of Germany. In the German federal states of Bavaria, Berlin, Brandenburg, Thuringia, Mecklenburg-Western Pomerania, North Rhine-Westphalia, Saxony, Saxony-Anhalt and Schleswig-Holstein, Haema operates 35 modern blood donation centres. Blood and plasma donations taken from voluntary donors are processed into proprietary medical products or transferred to plasma processing companies for handling. All blood products are subject to multiple testing in highly efficient, modern laboratories to ensure compliance with the highest quality and safety standards applicable to the proprietary medical products. At the same time Haema is monitored on a regular basis by independent institutions.

Ziehm is specialised on the development, production and global marketing of mobile X-ray imaging systems solutions known as C-arms. The use of modern flat detectors reduces distortions created by standard image enhancers. These systems are primarily used in surgical and emergency care settings. The company also develops specialised equipment for endoscopic procedures. Ziehm is considered an expert and technology leader in the market of C-arms.

OrthoScan is also leading in the market for so-called mini C-arms used for orthopaedic extremity (hand and foot) imaging. OrthoScan's mini C-arms offer orthopaedic, casualty and hand and foot surgeons the solution they require for a high-quality, X-ray imager with small dimensions. Furthermore, OrthoScan offers the product Mobile DI. The Mobile DI is an even more compact portable, low-dosage X-ray imager, which can be used when rapid and effortless diagnostics of extremities are required. It is suitable for use in orthopedic practices, athletic sport teams and military units, among other applications. During business year 2015 the integration of OrthoScan into Ziehm group was further strengthened.

W.O.M. WORLD OF MEDICINE is a pioneer of minimally invasive surgery with its technologies. It is a leading manufacturer of insufflators, which use CO_2 gas or liquids to expand body cavities for minimally invasive laparoscopic surgeries via small openings rather than large incisions. Other key product areas include consumable supplies developed specifically for the equipment, endoscopic cameras and the Gamma Finder® used in oncological diagnostics.

The **segment AT Aviation** comprises business aviation and charter flights as well as regional flights in the past.

DC Aviation, as operator and charterer including aircraft technology, concentrates on the premium segment of private jets, particularly for medium and long-haul flights. As of 31 December 2015, the DC Aviation Group has 22 aircrafts under contract as an operator. Since 2013, the international presence has been strengthened by a 49 % joint venture in Dubai (DC Aviation Al Futtaim LLC) with local infrastructure at Dubai World Central airport.

Since November 2013, **Augsburg Airways'** operative business activities have been suspended. Since the suspension of the flight traffic, the business of the company has concentrated on the disposal of the remaining aircrafts. In the financial year 2014 all aircrafts were sold. In December 2015 the liquidation of the company was requested at the Commercial Register.

ATON Group Finance GmbH is a 100 % subsidiary of ATON GmbH, which was founded on 4 October 2013 in Going, Austria. The main subject of the company is intercompany financing. In November 2013, ATON Group Finance GmbH issued a bond of EUR 200.0 million in the Prime Standard at the German Stock Exchange in Frankfurt am Main. Guarantor for this bond is the ATON GmbH.

2. Management

The ATON GmbH is a management holding company with extensive competencies regarding strategy and financing. The management of the individual subsidiaries assumes direct operative responsibility and acts within the scope agreed with the management board of ATON GmbH in order to meet the financial and strategic objectives. There is a constant exchange via a monthly reporting between the managing directors of the subsidiaries and the holding company.

3. Research and development

Several companies of the Group operate in technological fields that are constantly evolving. These companies are primarily EDAG, FFT, Ziehm, OrthoScan, W.O.M. and Deilmann-Haniel Mining Systems. In order to differentiate from competitors and to keep up with the latest technological developments, these companies individually operate research and development departments. Permanent development and enhancement of the product portfolio is of great strategic importance in the industries of the companies. The expenditures for research and development expenses of EUR 2.2 million (previous year: EUR 1.1 million) and for capitalised development costs of EUR 2.5 million (previous year: EUR 2.0 million) emphasise the activities for product development and product enhancement.

II. MACROECONOMIC DEVELOPMENT

The expected stimulation of global economy in 2015 did not materialise retrospectively. Global production expanded only at a moderate pace. The difference between the economic dynamic of advanced and emerging economies has further increased. While the advanced economies mainly show a robust economic climate, emerging countries display deterioration. Monetary policy remains expansionary. Some emerging countries use the maintaining leeway of further interest rate reductions. But the advanced economies are already on a historically low level of interest rates. However the expansionary degree of monetary policy develops noticeably inconsistent.

Due to many political conflicts and crises, the development of the world economy slightly diminished from 2.7 % in 2014 to 2.5 % in 2015.

The following overview presents the development of the gross domestic product (GDP) in the individual economic regions.

in %	2015 *	2014	2013	2012	2011
World	2.5	2.7	2.6	2.5	3.1
Europe	1.8	1.4	0.3	- 0.1	2.0
Germany	1.5	1.5	0.2	0.6	3.7
North America	2.3	2.4	2.2	2.3	1.7
South America	- 0.6	0.9	2.7	2.6	4.1
Asia/Pacific	4.7	4.7	4.8	4.7	4.7
China	6.9	7.3	7.7	7.7	9.3
Middle East	2.4	3.1	2.7	2.5	5.6
Africa	2.8	3.5	3.8	5.6	0.7

Source: Global Insight World Overview as of 15 January 2016.
* Forecast.

Compared to the previous year, the European economies grew somewhat faster, but again with great regional differences. Europe as a whole reported economic growth of 1.8 % in 2015 (previous year: 1.4 %). The growth rate in Germany was 1.5 % (previous year: 1.5 %). The most important growth engine of the German economy were consumption and investments. No growth impulses came from net exports. Germany exported, adjusted for price, 5.0 % more goods and services in 2015 than last year. Imports grew by 5.8 % compared to prior period.

US economy grew by 2.3 % in 2015. For the first time in nine years, the US Federal Reserve (Fed) raised the reference rate from 0.25 % to 0.50 % in December 2015.

Economic growth in China amounts to 6.9 % in 2015 and fell below the level of the previous year of 7.3 %. This is mainly due to the declining dynamic of China's industrial sector.

The oil price is one of the most important values in the commodity markets. In the first half-year of 2015, the average price for a barrel of Brent Crude was USD 59.41 and 45.4 % below the price level of the first half-year of 2014. The drop in prices continued in the second half-year of 2015. Overall the average price was at USD 53.71/barrel in 2015 and therefore 46.0 % below prior year's level. On 31 December 2015, a barrel of Brent Crude cost USD 37.28.

The inflation rate in the euro zone fell to 0.00 % (previous year: 0.40 %) in 2014. The reference rate remained unchanged during 2015 at 0.05 %. Also the interest rate on the marginal lending facility was unchanged at 0.30 % compared to prior year. The negative interest rate on the deposit facility of -0.20 % further declined to -0.30% in December 2015.

Compared with the average rates in the previous year, the Euro significantly diminished in value against all the relevant currencies in 2015. The average exchange rate of the Euro versus the USD of 1.11 was 16.5 % below the level of the previous year. The nominal exchange rate of the Euro versus the USD decreased on an annual average in 2015 compared to 2014 and was listed at USD 1.09 (previous year: USD 1.21) at year end.

III. DEVELOPMENT OF THE BUSINESS SEGMENTS

The following figures indicate the gross revenue and results attributable to the particular segments.

1. AT Engineering

The majority of this segment's gross revenue is attributable to the EDAG Group and the FFT Group, whose customers primarily stem from the automotive sector. Insofar, the providers of engineering services are highly dependent on the automotive industry, their long term strategies and sales successes and therefore also on the economic fluctuation.

The continuing market growth of the global automotive industry and in particular the above average growth of the European market led to positive impulses. While the global automotive industry grew by 2.1 % in 2015 on a basis of car production volume compared to prior period, the European market grew by 4.5 %. Production figures were declining in South America especially in Brazil, whereas other key markets like China (+4.3 %) and North America (+2.0 %) showed solid growth rates. Accordingly, these positive general economic conditions of automotive industry are reflected in the operating result of the business segment. Prospectively, an ongoing development of global growth trend is expected, whereby a regional shift of growth towards China and the Asian Pacific area is anticipated.

In the current financial period the market for engineering services („engineering service provider“) grew significantly and continually and also benefits from a growing demand in engineering services by automotive industry OEMs, independently of their car production volume. Among others, the main growth factors are a rising proportion of electronics in vehicles and a regulatory required substantial CO_2 reduction. Furthermore, outsourcing of engineering services by the OEMs towards external service provider intensifies due to reasons of cost. Additionally, big players benefit from the ongoing trend of assigning bigger development packages. On the cost side, the companies in the branch of engineering are furthermore subject to a noticeable competitive pressure.

The gross revenue and the EBIT of this segment developed as follows compared to the previous period:

in EUR '000	2015	2014	Change
Gross revenue	1,294,152	1,270,294	23,858
EBITDA	438,879	144,961	293,918
EBITDA margin in %	33.9	11.4	22.5
EBIT	400,067	112,733	287,334
EBIT margin in %	30.9	8.9	22.0

Thereby gross revenue met the expectations, whereas EBIT significantly exceeded our expectations

The following comments on the individual companies of the segment are based on unconsolidated figures.

The EBITDA and the EBIT for 2015 of the business sector AT Engineering include earnings from deconsolidation of the EDAG group as of 2 December 2015 amounting to EUR 317.8 million.

Due to the deconsolidation, 11 months of EDAG group's income statement are included in the consolidated financial statement for 2015 of ATON. The gross revenue of the EDAG Group in 2015 is EUR 665.6 million (previous year: EUR 690.1million). The EBIT of the EDAG Group is EUR 57.7 million (previous year: EUR 89.9 million). The EBIT margin for 2015 of the EDAG Group is 8.7 %.

The FFT Group was able to increase gross revenue by EUR 56.6 million to EUR 637.9 million. At the same time, EBIT increased by EUR 2.3 million to EUR 43.4 million (previous year: EUR 41.1 million) in the reporting period. Accordingly the EBIT margin improved from 7.1 % to 6.8 %. As of 31 December 2015, the order backlog amounts to EUR 539.3 million (previous year: EUR 530.5 million).

Reform faces a decrease in gross revenue from EUR 18.7 million to EUR 13.0 million. Consequently, the generated EBIT dropped from EUR 0.9 million in the previous year to EUR -2.1 million in 2015.

The business development of Deilmann-Haniel Mining Systems was still affected by the restrained willingness to invest. The gross revenue declined from EUR 25.2 million to EUR 18.1 million. This reduction causes a negative EBIT of EUR -19.9 million (previous year: EUR -6.1 million). Furthermore, a goodwill impairment of EUR 6.4 million has been recognised on a group level.

2. AT Mining

Based on the Bloomberg commodity index the commodity prices decreased in the last five years and have now reached the level of 2002. In 2015 alone, the reduction amounts to 25 %.

Regarding industrial metals, Nickel recorded the sharpest decline with 42 % in 2015. The price for lead was almost stable with a decline of 2.5 %. Copper and Zinc prices decreased by 26 % and 27 % respectively compared to the level at the beginning of the year. Aluminium and tin dropped by 18 % and 25 % respectively during the course of the year.

Precious metals like gold and silver decreased by 9 % and 14 % respectively during the year. Platinum dropped by 28 %, Palladium by 37 %.

The price for potash fell by 3 % during the course of the year.

Mining companies respond to the decrease in commodity prices, among other things, by shifting and cancelling of projects. Therefore, there is an increasing competition among the remaining mining contracting service providers and project margins are under pressure.

The gross revenue and the EBIT of this segment developed as follows compared to the previous period while decreasing more than expected:

in EUR '000	2015	2014	Change
Gross revenue	465,674	511,159	- 45,485
EBITDA	57,560	69,594	- 12,034
EBITDA margin in %	12.4	13.6	- 1.2
EBIT	31,461	40,732	- 9,271
EBIT margin in %	6.8	8.0	- 1.2

The following comments on the individual companies of the segment are based on unconsolidated figures.

After Deilmann-Haniel Mining Systems was reclassified in the segment AT Engineering, the Redpath group explains basically the changes in the mining sector.

The Redpath Group recorded a decrease in gross revenue by EUR 42.8 million to EUR 466.6 million compared to the previous period. This also had a negative impact on the EBIT. The company generated an EBIT of EUR 31.5 million (previous year: EUR 40.5 million) and an EBIT margin of 6.8 % (previous year: 8.0 %). The order backlog as of 31 December 2015 amounts to EUR 840.4 million (previous year: EUR 937.1 million).

3. AT Med Tech

On a global basis, health expenditure amount to around 10 % of the economic performance and within the range of 8 trillion USD annually. During the next years the annual average growth rate is expected to be around 5 %. Main growth impulses are technological progress, demographic development of developed industrial nations towards an ageing population, an increase in chronic lifestyle diseases (e.g. diabetes), as well as a growing health consciousness. Also an increase in purchasing power of the population of emerging countries and therefore a rise in the willingness to invest in their own health influence the growth.

Medical technology as an important medical supplier industry is growing around 5 % annually, too. At the moment, the volume of global medical technology market amounts to approximately 400 billion USD. The United States, as the most important medical technology market, alone account for more than one third of all spending.

Usually, national healthcare markets are highly regulated and consequently also the relevant medical technology markets. Furthermore, this leads to a fluctuation in demand irrespective of the rest of the economy. For example, the US healthcare reform under President Barack Obama led to initial health insurance cover for more than ten million US Citizens, already in the first year of “Obamacare”. On the other hand, sales volume of medical technology slowed down by the law “Medical Device Excise Tax“, which was introduced within the scope of the reform in 2013.

The gross revenue and the EBIT of this segment developed as follows:

in EUR '000	2015	2014	Change
Gross revenue	297,243	286,128	11,115
EBITDA	31,508	38,809	- 7,301
EBITDA margin in %	10.6	13.6	- 3.0
EBIT	20,157	28,733	- 8,576
EBIT margin in %	6.8	10.0	- 3.2

Thereby gross revenue exceeded our expectations, whereas EBIT was below our expectations.

The following comments on the individual companies of the segment are based on unconsolidated figures.

Ziehm generated gross revenue of EUR 110.8 million, which corresponds to an increase of EUR 15.8 million compared to the previous year’s period. This is mainly due to an increase in sales of 18 % compared to 2014. In 2015 the highest level of sales in the company’s history was achieved. A sales growth was recorded in almost all distribution regions. Moreover the weakness of the Euro had a favourable impact. Compared to previous year EBIT decreased by EUR 0.7 million to EUR 11.5 million.

The gross revenue of W.O.M. amounts to EUR 64.1 million in 2015 and is EUR 7.4 million above the previous year’s figure. This leads to a rise in EBIT from EUR 6.2 million in the previous year’s period to EUR 7.7 million in the reporting period. Responsible for this positive development is a higher business activity, a more effective cost management as well as positive exchange rate effects.

The gross revenue of Haema decreased in 2015 from EUR 109.8 million in the previous period to EUR 101.2 million in the reporting period. The continued good economic situation and the high employment rate in Germany leave potential donors less time for donating. The strong flu epidemic at the beginning of 2015 and the heat wave in the months of July and August also had an effect on the development. The EBIT decreased from EUR 11.1 million to EUR 5.7 million.

In the reporting period, OrthoScan achieved gross revenue of EUR 22.6 million and thus a decrease by EUR 3.4 million compared to the previous period. EBIT decreased as well from EUR 0.6 million in previous year to EUR -3.1 million, which is due to a restructuring of the product portfolio.

4. AT Aviation

The market environment in the segment of business aviation is still characterised by aggressive competition and a small number of new customers. Since the beginning of the year 2015, the business aviation sector has been facing a significant concentration and shake-out process. The causes for this are the restrictions in business traffic in the Eastern European markets which are extremely important for the business aviation, as well as the appearance of new Russian and Asian investors, who spend enormous amounts on takeovers of existing companies. Furthermore, long-term market participants are leaving the market completely.

The gross revenue and the EBIT of this segment developed as follows compared to the previous period:

in EUR '000	**2015**	**2014**	**Change**
Gross revenue	74,290	83,245	- 8,955
EBITDA	1,829	1,916	- 87
EBITDA margin in %	2.5	2.3	0.2
EBIT	1,466	1,254	212
EBIT margin in %	2.0	1.5	0.5

Meanwhile gross revenue was below our expectations, EBIT met our expectations due to cost savings.

The gross revenue in the segment AT Aviation is determined by DC Aviation and slightly decreased by EUR 9.0 million to EUR 74.3 million compared to the previous year’s period. The background for this development was unexpected fleet leavings which could only be partly offset by new acquisitions. The EBIT of the segment AT Aviation increased by EUR 0.2 million to EUR 1.5 million.

IV. RESULTS OF OPERATIONS, FINANCIAL AND NET ASSETS POSITION

The overall picture of the business development of the ATON Group, which results from the sum of the above-illustrated segments as well as the ATOM GmbH and the ATON Group Finance GmbH, is explained below. The financial ant the net assets position of the ATON Group will be illustrated after the operations.

The key financial performance indicators are gross revenue, earnings before interest and taxes (EBIT) and earnings after tax (EAT).

1. Results of operations

The following overview presents the Group's results of operations, where the items of income and expense are grouped from an economic perspective.

in EUR '000	**2015**		**2014**		**Change**	
Revenue	2,122,690	99.6%	2,157,810	100.4%	- 35,120	
Gross revenue	**2,130,783**	**100.0%**	**2,150,077**	**100.0%**	**- 19,294**	**- 0.9%**
Cost of materials	760,521	35.7%	767,784	35.7%	- 7,263	
Gross profit	1,370,262	64.3%	1,382,293	64.3%	- 12,031	
Personnel expenses	937,862	44.0%	917,942	42.7%	19,920	
Other operating expenses ./. income	- 57,494	- 2.7%	215,424	10.0%	- 272,918	
EBITDA	**489,894**	**23.0%**	**248,927**	**11.6%**	**240,967**	**96.8%**
Depreciation and amortisation	68,971	3.2%	71,411	3.3%	- 2,440	
Impairment losses	8,011	0.4%	760	0.0%	7,251	
EBIT	**412,911**	**19.4%**	**176,756**	**8.2%**	**236,156**	**133.6%**
Net interest expense	- 11,305	- 0.5%	- 14,510	- 0.7%	3,205	
Other financial result	10,312	0.5%	1,082	0.1%	9,230	
Net financial result	**- 993**	**- 0.0%**	**- 13,428**	**- 0.6%**	**12,435**	
Income taxes	52,869	2.5%	51,186	2.4%	1,683	
EAT	**359,049**	**16.9%**	**112,142**	**5.2%**	**246,907**	**220.2%**
EAT attributable to non-controlling interest	1,426	0.1%	658	0.0%	768	
EAT attributable to owners of the parent	**357,623**	**16.8%**	**111,484**	**5.2%**	**246,139**	**220.8%**

The gross revenue decreased by EUR 19.3 million compared to the previous year’s period and is in line with our expectations. The segment AT Engineering increased its gross revenue by EUR 23.9 million to EUR 1,294.2 million in the fiscal year 2015. The segment AT Mining recorded a decrease by EUR 45.5 million. The gross revenue of the segment AT Med Tech increased by EUR 11.1 million compared to the previous year’s period. The gross revenue of the segment AT Aviation decreased by EUR 9.0 million in the fiscal year 2015. ATON GmbH and ATON Group Finance GmbH as well as any effects from consolidation are summarised under Holding/Consolidation.

The gross profit decreased due to the drop in revenue. The gross profit margin of 64.3 % stays unchanged compared with the previous year due to the fact that the cost of materials diminished in the same scope as revenue by a percentage. As a consequence, the material cost ratio of 35.7 % remained unchanged, too; neither are there any considerable changes within in the segments.

Personnel expenses with a personnel expenses ratio of 44.2 % increased by 1.3 % points compared to the previous year.

The EBITDA increased by EUR 241.0 million to EUR 489.9 million. The current year includes earnings from deconsolidation in the amount of EUR 317.8 million (previous year: EUR 12.5 million). The earnings in 2015 are related to the deconsolidation of EDAG group.

Scheduled depreciation and amortisation slightly decreased by 3.4 % to EUR 69.0 million compared to the previous period. Non-scheduled amortisation increased by EUR 7.3 million compared to the previous year mainly because of goodwill impairment.

The EBIT increased by EUR 236.2 million to EUR 412.9 million (previous year: EUR 176.8 million) because of the deconsolidation of the EDAG Group and exceeded the expectations. Therefore the EBIT margin in 2015 amounts to 19.4 % and was 11.2 % points higher than in prior year's period (8.2 %).

In the segment AT Engineering, the EBIT margin increased from 8.9 % to 30.9 % compared to 2014. In the segment AT Mining, a reduction from 8.0 % to 6.8 % was recorded. In the segment AT Med Tech the EBIT margin decreased by 3.2 % points to 6.8 %. In the segment AT Aviation, the EBIT margin increased by 0.5 % points to 2.2 %. EBIT of the Holding/Consolidation declined by EUR 33.5 million. This is mainly caused by the cost on ATON level resulted from the initial public offering of the EDAG Group and some consolidation effects.

The net interest expense is negative but improved by EUR 3.2 million compared to the previous year. The other financial result increased from EUR 1.1 million in 2014 to EUR 10.3 million in 2015. This was mainly caused by higher interest and dividend income from securities, as well as an improved net income resulting from hedging activities.

The Group's tax rate decreased from 31.3 % to 12.8 % in 2015. Hence, although the EBT decreased by EUR 248.6 million or 152.2 %, the income tax expense of EUR 52.9 million is only EUR 1.7 million or 3.3 % higher. This is mainly due to the income resulting from deconsolidation of EDAG group, which is only marginally relevant for tax purposes.

The EAT increased by EUR 246.9 million to EUR 359.0 million and exceeded the expectations because of the deconsolidation of the EDAG Group. After deduction of minority interest the EAT attributable to owners of the parent amounts to EUR 357.6 million (previous year: EUR 111.5 million).

2. Financial position

The statement of cash flows presents the Group's cash flows from operating, investing and financing activities, and the resulting change in cash and cash equivalents. The following overview provides a condensed cash flow statement:

in EUR '000	2015	2014	Change	
Cash and cash equivalents at the beginning of the period	**231,650**	**321,442**	**- 89,792**	**- 27.9%**
Income before interest, dividends and income taxes	418,745	176,862	241,883	
Depreciation and amortisation/write-ups of assets	75,557	70,544	5,013	
Result from the disposal of property, plant and equipment and securities	- 896	- 18,441	17,545	
Result from the disposal / deconsolidation of consolidated subsidiaries	- 318,060	- 12,148	- 305,912	
Change in provisions	- 262	- 4,998	4,736	
Other non-cash transactions	- 5,080	- 2,622	- 2,458	
Gross cash flow	**170,004**	**209,197**	**- 39,193**	**- 18.7%**
Interest, dividends and income taxes paid/received	- 65,086	- 36,232	- 28,854	
Changes in trade working capital	- 102,862	- 72,534	- 30,328	
Changes in other working capital	- 45,101	4,900	- 50,001	
Cash flow from operating activities	**- 43,045**	**105,331**	**- 148,376**	**> 100%**
Investments in/proceeds from the disposal of intangible assets and property, plant and equipment	- 84,105	- 10,891	- 73,214	
Investments in/proceeds from the disposal of financial assets	- 2,493	- 127,077	124,584	
Payments for the acquisition of/proceeds from the disposal of consolidated subsidiaries	189,140	14,387	174,753	
Cash flow from investing activities	**102,542**	**- 123,581**	**226,123**	**> -100%**
Payments to shareholders	- 110,014	- 30,030	- 79,984	
Proceeds from/repayments of bank loans and finance leases	14,939	- 59,275	74,214	
Cash flow from financing activities	**- 95,075**	**- 89,305**	**- 5,770**	**> 100%**
Effect of changes in exchange rates	- 9,022	17,763	- 26,785	
Cash and cash equivalents at the end of the period	**187,050**	**231,650**	**- 44,600**	**- 19.3%**

The gross cash flow decreased by EUR 39.2 million to EUR 170.0 million compared to the previous year. Income before interest, dividends, and income taxes decreased by EUR 241.9 million. Depreciation and amortisation are EUR 5.0 million higher than in the previous period. In the current reporting period there was a result from the disposal / deconsolidation of consolidated subsidiaries amounting to EUR 318.1 million.

The increase in trade working capital in 2015 amounts to EUR 102.9 million is EUR 30.3 million above the increase in previous period. Considering the deconsolidation of EDAG group trade receivables increased by EUR 85.3 million and inventories by EUR 17.8 million. Other working capital increased as well by EUR 45.1 million whereas in previous period there was still a decrease by EUR 4.9 million. In total, changes in working capital in 2015 had a negative effect on the cash flow from operating activities amounting to EUR 148.0 million.

Cash flow from investing activities resulted in a cash inflow of EUR 102.5 million (previous year: cash outflow of EUR 123.6 million). Net investments in property, plant and equipment and intangible assets increased by EUR 73.2 million to EUR 84.1 million. Investments in financial assets in the reporting period amount to EUR 2.5 million (previous year: EUR 127.1 million). Cash outflows are mainly related to higher loans receivable and additional investments in securities available for sale.

Proceeds from the disposal of consolidated subsidiaries amount to EUR 190.3 million in reporting period and result from the initial public offering of EDAG group. In the opposite direction the acquisition of iSILOG GmbH led to a cash outflow of EUR 1.2 million.

Cash flow from financing activities resulted in a total cash outflow of EUR 95.1 million (previous year: EUR 89.3 million). Payments to shareholders of EUR 110.0 million (previous year: EUR 30.0 million) and re-payments of financial liabilities amounting to EUR 23.1 million (previous year: EUR 67.3 million) are mitigated by proceeds from loans and finance leases of EUR 38.0 million (previous year: EUR 8.0 million).

Taking into account the effect of changes in currency exchange rates, the total cash outflow in 2015 amounts to EUR 44.6 million (previous year: EUR 89.8 million). Respectively, cash and cash equivalents decreased from EUR 231.7 million at the beginning of the reporting period to EUR 187.1 million at the end of the reporting period.

3. Net assets position

in EUR '000	2015		2014		Change	
Assets						
Intangible assets	147,253	7.9%	270,681	15.1%	- 123,428	- 45.6%
Property, plant and equipment	238,027	12.8%	281,288	15.7%	- 43,261	- 15.4%
Financial assets	652,410	35.2%	169,880	9.5%	482,530	284.0%
Inventories	165,140	8.9%	154,991	8.7%	10,149	6.5%
Trade and other receivables	436,837	23.5%	644,523	36.0%	- 207,686	- 32.2%
Deferred tax assets	19,553	1.1%	19,954	1.1%	- 401	- 2.0%
Cash and cash equivalents	187,050	10.1%	231,650	12.9%	- 44,600	- 19.3%
Other assets	9,625	0.5%	17,105	1.0%	- 7,480	- 43.7%
Total assets	**1,855,895**	**100.0%**	**1,790,072**	**100.0%**	**65,823**	**3.7%**
Equity and liabilities						
Equity	1,081,236	58.3%	835,288	46.7%	245,948	29.4%
Provisions	59,853	3.2%	134,917	7.5%	- 75,064	- 55.6%
Financial liabilities	294,781	15.9%	297,631	16.6%	- 2,850	- 1.0%
Trade and other payables	395,733	21.3%	487,639	27.2%	- 91,906	- 18.8%
Deferred tax liabilities	21,382	1.2%	31,550	1.8%	- 10,168	- 32.2%
Other liabilities	2,910	0.2%	3,047	0.2%	- 137	- 4.5%
Total equity and liabilities	**1,855,895**	**100.0%**	**1,790,072**	**100.0%**	**65,823**	**3.7%**

Net assets position as at 31 December 2015 compared to previous year is significantly influenced by the deconsolidation of the EDAG group. As a consequence of the deconsolidation, some assets and liabilities decreased sharply, whereas financial assets and equity increased.

Total assets increased by EUR 65.8 million compared to 31 December 2015.

The decrease in intangible assets is mainly due to the deconsolidation of the EDAG group. As a result there was a disposal of goodwill of EUR 64.4 million and other intangible assets of EUR 38.5 million.

Property, plant and equipment have reduced by EUR 43.3 million. Investments in property, plant and equipment amount to EUR 81.8 million (previous year: EUR 54.7 million). Depreciation during the financial year 2015 amounts to EUR 50.4 million (previous year: EUR 54.0 million). Moreover, property, plant and equipment decreased due to disposals with net book values of EUR 60.1 million in the course of deconsolidation of the EDAG group, as well as further disposals with net book values of EUR 3.2 million (previous year: EUR 34.7 million). Furthermore, currency translation effects had a declining impact of EUR 9.1 million (previous year: EUR 4.1 million) on property, plant and equipment.

Financial assets increased by EUR 482.5 million. This is mainly attributable to the recognition of the 59.75 % share of EDAG Engineering Group AG as an associated company, since the deconsolidation of the EDAG Group on 2 December 2015. This 59.75 % share is recorded in the balance sheet of 31 December 2015 with an amount of EUR 283.6 million. Furthermore, loans to the EDAG group are not consolidated in the balance sheet anymore, what causes an increase of EUR 132.8 million. The rise in securities held for trading in the amount of EUR 56.4 million also results in an increase of the financial assets.

The working capital could be reduced by EUR 105.6 million. While inventories increased by EUR 10.1 million, trade and other receivables decreased by EUR 207.7 million. With an opposing effect trade and other payables decreased by EUR 91.9 million. The net reduction of working capital due to the deconsolidation of the EDAG group of EUR 187.0 million was more than compensated by the remaining group companies.

Cash and cash equivalents decreased by EUR 44.6 million. Concerning information on changes in cash and cash equivalents please refer to section “Financial position”.

The change in other assets mainly results from the decline in income tax receivables by EUR 8.7 million which was partly compensated by higher assets held for sale amounting to EUR 1.3 million.

The equity ratio increased from 46.7 % at the end of the previous financial year to 58.3 % at the end of the reporting period. The increase in equity of EUR 245.9 million is primarily attributable to the consolidated annual result in 2015 of EUR 359.0 million reduced by the payments to shareholders in the amount of EUR 110.0 million.

Provisions decreased by EUR 75.1 million. This is particularly due to lower income tax and pension provisions. The deconsolidation of the EDAG group had a decreasing effect on provisions of EUR 52.3 million.

Financial liabilities decreased by EUR 2.9 million. This is mainly resulting from a decline in liabilities due to derivative financial instruments as well as partial repayments of bank loans. The disposal of financial liabilities of the EDAG group of EUR 30.4 million was more than compensated by the remaining group companies.

Deferred tax liabilities decreased by EUR 10.2 million, which primarily results from the deconsolidation of EDAG group.

Other liabilities include income tax liabilities amounting to EUR 2.9 million (previous year: EUR 3.0 million).

The following overview presents assets and capital according to maturity:

in EUR '000	2015		2014	
Non-current assets				
Intangible assets and property, plant and equipment	385,280	20.8%	551,969	30.8%
Financial assets	462,061	24.9%	41,213	2.3%
Other assets	20,962	1.1%	22,830	1.3%
	868,303	**46.8%**	**616,012**	**34.4%**
Current assets				
Inventories	165,140	8.9%	154,991	8.7%
Receivables	436,234	23.5%	642,595	35.9%
Other financial assets	190,349	10.3%	128,667	7.2%
Cash and cash equivalents	187,050	10.1%	231,650	12.9%
Other assets	8,819	0.5%	16,157	0.9%
	987,592	**53.2%**	**1,174,060**	**65.6%**
Long-term capital				
Equity	1,081,236	58.3%	835,288	46.7%
Financial liabilities	225,020	12.1%	262,928	14.7%
Provisions and liabilities	18,141	1.0%	45,270	2.5%
Other liabilities	21,382	1.2%	31,550	1.8%
	1,345,779	**72.5%**	**1,175,036**	**65.6%**
Short-term capital				
Financial liabilities	69,761	3.8%	34,703	1.9%
Provisions and liabilities	437,445	23.6%	577,286	32.2%
Other liabilities	2,910	0.2%	3,047	0.2%
	510,116	**27.5%**	**615,036**	**34.4%**

Non-current assets of EUR 868.3 million are financed by long-term capital by 155.0 % (previous year: 190.8 %). Including short-term financial liabilities from loan liabilities to related parties in the amount of EUR 4.2 million (previous year: EUR 4.3 million), which are available to the Group as basic funding, the ratio amounts to 155.5 % (previous year: 191.4 %). Furthermore, current assets are financed with long-term capital at a ratio of 48.5 % (previous year: 47.6 %).

The following overview presents the coverage ratios of current assets and capital:

in EUR '000	**2015**	**Share in total assets**	**2014**	**Share in total assets**
Current assets	987,592	53%	1,174,060	66%
Short-term capital	510,116	27%	615,036	34%
Coverage ratio	477,476	**26%**	559,024	**31%**

The coverage ratio shows that the Group is based upon a very sound financing as of 31 December 2015.

Net cash/debt at the end of the reporting period is as follows:

in EUR '000	**2015**	**2014**	**Change**
Cash and cash equivalents	187,050	231,650	- 44,600
Short-term securities	152,688	96,370	56,318
Short-term loans	37,589	32,050	5,539
Financial liabilities	- 294,781	- 297,631	2,850
Net cash (+)/debt (-)	**82,546**	**62,439**	**20,107**

V. EMPLOYEES

The expertise of qualified employees is our main asset. Qualified and highly-motivated employees are essential to the success and future competitive advantage of our company. In selective training programs our employees are developed in professional, methodological and social skills. Furthermore, the company promotes a systematic professional development training program and prepares young employees to take on managerial responsibilities.

With initial vocational training and integrated study degree opportunities in business and technical professions, the company offers a broad selection of opportunities for the professional entry. The promotion of training program is supplemented with the cooperation with public educational providers and university-level institutes.

In 2015, EUR 6.9 million (previous year: EUR 6.6 million) were invested in advanced training and development program for our employees.

The ATON Group employed on average 16,672 employees during the financial year (previous year: 16,581 employees). In the financial year, the breakdown of employees across groups was as follows:

	2015	in %	2014	in %
Salaried staff	11,969	72%	12,133	73%
Industrial workers	3,740	22%	3,610	22%
Trainees and interns	963	6%	838	5%
Total employees	**16,672**	**100%**	**16,581**	**100%**
Production and service	14,557	87%	14,497	87%
General administration	1,565	9%	1,598	10%
Sales and marketing	353	2%	325	2%
Research and development	197	1%	161	1%
Total employees	**16,672**	**100%**	**16,581**	**100%**
Germany	9,599	58%	9,727	59%
Europe (excluding Germany)	1,330	8%	1,324	8%
North America	1,714	10%	1,882	11%
South America	383	2%	590	4%
Australia	285	2%	532	3%
Asia	1,925	12%	1,816	11%
Africa	1,437	9%	710	4%
Total employees	**16,672**	**100%**	**16,581**	**100%**

VI. SUBSEQUENT EVENTS

No important subsequent events affecting the results of operation, financial and net assets position occurred since the closing of the financial year.

VII. EXPECTED DEVELOPMENTS, OPPORTUNITIES AND RISKS

1. Expected developments

According to the autumn report 2015 of the German economic research institutes, the increase in global production will rise from 2.5 % in 2015 to 2.9 % in 2016.

In 2016 the estimated growth rate for the entire Euro zone amounts to 1.6 %. During the course of the year a slight increase in the pace of expansion is expected due to private consumption, which is likely stimulated by a lower unemployment rate and a rise in real wages.

For the German economy in 2016 a growth rate of 1.8 % is projected. Against the backdrop of low interest rates, dropped raw material prices and a favourable exchange rate, the current rise in gross domestic product remains weak. The economic trend is expected to be similar to 2015 within the forecast horizon. The export growth was at 5.0 % in 2015 and is expected to be at 4.9 % in 2016 due to restrained economic growth in emerging countries, especially China. On the other hand, the continuing recovery of the Euro zone, as well as a stable and high foreign demand is expected. The effect of a favourable exchange rate will phase out. Private consumption remains to be the major impulse for economic growth in 2016. The labour market situations as well as an increase in real income have a positive effect. Transfer incomes increase noticeable.

Economic growth in the USA is expected to rise from 2.3 % in 2015 to 2.7 % in 2016. On the whole, an economic upswing in the USA is recorded since 2010, affecting all industrial areas. For this reason there is an ongoing increase in employment and simultaneously a sinking unemployment rate. Federal Reserve (Fed) will continue with its strategy of an expansive monetary policy, even though with less intensity. Fiscal policy will be less restrictive compared to prior years. Especially the rise in tax receipts led to a reduction of the governmental budget deficit, hence it opens up an increasing scope for public demand.

In China the macroeconomic pace of expansion slows down due to sinking labour force potential and less productivity progress. After an economy growth of 6.9 % in 2015 a growth rate of 6.3 % is expected in 2016 because of a decreasing dynamic in the industrial sector. Nevertheless, the labour market benefits from an enlargement of the service sector. Chinas primary aim is to strengthen the demand for consumer goods and accordingly fewer investments in physical capital. Monetary policy will be further loosened within the forecast horizon and the expansive fiscal policy shall further push the structural changes in economy.

In 2015 the global economic risks further increased. Particularly, the risk of a sinking global economy due to a downturn in Chinese economy exists. More risks result from the already low, and continuing falling prices of raw materials as well as the announcement of a key interest rate hike in the USA. This maybe leads to a capital drain, which in extreme cases can cause foreign exchange risks. But also the reverse situation cannot be excluded. An interest hike can also reduce uncertainties in financial markets, which would have a positive effect of emerging countries.

Regarding the expected development of the business environment and political uncertainty, we assume that gross revenue, EBIT and EAT in 2016 will be below 2015 considering the deconsolidation of EDAG group.

However, if figures for 2015 are adjusted for EDAG group and the effect of its deconsolidation, a moderate increase in gross performance, EBIT and EAT is expected.

2. Risks

a) Macroeconomic risks

Regarding the macroeconomic risks, please refer to the expected developments as well as to the explanations of the macroeconomic development.

b) Financial risks

Liquidity risks

The provision of liquid funds to implement corporate objectives continues to remain of central importance. The liquidity of the group is currently secured by the available cash and bank balances, the issued bond as well as sufficient lines of credit. Cash, including short-term investments in bonds, amounted to EUR 339.7 million as of the end of the financial year; including short-term loans, the net cash amounted to EUR 82.5 million. Financial liabilities of EUR 294.8 million include EUR 4.2 million of loans from related parties that are available on a long-term basis. In addition, the Group and the individual companies have access to sufficient lines of credit and guarantee facilities from banks and credit insurers. As of the end of December 2015, the Group was able to dispose of EUR 425.1 million unutilised lines of credit at banks and credit insurers.

The development of liquidity and available liquid funds is monitored and managed via weekly cash reports. Thus, liquidity risks are addressed by appropriate measures at an early stage. The implemented cash pooling process at the level of ATON GmbH is intended to serve the short-term, revolving financing and cash investments of the subsidiaries within the framework of predefined cash pool limits and to ensure that the Group's liquidity is distributed and managed in the most cost-effective manner. Additional profit contributions are generated by maturity transforming of financial assets. Furthermore, the necessary liquidity reserves at the overall Group level were reduced, the payment and cash management conditions with banks were improved by leveraging greater transaction volumes and the transparency and ability to plan total liquidity were improved.

Interest rate risks

Interest rate risks due to changes in the market interest rates primarily result from variable-rate loan liabilities. The Group addresses the risk through a mixture of fixed- and variable-rate financial liabilities. Liabilities from the issued bond are solely fixed-rate liabilities. As of the end of the year, EUR 5.9 million of financial liabilities from banks were fixed-rate liabilities and EUR 53.9 million were variable-rate liabilities. In addition, EUR 4.2 million of fixed-rate financial liabilities to related parties exists as of the end of the year. The low leverage of the Group contributes to a further reduction of the interest rate risk.

Foreign currency risks

To the extent possible and available, foreign currency risks are hedged via local financing of the subsidiaries in the respective national currency. For further protection, foreign exchange futures are concluded at the level of the subsidiaries and the parent, as well as between the parent and the subsidiaries in individual cases.

Default risks

In order to limit default risks, there are a number of protective measures at the subsidiaries. In Germany, default risks are generally addressed by credit insurers, letters of credit and prepayments. Domestically and abroad, there are established credit check procedures at the subsidiaries. In the great majority of cases, customers are companies with high credit ratings operating in the automotive, commodities or medical industries and public entities. Default risks are furthermore mitigated by retentions of title and the use of letters of credit.

Covenant risks

The majority of financing contracts with banks include covenants that are based on predefined financial ratios. The ratios mainly are equity ratios, leverage ratios and in individual cases, interest coverage ratios. If one of the agreed thresholds of the covenants is violated, the lender has the right of termination. The existing covenants were complied with.

In the terms and conditions of the 2013 issued bond there are clauses included, which limit the financial leverage of the ATON Group as well as ATON subsidiaries by using financial ratios. Moreover, the terms and conditions include regulations regarding securing financial liabilities, transactions with owners, change of control and the maximum amount of dividends.

In the case of change of control each bondholder has the right of termination, in breach of other obligations a creditor quorum of 10% is required for the validity of the termination. The clauses of the bond and the covenants of financing contracts with banks are permanently monitored concerning the companies' current financial results, thereby facilitating the early detection of risks. In the financial year 2015 the clauses of the issuance of the bond were complied with.

Other price risks

Another market risk is the price risk, which consists in the prices for financially assets changing unfavourably. Eligible risk variables are stock exchange prices or indices in particular. At the end of the financial year 2015, the Group reports bonds held to maturity amounting to EUR 1.3 million. These have a maximum remaining maturity of several years. Due to the amount of the investment there are no significant risks.

For further explanation regarding the risk report and the risk management system, please refer to Note 34 Objectives and methods of financial risk management of the notes to the consolidated financial statements.

c) Risks of the segments

In addition to the aforementioned macroeconomic and financial risks, the individual segments are exposed to specific risks from operating activities.

AT Engineering

In the segment AT Engineering, project risks are in the foreground. Especially, large-scale projects are complex and executed in parallel in different countries. Sometimes the scope of the services is agreed upon only after an agreement on the total price has been reached. Occasionally, the scope of the services is formulated in an unclear way and leads to additional expenses that are not reimbursed. Unexpected project developments may lead to delays, cost overruns and quality defects, thus straining the company's net assets and financial position and results of operations. Companies are able to detect and address such risks at an early stage by project and risk management, constant project assessments as well as detailed reporting within the context of project steering committees.

Furthermore, the segment is particularly dependent on the development of the automotive industry. EDAG and FFT Group are strongly dependent on certain automotive manufacturers in part and hence on their long-term strategies and sales success.

AT Mining

The greatest risk concerning growth in the long term, particularly within the Redpath group, is the challenge to retain qualified employees to the company. In addition, political risks play an important role. The activities of the Redpath group are partly executed in politically unstable regions. This may have an impact on the future results of operations of the Redpath group. Other risks, especially in the short and medium term, are deterioration in commodity prices as this may cause mine operators to abandon or delay projects and to cut back on capital investments. Furthermore, long delivery times for machinery could lead to delays of existing projects and increasing competition could reduce profitability.

AT Med Tech

The companies Ziehm, OrthoScan and W.O.M. develop innovative products. In this regard on the one hand the risk exists that the products will not be accepted by the market as originally planned. This implies that the targeted expansion of market share may not be achieved or that market shares may get lost. The companies address this risk by continuously monitoring the market and conducting studies on the marketability of products throughout their entire life cycle. One the other hand a multitude of national and international standards and regulations must be complied with in the field of medical technology. With the increasing internationalisation and the high pace of innovation of the companies, regulatory requirements also increase. In case that the requirements are not complied with, this may lead to a ban on marketing the products.

Haema produces pharmaceuticals and active substances for human use, respectively raw materials for further processing into pharmaceuticals. These biological substances are associated with residual risks of transferring hepatitis and HIV. The company has adequate insurance coverage for these risks and has minimised manufacturing risks by implementing quality assurance standards and ongoing quality development.

A general risk for the segment is the development of healthcare policy. A weakening economy could lead to reduced spending in healthcare, which will directly impact the sale of products.

AT Aviation

Beside industry risks, such as increases in jet fuel prices, changes in the legal environment, and additional levies (e.g. aviation taxes), aviation companies are exposed to potential flight risks and technical operation risks. Particularly, these include the risk that flight operations cannot be constantly performed due to technical or external factors as well as the risk of aircraft accidents with the danger of property damage and personal injury. In order to reduce the risk of aircraft accidents caused by human error, pilots regularly participate in legally mandated and supplementary safety training program. Internal standard operating procedures and the continuous improvement of the internal control system ensure that risks are detected and prevented.

DC Aviation is specialised in the management and operation of business aircrafts and in the premium charter business. The business aviation sector usually directly responds to the economic climate. A weakening of the economy directly impacts the occupancy rates of charter flights, in which DC Aviation bears a direct cost risk, while the cost risk for aircraft management lies with the owners.

d) Legal risks

After the squeeze-out of the external stockholders of W.O.M. World of Medicine AG – now registered as W.O.M. WORLD OF MEDICINE GmbH – the former minority shareholders have initiated legal proceedings (“Spruchverfahren”) to verify the adequacy of the compensation (“Barabfindung”) of EUR 12.72 in the meantime. The legal proceedings before the Regional Court of Berlin (“Landgericht Berlin”) are still pending. The duration and the outcome of the proceedings are still open.

3. Opportunities

a) Opportunities in general

The subsidiaries of the ATON Group belong to the national and international market leaders in various fields and product segments in terms of revenue or the technological level of their products and services. Based on the high level of technological expertise, a high product quality as well as long-term customer relationships the ATON Group sees opportunities for further expansion of the particular market shares. The future strategic orientation of the individual companies' services and products and prospective selective strengthening of the corporate portfolio in the individual business segments leveraging synergies within those segments will enable the companies to create additional opportunities.

b) Opportunities of the segments

AT Engineering

According to expectations of the German Association of the Automotive Industry (VDA), the global passenger car market keeps on growing in 2016, however it is facing some political and economic uncertainties and challenges, respectively. An annual global growth of 2 % to 78 million new vehicles / new registrations of passenger cars is expected.

Furthermore, a growth in the three big automotive markets (Western Europe, China, USA) is forecasted, however with more effort to be invested. The US and the Western European market are expected to grow by 1 %. The growth rate for China is forecasted at 2 %. Political and economic risks in China lead to a slowdown of the automotive sector in the country. Problems with traffic congestion and air pollution in agglomeration areas will probably cause more regulatory measures by the government. However, this will increase the importance of electro mobility. Russia and Brazil will face negative growth rates in accordance with the outlook of VDA. The German passenger car market will probably show some 3.2 million new registrations of passenger cars. A driver of innovation is – also on a global level – the idea of networked driving. In 2016 the German automotive industry will strongly reinforce its electro mobility offensive to push electro mobility as an important part of the automotive future.

The strategy of some manufacturers to broaden its global production capacities, amongst other by means of expansion in China and South America, leads to a strong demand and order behaviour in addition to the already existing high degree of capacity utilization in the plant construction sector. Furthermore, there will be opportunities caused by the strong demand in the area of model flexibility as well as by plans of various automotive manufacturers to produce new type of care (e.g. resource saving cars) for the Asian and European markets. Based on the assumption of a further recovery of the global economy, this will create good growth opportunities for the engineering and plant construction providers within the group.

The integration of Rücker group into EDAG group was successfully concluded during the year 2015. As a consequence of this merger, EDAG group is now one of the leading engineering service provider. The resulting consolidated market position will offer opportunities to strengthen existing and acquire new client relationships. In addition, EDAG group started in 2015 to realise synergies regarding the different work processes in both companies. The benefits arising therefrom shall be used on the market as well as for cost savings within EDAG group.

Alongside the automotive industry, FFT group also shows business potential within the aviation industry. New contracts could be acquired during 2015. This additional growth potential is considered as an opportunity.

Deilmann-Haniel Mining Systems will benefit from personnel and sales related restructuring measures taken in 2015. Additionally, new chances are expected to result from the realignment of the company towards the development and manufacturing of machines to convey potash and salt, for tunnelling and for tap hole drilling. Concrete negotiations are conducted to acquire large-scale projects. The order backlog already improved compared to previous year. In 2016, the division ‘automotive, industry and services’ will be further extended with the support of FFT.

AT Mining

In the medium to long term, demand for commodities will recover. Therefore, the rising commodity prices will result in higher demand for mining contractor services. There will be increased demand of Redpath’s services because large mining operators will expand their mining operations in the long term.

AT Med Tech

In the coming years, further growth is predicted for the medical technology markets. It is generally expected that the enhanced purchasing power in emerging economies such as China, India and Brazil may cause growth in the long term. Additional essential drivers of growth are the growing world population, and - within the industrial nations - ageing societies and increased health awareness.

According to Spectaris, the German High-Tech Industry Association, the German manufacturers of medical devices generated a growth in revenue of 11.6 % in 2015 (previous year: 2.3 %). Thus, growth is significantly higher than in the previous years. According to the German Medical Technology Association (BVMed), medical technology companies face the year 2016 with raised confidence despite persistent uncertainty. Overall, an additional revenue growth, however below the growth in 2015, is expected for 2016. There is further growth potential regarding a deeper penetration of the core markets in Europe and North America and an expansion to the markets in Asia and South America. For this purpose, driving technological innovation and the protection of technological leadership associated therewith will open up new opportunities.

AT Aviation

The high quality of services offered, with safety standards above industry average particularly in business aviation, enables DC Aviation to secure and expand their market position. Opportunities for the DC Aviation particularly arise in the area of aircraft management, due to its exceptional market position and reputation, to gradually acquire additional renowned corporate customers. The same applies to potential new customers in regions where the advantages of qualified services like those offered by DC Aviation are not provided to the same extent at the local level (Africa, Eastern Europe, Middle East).

c) General statement on risks and opportunities

The ATON Group is exposed to a large number of different risks and opportunities. From the management’s point of view, the operational risks of the business units as well as the macroeconomic risks are more important for the ATON Group than the legal and financial risks. According to the management’s current assessment, these risks will overall not have adverse financial effects on the Group due to the heterogeneous structure and diversified operations in various markets of the ATON Group.

VIII. RISK MANAGEMENT AND ACCOUNTING-RELATED INTERNAL CONTROL SYSTEM

1. Management of risks and opportunities

In the course of its business operations, the Group is exposed to risks, which are inextricably linked to its entrepreneurial initiative. A complete exclusion of those risks would only be possible by stopping business activities, insofar the acceptance of risks is part of entrepreneurial action.

The primary objective of the risk management is to ensure the success and going concern of the companies. Risks and opportunities of the individual subsidiaries have to be identified, evaluated, and any risks that potentially endanger the success of companies have to be limited or eliminated.

The subsidiaries of the ATON GmbH operate in different industries, different geographical locations and in various national and international markets. This entails individual company-specific risks, which can result in risks different in nature and scope depending on the activities and the environment of the respective company. Therefore, the focus of risk identification from the respective management board of the subsidiaries is first of all placed on the continuous identification of financial risks in the form of risks to results of operations, financial position and liquidity, which may jeopardise the company as a going concern. Identified risks are reported on an ad-hoc basis to ATON Holding by the management boards of the subsidiaries. In addition, economic, legal, technical and other risks are assessed every six months and discussed with the ATON holding company.

As a result of the highly differentiated Group structure, the distribution of opportunities and risks also depends on very different factors in the individual segments and the individual companies respectively. For this reason, risk management and implementation of opportunities is planned and controlled by the companies and agreed with the holding company in short- and medium-term strategy and financial planning meetings. Monitoring of key financial data is performed weekly respectively monthly by means of financial reporting by the individual companies, which are analysed for deviations from the holding company. Regularly, the companies and the holding management review agreed development of strategy and results of operations and determine possible strategy adjustments and countermeasures.

2. Accounting-related internal control system

The internal control system of the ATON Group is designed to ensure that the (accounting-related) group wide reporting processes are consistent, transparent and reliable as well as in compliance with legal standards and the company's own guidelines. It comprises principles, procedures and methods designed to reduce risk and ensure the effectiveness and accuracy of processes.

The Group's management board bears the overall responsibility for the internal control system and risk management with regard to the consolidated accounting process. All companies included in the consolidated financial statements are embedded in a defined management and reporting organisation. Areas of responsibility related to accounting are clearly structured and assigned by the ATON Group. The central units of the ATON GmbH, as well as the group companies, are responsible for carrying out the accounting processes in an adequate way. Major processes and deadlines are defined group wide by the ATON GmbH.

Beyond that, the accounting of the ATON Group is decentralised. For the most part, accounting duties are performed by the consolidated companies at their own responsibility. The audited financial information of the subsidiaries prepared in accordance with IFRSs and the uniform accounting policies are submitted to the Group. The departments involved in the accounting process are appropriately staffed and funded. The acting employees hold the necessary qualifications; case-related external experts are also involved. Control activities at group level include analysing and, if necessary, adjusting the data reported in the financial information presented by the subsidiaries. The group management report is centrally prepared in accordance with the applicable requirements and regulations with in the involvement of and in consultation with the group companies. Segregation of duties and the implementation of the four-eye principle are additional control mechanisms. The IT systems are protected from unauthorized access. Access rights are assigned according the functions.

Based upon documented processes, risks and controls, the internal control system is regularly monitored and adjusted to current developments and therefore provides transparency with regard to the structure, workflows and effectiveness of the internal and external reporting.

IX. DISCLAIMER

The management report contains forward-looking statements concerning expected developments. These statements are based on current estimates and are subject to risks and uncertainties by nature. Actual events may deviate from the statements made in this management report.

Munich, 25 April 2016

ATON GmbH
Management Board

Thomas Eichelmann Jörg Fahrenbach

ATON GmbH, Munich

CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2015

(Translation – the German text is authoritative)

CONSOLIDATED INCOME STATEMENT 2015

in EUR '000	Note	2015	2014
Revenue	6	2,122,690	2,157,810
Changes in inventories and own work capitalised	7	8,093	- 7,733
Other operating income	8	382,254	80,288
Cost of materials	9	- 760,521	- 767,784
Personnel expenses	10	- 937,862	- 917,942
Depreciation and amortisation	16, 17	- 76,983	- 72,171
Other operating expenses	11	- 324,760	- 295,712
Earnings before interest and taxes (EBIT)		**412,911**	**176,756**
Result from investments accounted for using the equity method	12	2,691	3,761
Other investment result	33	- 428	-
Interest income	13	5,482	3,653
Interest expense	13	- 16,787	- 18,163
Other financial result	14	8,049	- 2,679
Financial result		**- 993**	**- 13,428**
Earnings before income taxes (EBT)		**411,918**	**163,328**
Income taxes	15	- 52,869	- 51,186
Profit or loss for the period from continuing operations		**359,049**	**112,142**
Profit or loss for the period (EAT)		**359,049**	**112,142**
attributable to non-controlling interest	26	1,426	658
attributable to owners of the parent		**357,623**	**111,484**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 2015

in EUR '000	**Note**	**2015**	**2014**
Profit or loss for the period		**359,049**	**112,142**
attributable to non-controlling interest		1,426	658
attributable to owners of the parent		357,623	111,484
Items that may be subsequently reclassified to profit or loss			
Available-for-sale financial assets			
Gains (+) / losses (-) from fair value valuation recognised in other comprehensive income	26	70	196
Amount reclassified to profit or loss		-	- 165
Deferred taxes on available-for-sale financial assets	15	- 20	35
Currency translation differences			
Gains (+) / losses (-) from currency translation differences recognised in other comprehensive income	26	- 22,731	11,632
Amount reclassified to profit or loss		-	508
Cash flow hedges			
Gains (+) / losses (-) from cash flow hedges recognised in other comprehensive income	26	- 2,266	-
Deferred taxes on gains / losses from cash flow hedges recognised in other comprehensive income		917	-
		- 24,030	**12,206**
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans			
Remeasurements of defined benefit plans recognised in other comprehensive income	27	2,518	- 11,697
Deferred taxes on remeasurements of defined benefit plans	15	- 564	3,151
		1,954	**- 8,546**
Other comprehensive income before income taxes		**- 22,409**	**474**
Income taxes on other comprehensive income		**333**	**3,186**
Other comprehensive income, net of income taxes		**- 22,076**	**3,660**
attributable to non-controlling interest		156	- 26
attributable to owners of the parent		- 22,232	3,686
Total comprehensive income for the period		**336,973**	**115,802**
attributable to non-controlling interest		1,582	632
attributable to owners of the parent		335,391	115,170

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2015

Assets **in EUR '000**	**Note**	**31.12.2015**	**31.12.2014**
Goodwill	16	127,517	202,165
Other intangible assets	16	19,736	68,516
Property, plant and equipment	17	238,027	281,288
Reparable aircraft spare parts		806	948
Other financial assets	21	163,029	24,821
Investments accounted for using the equity method	20	299,032	16,392
Trade and other receivables	22	603	1,928
Deferred tax assets	15	19,553	19,954
Non-current assets		**868,303**	**616,012**
Inventories	23	165,140	154,991
Trade and other receivables	22	436,234	642,595
Other financial assets	21	190,349	128,667
Income tax receivables	15	6,383	15,042
Cash and cash equivalents	24	187,050	231,650
		985,156	1,172,945
Assets held for sale and discontinued operations	25	2,436	1,115
Current assets		**987,592**	**1,174,060**
Total assets		**1,855,895**	**1,790,072**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2015

Equity and liabilities **in EUR '000**	**Note**	**31.12.2015**	**31.12.2014**
Equity attributable to owners of the parent *	26	1,069,512	833,174
Non-controlling interest	26	11,724	2,114
Equity	26	**1,081,236**	**835,288**
Provisions for pensions	27	10,151	32,470
Provisions for income taxes	28	-	1,460
Other provisions	28	3,504	8,531
Financial liabilities	29	225,020	262,928
Trade and other payables	30	4,486	2,809
Deferred tax liabilities	15	21,382	31,550
Non-current liabilities		**264,543**	**339,748**
Provisions for income taxes	28	12,212	51,724
Other provisions	28	33,986	40,732
Financial liabilities	29	69,761	34,703
Trade and other payables	30	391,247	484,830
Income tax liabilities	15	2,910	3,047
Current liabilities		**510,116**	**615,036**
Total equity and liabilities		**1,855,895**	**1,790,072**

* Regarding the information of issued capital and reserves please refer to the statement of changes in equity.

STATEMENT OF CHANGES IN EQUITY AS OF 31 DECEMBER 2015

in EUR '000	Equity attributable to owners of the parent								Non-controlling interest	Equity
				Other comprehensive income						
	Share capital	Capital reserve	Retained earnings incl. profit or loss	Currency translation differences	Cash flow hedges	Fair value of available-for-sale financial assets	Remeasurements of defined benefit plans	Total		
Balance as of 31 December 2013 restated	**15,000**	**686,077**	**64,826**	**- 14,770**	**-**	**527**	**- 4,459**	**747,201**	**1,624**	**748,825**
Equity transactions with shareholders										
Changes in the scope of consolidation	-	-	-	508	-	-	303	811	-	811
Capital increase	-	746	-	-	-	-	-	746	-	746
Dividend payments	-	-	- 30,000	-	-	-	-	- 30,000	- 30	- 30,030
Other changes	-	-	- 948	113	-	- 8	89	- 754	- 112	- 866
	-	746	- 30,948	621	-	- 8	392	- 29,197	- 142	- 29,339
Total comprehensive income for the period										
Other comprehensive income, net of income taxes 2014	-	-	-	12,166	-	66	- 8,546	3,686	- 26	3,660
Profit or loss 2014	-	-	111,484	-	-	-	-	111,484	658	112,142
	-	-	111,484	12,166	-	66	- 8,546	115,170	632	115,802
Balance as of 31 December 2014	**15,000**	**686,823**	**145,362**	**- 1,983**	**-**	**585**	**- 12,613**	**833,174**	**2,114**	**835,288**
Equity transactions with shareholders										
Changes in the scope of consolidation	-	- 1,306	1,603	2,065	-	- 1	8,026	10,387	8,042	18,429
Capital increase	-	560	-	-	-	-	-	560	-	560
Reclassifications	-	-	-	-	-	-	-	-	-	-
Dividend payments	-	- 61,871	- 48,129	-	-	-	-	- 110,000	- 14	- 110,014
	-	- 62,617	- 46,526	2,065	-	- 1	8,026	- 99,053	8,028	- 91,025
Total comprehensive income for the period										
Other comprehensive income, net of income taxes 2015	-	-	-	- 22,873	- 1,349	50	1,940	- 22,232	156	- 22,076
Profit or loss 2015	-	-	357,623	-	-	-	-	357,623	1,426	359,049
	-	-	357,623	- 22,873	- 1,349	50	1,940	335,391	1,582	336,973
Balance as of 31 December 2015	**15,000**	**624,206**	**456,459**	**- 22,791**	**- 1,349**	**634**	**- 2,647**	**1,069,512**	**11,724**	**1,081,236**

CONSOLIDATED STATEMENT OF CASH FLOWS 2015

in EUR '000	Note	2015	2014
Income before interest, dividends and income taxes	31	418,745	176,862
Income taxes paid		- 60,584	- 25,914
Interest paid		- 14,210	- 14,662
Interest received		5,230	3,368
Dividends received		4,478	976
Depreciation and amortisation/write-ups of assets		75,557	70,544
Change in provisions		- 262	- 4,998
Other non-cash transactions		- 5,080	- 2,622
Result from the disposal of property, plant and equipment		- 1,616	- 18,923
Result from the disposal of securities		720	482
Result from the disposal / deconsolidation of consolidated subsidiaries	5	- 318,060	- 12,148
Change in other assets		- 165,391	- 110,700
Change in other liabilities		17,428	43,066
Cash flow from operating activities		**- 43,045**	**105,331**
Investments in intangible assets	16	- 9,913	- 14,207
Proceeds from the disposal of intangible assets		428	198
Investments in property, plant and equipment	17	- 81,824	- 54,742
Proceeds from the disposal of property, plant and equipment		7,204	57,860
Investments in financial assets		- 6,421	- 128,605
Proceeds from the disposal of financial assets		3,928	1,528
Payments for the acquisition of consolidated subsidiaries	5	- 1,161	-
Proceeds from the disposal of consolidated subsidiaries	5	190,301	14,387
Cash flow from investing activities		**102,542**	**- 123,581**
Payments to shareholders		- 110,014	- 30,030
Repayments of finance lease liabilities		- 4,192	- 15,950
Proceeds from finance leases		7,612	2,570
Proceeds from bank loans		30,397	5,417
Repayments of bank loans		- 18,878	- 51,312
Cash flow from financing activities		**- 95,075**	**- 89,305**
Change in cash and cash equivalents		- 35,578	- 107,555
Effect of changes in exchange rates		- 9,022	17,763
Cash and cash equivalents at the beginning of the period		231,650	321,442
Cash and cash equivalents at the end of the period	24	**187,050**	**231,650**

Notes to the consolidated financial statements 2015

Contents

1. General information

ATON GmbH (ATON GmbH or the "Company") has its registered office in Leopoldstraße 53, 80802 Munich, Germany, and is registered at the Munich Local Court under the registration number HRB 193331.

ATON GmbH and its subsidiaries (collectively, the "Group") are organised on a global basis and operate on all continents with core activities in the defined business segments of AT Engineering, AT Mining, AT Med Tech and AT Aviation.

The consolidated financial statements of ATON GmbH as of 31 December 2015 have been prepared in accordance with Section 315a of the German Commercial Code (Handelsgesetzbuch, "HGB") and the provisions of the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), London, applicable on the reporting date and as adopted by the European Union, and with the interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

The annual financial statements of ATON GmbH, which were certified with an unqualified auditor’s report by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Munich, and the consolidated financial statements of ATON GmbH are submitted to the operator of the electronic Federal Gazette. The consolidated financial statements of ATON GmbH for the financial year 2015 were authorised for publication by a management resolution on 25 April 2016. Under the relevant statutory provisions, the shareholders still have the option in theory of making changes to the financial statements. Dr. Lutz Helmig exercises control over the Group.

The consolidated financial statements are prepared in Euro. Unless indicated otherwise, all amounts are rounded up or down to the nearest k EURO in accordance with normal commercial practice. Rounding may give rise to rounding differences of +/- EUR 1k.

The financial year corresponds to the calendar year.

Individual items in the income statement and the statement of comprehensive income, the statement of financial position, the statement of cash flows and the statement of changes in equity of the ATON Group have been combined in order to achieve greater clarity. Full details are given in the notes to the financial statements. The income statement has been prepared in accordance with the nature of expense method. The statement of financial position is classified by the maturity of the assets and liabilities. Assets and liabilities are treated as current if they are due within one year or within the normal business cycle of the company or of the Group, or if they are intended to be sold. Deferred tax assets and liabilities are principally presented as non-current, as are provisions for pensions.

2. Basis of preparation of the consolidated financial statements

2.1. General principles

The financial statements of the domestic and foreign subsidiaries included in the consolidated financial statements are prepared in accordance with the accounting policies that are consistently applied throughout the ATON Group. The financial statements of the subsidiaries included in the consolidated financial statements are prepared as of the reporting date of the consolidated financial statements.

The consolidated financial statements are prepared on the basis of historical acquisition and production costs, with the exception of items reported at their fair values, such as derivative financial instruments, available-for-sale financial assets and plan assets in connection with pension obligations.

2.2. Application of new, amended and revised standards

The accounting policies adopted are consistent with those of the previous financial year except as described below.

Accounting standards applied on a mandatory basis for the first time during the current financial year

The Group has applied all accounting pronouncements adopted by the EU and required to be applied as from 1 January 2015.

IFRIC 21 - Levies

IFRIC 21 is an interpretation of IAS 37. It provides guidance on when an obligation for a levy imposed by a public authority arises and when to account for a provision or a liability. Penalties and public charges, which result from public contracts or are within the scope of other IFRS, such as IAS 12, are not in scope of this interpretation. In accordance with IFRIC 21 a liability for a levy shall be recognised, when the event causing the obligation to pay occurs. This triggering event, which causes the obligation, results from the wording of the underlying regulation. This wording is crucial for the accounting. This new interpretation has no material impact on the ATON GmbH's consolidated financial statements.

Improvements to IFRS 2011 - 2013

As part of this annual improvement project changes within four standards took place. The aim of adapting the wording of those individual IFRS is to clarify the existing regulations. This project affects the standards, IFRS 1, IFRS 3, IFRS 13 and IAS 40. The changes will have no o material impact on ATON GmbH's consolidated financial statements.

New and amended standards and interpretations not applied

The Group did not early adopt the following accounting standards published by the IASB in its consolidated financial statements for the financial year 2015 because the application was not yet mandatory and the endorsement by the EU is still pending.

Standards/ amendments		EU Endorsement	Mandatory application*[1)]	Expected effect
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	Yes	01.01.2016	No material effects
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions	Yes	01.02.2015	None
Amendments to IAS 27	Equity Method in Separate Financial Statements	Yes	01.01.2016	None
Amendments to IAS 1	Disclosure initiative	Yes	01.01.2016	No material effects
Amendments to IAS 16 and IAS 41	Agriculture: Bearer plants	Yes	01.01.2016	None
Amendments to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortisation	Yes	01.01.2016	None
	Improvements to IFRSs (2010-2012)[2)]	Yes	01.02.2015	No material effects
	Improvements to IFRSs (2012-2014)[3)]	Yes	01.01.2016	No material effects
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exemption	Yes	01.01.2016	None
Amendments to IAS 7	Disclosure initiative	No	01.01.2017	Effects are currently being examined
Amendments to IAS 12	Clarification of the requirements on recognition of deferred tax assets for unrealised losses	No	01.01.2017	Effects are currently being examined
IFRS 9	Financial Instruments	No	01.01.2018	Effects are currently being examined
IFRS 14	Regulatory Deferral Accounts	n/a [4)]	01.01.2016	None
IFRS 15	Revenue from Contracts with Customers	No	01.01.2018	Effects are currently being examined
IFRS 16	Leases	No	01.01.2019	Effects are currently being examined
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	No	open	No material effects

* Mandatory application in accordance with IFRSs for financial years beginning on or after the date given
1) In accordance with Section 315a HGB, application is not mandatory for standards and interpretations that have not yet been endorsed by the EU
2) Minor amendments to a number of IFRSs (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38)
3) Minor amendments to a number of IFRSs (IFRS 5, IFRS 7, IAS 19 and IAS 34)
4) IFRS 14 will not be endorsed by the EU

2.3. Scope of consolidation and consolidation principles

The shareholdings of the ATON Group comprise subsidiaries, associates and joint ventures.

Subsidiaries

In addition to ATON GmbH, the consolidated financial statements include all material subsidiaries. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which the Group gains control. When the control ceases, the Group deconsolidates the subsidiary as of this date.

All business combinations are accounted for using the acquisition method. The cost of a business acquisition is measured according to the fair values of the assets acquired and the liabilities entered into or assumed at the date of the acquisition. Acquisition-related costs are recognised as expenses at the date when they are incurred. The identifiable assets acquired in a business combination and the liabilities assumed are measured at their fair value at the date of acquisition, irrespective of the extent of any non-controlling interest in equity. Non-controlling interest is measured either at its fair value (full goodwill method) or at its proportionate share of the fair value of the assets acquired and liabilities assumed. The amount by which the total of the cost of the acquisition, the amount of the non-controlling interest in the business acquired and the fair value of any previously held equity interest at the date of acquisition exceeds the Group's share of the net assets measured at fair value is recognised as goodwill. If the cost of the acquisition is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

After initial recognition, profits and losses are attributed on an unlimited basis in proportion to the shareholdings, which may also result in a negative balance for non-controlling interest.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability are measured in accordance with IAS 39, and a resulting profit or loss is recorded in the income statement.

In cases where business acquisitions are achieved in stages, the equity share acquired before is remeasured at the fair value at the acquisition date. Transactions not resulting in a loss of control are recorded as equity transactions with no effect on profit or loss for non-controlling interest. At the date on which control is lost, all remaining shares are remeasured at their fair value through profit or loss.

Intercompany profit or losses and income, expenses arising from transactions within the scope of consolidation are eliminated, as are receivables and liabilities existing between consolidated companies. Unrealised gains and losses in non-current assets and in inventories arising from intra-Group transactions are removed. Consolidation entries with effect on profit or loss are recorded together with the related deferred tax effect.

Transactions with non-controlling interest that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary resulting from the acquisition of a non-controlling interest is recorded in equity. Gains or losses on disposals to non-controlling interest are also recorded in equity.

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Associates

The ATON Group accounts for investments in associates using the equity method.

An associate is an entity over which the group has significant influence but not control, and which is not an interest in a joint venture. Excluded are investments in associates, which are accounted for under IFRS 5 as non-current assets held for sale and discontinued operations.

Based on the acquisition cost at the time of acquiring the shares in an associate, the relevant book value of the participation is increased or reduced to take account of the proportional profits or losses, reduced by dividends received by ATON Group and movements in other comprehensive income as are allocable to the ATON Group. Goodwill arising from the acquisition of an associate is included in the book value of the investment and is not amortised; rather it is tested for impairment as part of the overall investment in the associate.

If the ATON Group's share of losses of an investment accounted for using the equity method equals or exceeds its interest in the associate, no further losses are recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealised intercompany profits and losses resulting from transactions by the Group companies with associates are eliminated in the profit or loss of the Group companies on a pro-rata basis.

The Group tests at each reporting date whether there is any objective evidence that an impairment loss must be recognised in profit and loss regarding an investment accounted for using the equity method. If such evidence exists, the group calculates the impairment loss as the difference between the book value and the recoverable amount.

Joint arrangements

Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations. The ATON Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method, interests in joint ventures are initially recognised at cost. Thereafter, the carrying amount is adjusted to recognise the Group’s share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group’s share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group’s net investment in the joint ventures), the Group does not recognise further losses. After the interest in a joint venture is reduced to zero, additional losses will only be considered and recognised as debt to the extent, to which the Group has incurred legal or factual obligations, or made payments on behalf of the joint venture.

The Group’s share of unrealised profit from transactions between the Group and the joint venture is eliminated to the extent of the Group’s interest in the joint venture. Unrealised losses are also eliminated on a pro rata basis, unless the transaction provides evidence of an impairment of the asset. The accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adapted by the Group.

The companies included in the consolidated Group as of 31 December 2015 are as follows.

	Germany	International	Total	31.12.2014
Fully consolidated companies	23	53	76	116
Associates	1	1	2	3
Joint ventures	9	3	12	12
Companies within the scope of consolidation	**33**	**57**	**90**	**131**

For a complete overview, please refer to the list of shareholdings.

Investments of minor significance are recognised at the lower of their respective acquisition cost or fair value and are not consolidated. Companies are classified to be of minor significance if their cumulated share of revenue, annual results and total assets amount to less than 1 % of consolidated revenue, annual result and total assets, and therefore, they are not relevant for the presentation of a true and fair view of the Group’s net assets, financial position, and profit or loss, as well as its cash flows.

The following domestic subsidiaries, having the legal form of a corporation or of a partnership within the meaning of Section 264a of the German Commercial Code (Handelsgesetzbuch, “HGB”), have satisfied the necessary conditions in accordance with Section 264 (3) and Section 264b HGB for making use of the exemption provision and therefore do not publish their annual financial statements.

Name of company	Registered office
FFT Produktionssysteme GmbH & Co. KG	Fulda
Reform Maschinenfabrik Adolf Rabenseifner GmbH & Co. KG	Fulda

2.4. Currency translation

The consolidated financial statements are prepared in Euro, the reporting currency of ATON GmbH. The functional currency of the subsidiaries is generally the same as the company's respective national currency since the subsidiaries run their operations independently from a financial, economic and organisational point of view.

Foreign currency transactions in the separate financial statements of the Group companies are translated into the functional currency using the exchange rates at the transaction date. At each reporting date, monetary assets and liabilities whose amount is expressed in a foreign currency are translated at the closing rate. Non-monetary assets and liabilities measured at fair value and whose amount is expressed in a foreign currency are translated at the date on which the fair value is determined. Currency translation gains and losses are recorded in profit or loss. An exception is made in the case of currency translation differences relating to non-monetary assets and liabilities. Changes in whose fair values are recognised directly in equity.

The earnings and balance sheet items of all Group companies with a functional currency other than the Euro are translated into Euro as the reporting currency. The assets and liabilities of the relevant Group companies are translated at the closing rate. Items of income and expenses are translated at average exchange rates for the period. Components of equity are translated at historical rates at the respective dates at which they were initially recognised from the point of view of the Group.

Differences arising with respect to the translation at closing rates are reported separately in equity and in the disclosures in the notes under "Currency translation". Currency translation differences recorded directly in equity while the subsidiary forms part of the Group are reclassified to profit or loss when the subsidiary leaves the scope of consolidation.

Goodwill and fair value adjustments arising from the acquisition of a foreign company are treated as assets and liabilities of the foreign company and translated at the closing rate.

The most important exchange rates for the translation of the financial statements in foreign currencies in relation to the Euro have developed as follows (in each case for 1 EUR).

Country	Currency		2015		2014	
	Units per Euro		Closing rate	Average rate	Closing rate	Average rate
Australia	Dollar	AUD	1.4897	1.4765	1.4829	1.4719
Brazil	Real	BRL	4.3117	3.6916	3.2207	3.1211
China	Renminbi	CNY	7.0608	6.9730	7.5358	8.1857
United Kingdom	Pound	GBP	0.7340	0.7260	0.7789	0.8060
India	Rupee	INR	72.0215	71.1752	76.7190	81.0406
Japan	Yen	JPY	131.0700	134.2875	145.2300	140.3100
Canada	Dollar	CAD	1.5116	1.4176	1.4063	1.4661
Korea	Won	KRW	1,280.7800	1,255.7417	1,324.8000	1,398.1400
Malaysia	Ringgit	MYR	4.6959	4.3315	4.2473	4.3446
Mexico	Peso	MXN	18.9145	17.5995	17.8679	17.6550
Namibia	Dollar	NAD	16.8228	14.1529	14.1016	14.3865
Norway	Krone	NOK	9.6030	8.9417	9.0420	8.3544
Poland	Zloty	PLN	4.2639	4.1828	4.2732	4.1843
Romania	Leu	RON	4.5240	4.4452	4.4828	4.4437
Russian Federation	Ruble	RUB	80.6736	68.0068	72.3370	50.9518
Zambia	Kwacha	ZMW	11.9436	9.6351	7.7298	8.1314
Sweden	Krona	SEK	9.1895	9.3545	9.3930	9.0985
Switzerland	Franc	CHF	1.0835	1.0680	1.2024	1.2146
Singapore	Dollar	SGD	1.5417	1.5251	1.6058	1.6823
South Africa	Rand	ZAR	16.9530	14.1528	14.0353	14.4037
Czech Republic	Koruna	CZK	27.0230	27.2850	27.7350	27.5360
Hungary	Forint	HUF	315.9800	309.8975	315.5400	308.7100
USA	Dollar	USD	1.0887	1.1096	1.2141	1.3285

3. Summary of significant accounting policies

3.1. Goodwill

Goodwill is not amortised but is tested annually for impairment. An impairment test is also carried out during the financial year if events or circumstances (triggering events) occur giving rise to indications of possible impairment. Goodwill is reported on the basis of its purchase cost at the date of acquisition and measured in subsequent periods at its purchase cost less all accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in the context of a business combination is allocated to the cash-generating unit or group of cash-generating units which are expected to benefit from the synergies of the combination. A cash-generating unit is the smallest identifiable group of assets capable of generating cash inflows that are largely independent of the cash inflows from other assets or other groups of assets. If the recoverable amount of a cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated firstly to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets pro rata on the basis of the carrying amount of each asset within the unit. The recoverable amount is the higher of the fair value of the unit less costs to sell and its value in use. As a matter of principle, the ATON Group utilises the value in use of the relevant cash-generating units to determine the recoverable amount. This is based on the current business plan prepared by management, which generally covers a period of three years. Reasonable assumptions are made with respect to the future development of the business for the subsequent years. The cash flows are determined on the basis of the expected growth rates in the relevant sectors and markets. The cash flows after the end of the detailed planning period are estimated using individual growth rates derived from information relating to the particular market of no more than 1 % p.a. Individual discount rates for the particular cash-generating units between 4.1 % and 11.5 % (previous year: 4.9 % and 10.7 %) are used for the purpose of determining the value in use. A goodwill impairment loss recognised in one period may not be reversed in future periods. In the event of the sale of a subsidiary, the associated amount of goodwill is included in the calculation of the gain or loss on disposal. The treatment of goodwill arising on the acquisition of an associate is described under "Associates".

3.2. Other intangible assets

Purchased intangible assets are measured at cost and amortised on a straight-line basis over their economic useful lives. Other intangible assets mainly comprise software, together with patents, licences and similar rights. The expected useful life for concessions, patents and similar rights is generally defined between two and fifteen years and for software between three and five years.

Research costs are expensed in the period in which they are incurred.

The development costs of a project are only capitalised as an intangible asset if the company can demonstrate both the technical feasibility of completing the intangible asset so that it will be available for internal use or sale and also the intention to complete the intangible asset and to use or sell it. It must also demonstrate how the asset will generate future economic benefits, the availability of resources for the purpose of completing the asset and the ability to reliably measure the expenditure attributable to the intangible asset during its development.

The cost of an internally generated intangible asset is the total of the directly attributable direct costs and overheads incurred from the date when the intangible asset first meets the recognition criteria described above. Financing costs are not capitalised except in the case of qualifying assets. Internally generated intangible assets are amortised on a straight-line basis over their economic useful lives of three years. Amortisation in the case of internally generated intangible assets begins when the asset is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management.

In cases where it is not possible to recognise an internally generated intangible asset, the costs of development are expensed in the period in which they are incurred.

Intangible assets acquired in a business combination are recorded separately from goodwill if the fair value of the asset can be reliably measured. The costs of such an intangible asset correspond to its fair value at the date of acquisition. Depreciation is calculated using the straight-line method based on the estimated useful life.

Intangible assets with indefinite useful lives are not amortised but are tested annually for possible impairment. If events or changes in circumstances occur giving indications of possible impairment, impairment testing must be carried out more frequently. Further details of the procedure for annual impairment tests are provided under note 3.4. Impairment of property, plant and equipment and other intangible assets. In the reporting periods presented, intangible assets with indefinite useful lives did not exist in the Group.

3.3. Property, plant and equipment

Items of property, plant and equipment used in the business for longer than one year are recognised at the cost of acquisition or production less straight-line depreciation and accumulated impairment losses. The cost of production comprises all directly attributable costs and appropriate portions of production-related overheads. Investment grants are generally deducted from the cost of the asset. If the production or acquisition of items of property, plant and equipment is spread over a longer period, borrowing costs incurred up to the date of completion are capitalised as a component of cost in conformity with the provisions of IAS 23. If the costs of particular components are significant in relation to the total cost of the item of property, plant and equipment, then those components are capitalised and depreciated separately. The cost of replacing a part of the item of property, plant and equipment is included in the carrying amount of that item at the date when it is incurred, provided that the criteria for recognition are satisfied. The cost of carrying out a major inspection is also recognised in the carrying amount of property, plant and equipment as a replacement, provided that the recognition criteria are met. All other servicing and maintenance costs are recorded immediately in the income statement. Subsequent costs of acquisition or production are only recognised as part of the cost of the asset if it is probable that it will bring future economic benefit to the Group and if the cost of the asset can be reliably determined.

The useful lives of the principal categories of assets of the Group are determined using comparative tables customary in the industry and on the basis of its own past experience, which can be classified as follows:

Property, plant and equipment	Useful life in years
Buildings	10 to 60
Technical equipment and machinery (excluding mining and construction machinery)	5 to 25
Other machinery and equipment	3 to 10
Operating and office equipment	2 to 25

3.4. Impairment of property, plant and equipment and other intangible assets

At each reporting date or the occurrence of respective events, the Group assesses whether there are indications that items of property, plant and equipment and intangible assets might be impaired. If such indications are identified, the recoverable amount of the asset is estimated in order to determine the extent of an impairment loss. The recoverable amount is calculated as the higher of the fair value less costs to sell ("net realisable value") and the present value of the expected net cash inflows from the continuing use of the asset ("value in use"). Where a forecast of the expected cash inflows for an individual asset is not possible, the cash inflows are estimated for the next larger group of assets, which generates cash inflows that are largely independent of those from other assets, (cash-generating unit) to which the asset belongs to.

For the purpose of estimating value in use, the estimated future cash flows are discounted to their present value using a pre-tax rate of interest. If the estimated recoverable amount of an asset (or of a cash-generating unit) falls below its carrying amount, the carrying amount of the asset (or of the cash-generating unit) is reduced to the recoverable amount. First, any goodwill allocated to the cash-generating unit is impaired and any remaining impairment loss is then allocated to the other assets of the unit on the basis of the carrying amount of each asset in the unit.

The impairment loss is recognised immediately in the income statement. If the impairment loss is subsequently reversed, the carrying amount of the asset (or of the cash-generating unit) is increased to the updated estimate of the recoverable amount. The carrying amount resulting from this increase must not exceed the carrying amount that would have been determined for the asset (or the cash-generating unit) if an impairment loss had not been recognised in previous periods. The reversal of an impairment loss is recorded immediately in the income statement. Impairment losses recognised in respect of goodwill may not be reversed.

Internally generated intangible assets that have not yet been completed are tested for impairment at least once a year.

3.5. Cash and cash equivalents

Cash reported in the consolidated statement of financial position comprises cheques, cash-in-hand and balances with banks with an original maturity of up to three months. Cash equivalents reported in the balance sheet consist of short-term, highly liquid financial assets that can be converted into specified amounts of cash at any time and are exposed only to insignificant risks of fluctuations in value. Cash and cash equivalents are measured at amortised cost. Cash funds in the consolidated statement of cash flows are defined in accordance with the above definition.

3.6. Investment properties

This item refers to property held for the purpose of generating rental income and/or increase in value (including property being constructed or developed and intended for such purposes). Investment properties are initially recognised at cost, including transaction costs. In subsequent periods, investment properties are recorded at amortised cost net of accumulated straight-line depreciation and impairment losses. The useful life is between 50 and 60 years. Unchanged to prior year as of 31 December 2015 no investment properties exist.

3.7. Leases

The Group as lessee

Leases are classified as finance leases if substantially all of the risks and rewards associated with the ownership of the asset are transferred to the lessee under the lease agreement. All other leases are classified as operating leases. The rules described in this section also apply to sale and leaseback transactions.

Assets held under the terms of a finance lease are initially recognised as assets of the Group at their fair value at the start of the lease or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is reported in the balance sheet as an obligation from finance leases. The lease payments are divided into interest expense and repayment of the lease commitment in such a way that the interest on the remaining liability remains constant. The interest expense is recorded directly in the income statement. Contingent rents are recognised as an expense in the period in which they arise.

Rental payments under operating leases are expensed on a straight-line basis over the term of the lease, unless another systematic basis is more representative of the time pattern of the lessee's benefit. Contingent rents under the terms of an operating lease are recorded as an expense in the income statement in the period in which they arise.

In cases where incentives to enter into an operating lease have been received, those incentives are recorded as a liability. The cumulative benefit of incentives is recognised on a straight-line basis as a reduction of the rental payments, unless another systematic basis is more representative of the time pattern of the benefit from the leased asset.

The Group as lessor

Leases under which substantially all the risks and rewards of ownership are retained by the Group are classified as operating leases. The leased assets continue to be capitalised by ATON Group as fixed assets. Initial direct costs incurred in negotiating and concluding a lease agreement are added to the carrying amount of the leased asset and expensed over the term of the lease agreement in a manner corresponding to the recognition of the rental income. Contingent rents are recorded in the period in which they are generated.

3.8. Reparable aircraft spare parts

For the purpose of measuring reparable aircraft spare parts, the spare parts are allocated to the individual aircraft models and depreciated over the remaining useful life of the respective aircraft model, taking into account estimated residual values. Residual values and useful lives are reviewed at each reporting date. Changes in the residual values and their effects on annual depreciation charges are reflected prospectively in accordance with IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors" in the period of the change and the subsequent periods.

3.9. Inventories

Inventories are valued at the lower of acquisition or production cost and their net realisable value on the reporting date. The net realisable value is the estimated selling price in the ordinary course of business less direct selling costs and directly attributable production costs still to be incurred. If the net realisable value is lower than the carrying amount, an impairment loss is recognised.

The cost of raw materials, consumables and supplies is mainly determined at average purchase prices, which are calculated on the basis of a moving average.

In addition to direct material costs, direct labour costs and special direct costs, the production costs of unfinished and finished goods include all directly attributable production-related overheads. General administrative costs and financing costs are not capitalised, except in the case of a qualifying asset. The production costs are determined on the basis of normal production capacity.

The purchasing cost of merchandise also includes incidental costs of purchase.

3.10. Non-current assets held for sale and disposal groups

Non-current assets or disposal groups are classified as held for sale if the associated carrying amount is mainly intended to be realised by means of a sale and not from continuing use. This condition is considered to have been satisfied only if the sale is highly probable and the asset (or the disposal group) is available for immediate sale in its current condition. Management must be committed to a plan for the sale of the asset (or the disposal group) and must have initiated an active programme to locate a buyer and to implement the plan. In addition, the asset (or the disposal group) must be actively marketed at a price that is reasonable in relation to its current fair value. There must be an expectation that this will result in the recognition of a completed sale transaction within one year of such classification. Depreciation is suspended in such cases. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their original carrying amount and their fair value less costs to sell.

3.11. Financial assets

Financial assets are divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial investments, loans and receivables, and available-for-sale financial assets. Management determines the classification of the financial assets at initial recognition.

Financial assets are initially measured at fair value. In the case of financial investments other than those classified as at fair value through profit or loss, transaction costs directly attributable to the purchase of the asset are also included in the carrying amount.

All purchases and sales of financial assets customary in the market are recorded in the financial statements at the trade date, i.e. the date on which the Group has entered into the obligation to buy or sell the asset.

Financial assets at fair value through profit or loss (FAHfT)

The category of financial assets at fair value through profit or loss comprises financial assets held for trading purposes and those designated as at fair value through profit or loss on initial recognition. Financial assets are classified as held for trading if they are acquired for the purposes of sale in the near future. Derivatives for which hedge accounting is not applied are also classified as held for trading. Financial assets are measured at fair value in subsequent periods. Gains or losses from financial assets held for trading and changes in the fair value of financial investments designated into this category are recorded in profit or loss. No financial assets were designated as at fair value through profit or loss during the financial year.

Held-to-maturity investments (HtM)

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates are classified as held-to-maturity investments if the Group has the intention and ability to hold them to maturity. After initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recorded in the income statement for the period when the investments are derecognised or impaired, and also in relation to the amortisation process.

Loans and receivables (LaR)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. After initial recognition, loans and receivables are measured at amortised cost using the effective interest method less any impairment losses. Gains and losses are recorded in the income statement for the period when the loans and receivables are derecognised or impaired, and also in relation to the amortisation process.

Interest expenses arising from the sale of receivables are included in the financial result. Management fees are reported in other operating expenses.

Cash and cash equivalents, including cash accounts and short-term deposits with banks, have a remaining maturity of up to three months on initial recognition and are measured at amortised cost.

Available-for-sale financial assets (AfS)

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or have not been classified into one of the three previously mentioned categories. After initial recognition, available-for-sale financial assets are measured at fair value. Unrealised gains or losses are recorded directly in equity. If a financial asset in this category is derecognised or impaired, the accumulated gain or loss previously recorded directly in equity is recognised in the income statement.

Fair value

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal or most advantageous market at the measurement date under current market conditions. It is regardless whether that price is directly observable or estimated using another valuation technique. Those valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, reference to the current fair value of another financial instrument that is substantially the same, discounted cash flow analysis and the use of other valuation models incorporating current market parameters.

Fair value hierarchy

The measurement and presentation of the fair values of financial instruments is based on a fair value hierarchy that categorises the valuation techniques and input factors used to measure fair value into three levels.

Level 1: Quoted prices (adopted unchanged) on active markets for identical assets and liabilities.

Level 2: Input data for the asset or liability observable either directly or indirectly which do not represent quoted prices according to level 1. The fair values of level 2 financial instruments are determined on the basis of the conditions prevailing at the end of the reporting period, such as exchange rates or interest rates, and using recognised valuation models.

Level 3: Input data for the asset or liability not based on observable market data (unobservable input data).

Amortised cost

Held-to-maturity investments as well as loans and receivables are measured at amortised cost. Amortised cost is determined using the effective interest method less any valuation allowances and taking into account discounts and premiums on acquisition, and includes transaction costs and fees that form an integral part of the effective interest rate.

Impairment of financial assets

At each reporting date, the Group tests whether there are objective indications that a financial asset or a group of financial assets may be impaired. A financial asset or a group of financial assets is impaired only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and if that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

A potential impairment loss is assumed to exist in respect of assets measured at amortised cost (LaR and HtM) in the case of certain events such as failure to make payments over a particular period, the initiation of enforcement measures, impending insolvency or over indebtedness, an application for or initiation of bankruptcy proceedings or the failure of a restructuring program.

If an impairment of assets measured at amortised cost has occurred, the amount of the impairment loss is calculated as the difference between the carrying amount of the asset and the present value of the expected future cash flows (with the exception of expected future loan defaults that have not yet occurred), discounted at the original effective interest rate of the financial asset, i.e. the effective interest rate determined on initial recognition. For trade and other receivables the carrying amount of the asset is reduced using a valuation allowance account and for other assets the carrying amount is directly reduced. The impairment loss is recorded in the income statement. Valuation allowances are created in the form of individual valuation allowances. The receivables are derecognised if they are classified as uncollectible, i.e. a cash inflow is no longer expected to occur.

If the amount of the impairment loss decreases in the subsequent reporting periods and if this decrease can be objectively attributed to an event that occurred after the impairment loss was recorded, the impairment loss previously recognised is reversed. However, the revised carrying amount of the asset may not exceed its amortised cost at the date of the reversal. The reversal is recorded in profit or loss.

If the value of an available-for-sale financial asset is impaired, an amount equal to the difference between the acquisition cost of the asset measured at amortised cost (less any principal repayments and amortisation) and its current fair value (less any impairment losses previously recognised in the income statement) is reclassified into profit or loss from the amount previously recorded in equity. Reductions in impairment losses of equity instruments classified as available for sale may not be recognised in profit or loss. Reductions in impairment losses of debt instruments classified as available for sale are recognised in profit or loss if the increase in the fair value of the instrument can objectively be related to an event occurring after the impairment loss was recognised in the income statement.

In contrast, available-for-sale equity investments for which there is no quoted value on an active market and the fair value cannot be determined otherwise are measured at cost in subsequent periods. If the recoverable amount is lower than the carrying amount at the reporting date, an impairment loss is recognised in the income statement. Impairment losses recognised in profit and loss for an investment in an equity instrument classified as available for sales are not reversed through profit and loss.

3.12. Financial liabilities

Financial liabilities are classified either as financial liabilities at fair value through profit or loss or other financial liabilities measured at amortised cost.

Financial liabilities are measured at their fair value on initial recognition. Directly attributable transaction costs are also recognised in the case of financial liabilities not subsequently measured at fair value through profit or loss.

Financial liabilities at fair value through profit or loss (FLHfT)

The category of financial liabilities at fair value through profit or loss comprises financial liabilities held for trading purposes and those designated as at fair value through profit or loss on initial recognition. Financial liabilities are classified as held for trading if they are entered into with a view to their purchase in the near future.

Derivatives for which hedge accounting is not applied are also classified as held for trading. Financial liabilities are measured at fair value in subsequent periods and gains or losses are recorded in the income statement. No financial liabilities were designated as at fair value through profit or loss during the financial year.

Amortised cost

Trade payables and other non-derivative financial liabilities are generally measured at amortised cost using the effective interest method.

3.13. Derecognition of financial assets and financial liabilities

Financial assets

A financial asset (or a portion of a financial asset or a portion of a group of similar financial assets) is derecognised if one of the three following preconditions is met:

- The contractual rights to receive the cash flows from a financial asset have expired.
- While the Group retains the rights to receive the cash flows from a financial asset, it assumes a contractual obligation to pay the cash flows immediately to a third party under an arrangement that satisfies the conditions of IAS 39.19 (pass-through arrangement).
- The Group has transferred its contractual rights to receive the cash flows from a financial asset and in doing so has transferred substantially all the risks and rewards associated with ownership of the financial asset or, while it has neither transferred nor retained substantially all the risks and rewards associated with ownership of the financial asset, has nevertheless transferred control over the asset.

If the Group transfers its contractual rights to the cash flows from an asset, neither transfers nor retains substantially all the risks and rewards associated with ownership of that asset and at the same time also retains control over the transferred asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. When the continuing involvement takes the form of guaranteeing the transferred asset, the extent of the continuing involvement is the lower of the original carrying amount of the asset and the maximum amount of the consideration received that the Group could be required to repay. When the continuing involvement takes the form of a written and/or a purchased option on the transferred asset (including an option settled in cash or by a similar method), the extent of the Group's continuing involvement is the amount of the transferred asset that it may repurchase. However, in the case of a written put option (including an option settled in cash or by a similar method) on an asset that is measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the exercise price of the option.

Financial liabilities

A financial liability is derecognised when the underlying obligation is discharged or cancelled or has expired. If an existing financial liability is exchanged for another financial liability of the same lender with substantially different terms or if the terms of an existing liability are substantially modified, such exchange or modification is accounted for as a derecognition of the original liability and the recognition of a new liability. The difference between the respective carrying amounts is recognised in profit or loss.

3.14. Derivative financial instruments

The Group uses derivative financial instruments such as forward exchange contracts and options in order to hedge against currency risks. These derivative financial instruments are recorded at their fair value at the date of inception of the contract and measured at their fair value in subsequent periods. Derivative financial instruments are recognised as assets if they have a positive fair value and as liabilities if their fair value is negative. Gains and losses from changes in the fair value of derivative financial instruments that do not meet the criteria for hedge accounting are recognised immediately in the income statement. The fair value of forward exchange contracts and options is calculated using recognised valuation models with reference to current market parameters.

Cash flow hedges are used to hedge the risk of fluctuations in the future cash flows associated with a recognised asset, a recognised liability or a highly probable forecast transaction. In the case of a cash flow hedge, unrealised gains and losses on the hedging instrument are initially recorded in other comprehensive income after reflecting deferred taxes. They are reclassified into the income statement only when the hedged item affects profit or loss. If forecast transactions are hedged and those transactions result in the recognition of a financial asset or a financial liability in subsequent periods, the amounts recorded in equity up to that date are reclassified into profit or loss in the same period in which the asset or the liability affects profit or loss. If the transactions result in the recognition of non-financial assets or liabilities, such as the purchase of property, plant and equipment, the amounts recorded directly in equity are included in the initial carrying amount of the asset or the liability.

IAS 39 stipulates the conditions under which hedge accounting may be applied. Among other things, they must be documented in detail and effective. A hedge is regarded as effective within the meaning of IAS 39 if changes in the fair value of the hedging instrument are within a range of 80 % to 125% of the contrary changes in the fair value of the hedged item, both prospectively and retrospectively. Only the effective portion of a hedge may be accounted for in accordance with the rules described. The ineffective portion is recorded immediately in the income statement.

If the contracts contain embedded derivatives, the derivatives are accounted for separately from the underlying contract, unless the economic characteristics and risks of the embedded derivative are closely related to those of the underlying contract.

Written options for the purchase or sale of non-financial items that can be settled in cash are not own-use contracts.

3.15. Provisions

A provision is recognised if the Group has a present obligation (legal or constructive) as a result of a past event, an outflow of resources embodying economic benefits to settle the obligation is probable (more likely than not) and the amount of the obligation can be estimated reliably. If the Group expects reimbursement in respect of at least a portion of a provision recognised (such as in the case of an insurance policy), the reimbursement is recognised as a separate asset to the extent to which it is virtually certain that the reimbursement will be received. The expense from the recognition of the provision is reported in the income statement net of the reimbursement. If the interest effect from discounting is material, provisions are discounted at a pre-tax interest rate which reflects the specific risks for the liability. In the event of discounting, the increase in the provision over time is recorded as a financial expense.

3.16. Employee benefits

Pension obligations

The Group has both defined benefit and defined contribution pension plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions to a company (fund) which is not a part of the Group. The Group has no legal or constructive obligation to make further payments if the fund does not have sufficient assets to pay all of the employees' pension entitlements from the current and previous financial years. In contrast, defined benefit plans typically specify an amount of pension benefits that an employee will receive on retirement and which is generally dependent on one or more factors such as age, years of service and salary.

The provision recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The measurement of the obligation in the statement of financial position is based on a number of actuarial assumptions. Assumptions are required to be made, in particular, about the long-term salary and pension trends as well as the average life expectancy. The assumptions about salary and pension trends are based on developments observed in the past, and take into account the level of interest rates and inflation in the particular country and the respective developments in the labour market. Recognised biometric bases for actuarial calculations are used to estimate the average life expectancy. The interest rate used for discounting the future payment obligations is derived from currency and term congruent high-quality corporate bonds.

Remeasurements arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income in equity in the period in which they arise. Past-service cost is recognised immediately in profit or loss.

Pension expenses are included in the personnel expenses with the exception of interest components which are included in the financial result.

In the case of defined contribution plans, the Group pays contributions to state or private pension insurance plans either on the basis of statutory or contractual obligations, or voluntarily. The Group has no further payment obligations once the contributions have been paid. The amounts are recorded in personnel expenses when they become due. Prepayments of contributions are recognised as assets to the extent that a right exists to a refund or a reduction in future payments.

Termination benefits

Termination benefits are paid if employment is terminated by a Group company before the employee reaches the regular retirement age or if an employee leaves the company voluntarily against a compensation payment. The Group recognises severance payments when it is demonstrably committed to terminate the employment of current employees in accordance with a detailed formal plan which cannot be withdrawn, or when it is demonstrably required to make severance payments as a result of voluntary termination of employment by employees. Payments that are due more than twelve months after the reporting date are discounted to their present value.

3.17. Revenue recognition

Revenue is measured at the fair value of the consideration received or to be received, less any expected customer returns, discounts and other similar deductions. The Group recognises revenue when the amount of the revenue can be reliably determined, when it is probable that future economic benefits will flow to the entity as a result and when the specific criteria for each type of activity set out below have been satisfied.

Sale of goods

Revenue from the sale of goods is recognised when the following conditions have been met:

- the Group has transferred the significant risks and rewards of ownership of the goods to the buyer,
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods and products sold,
- the amount of the revenue can be measured reliably,
- it is probable that the economic benefits associated with the transaction will flow to the entity, and the costs incurred or yet to be incurred in connection with the sale can be measured reliably.

Rendering of services

Revenue from service agreements is recognised as income by reference to the stage of completion of the transaction. The result of this is that contract income is recorded in the reporting period in which the service was rendered. For information on the determination of the stage of completion, please refer to the details provided under Note 3.18. Construction contracts.

Royalties

Income from royalties is recorded on an annual basis in accordance with the economic substance of the relevant agreement. Time-based royalties are recognised over the period of the agreement on a straight-line basis. Income from royalty agreements based on production, sales or other measures is recognised in accordance with the underlying agreement.

Dividends and interest

Dividend income from shares is recognised when the shareholder's legal right to receive payment is established. Interest income is recognised on an accruals basis according to the amount of the principal outstanding using the applicable effective interest rate. The effective interest rate is the interest rate that exactly discounts the expected future cash inflows over the life of the financial asset to the net carrying amount of that asset.

Rental income

Income from leasing and rental income from operating leases are recorded on a straight-line basis over the rental period, provided that the Group is the economic owner.

3.18. Construction contracts

The Group mainly develops engineering services projects, machinery manufacturing projects and tunnel construction projects as long-term construction contracts, which are measured in accordance with the percentage of completion (PoC) method if the contract revenues and expenses can be reliably determined. A distinction is made between fixed price contracts and cost plus contracts. If the criteria for applying the percentage of completion method in accordance with IAS 11 for a fixed price contract or a cost plus contract, respectively, are satisfied, then the contract income and contract costs associated with this construction contract are allocated to the financial years in accordance with the stage of completion.

The percentage of completion is determined by the ratio of the contract costs incurred by the reporting date to the total contract costs estimated at the reporting date (cost-to-cost method). Contract costs include costs directly attributable to the contract, all indirect costs of general contracting activity that can be attributed to the contract and other costs specifically charged to the customer. If the projects are developed over a longer period of time, borrowing costs incurred before completion may be included in the contract costs in accordance with the conditions of IAS 23. Changes to contractual work, claims and incentive payments are included to the extent that they have been agreed with the customer. Individual construction contracts are subdivided or combined if specific criteria are satisfied.

If the outcome of the construction contract cannot be reliably estimated and the percentage of completion method may therefore not be applied, contract revenue is recognised only to the extent of the contract costs incurred that are expected to be recoverable. Contract costs are recognised as an expense in the period in which they arise. If it is probable that the total contract costs will exceed total contract revenue, the total expected loss must immediately be recorded as an expense and a provision for a loss-making contract is recognised. The gross amount due from customers for contract work comprises the net amount of the costs incurred plus profits recognised, less the total losses recognised and the partial billings for all contracts in progress, for which the costs incurred plus profits recognised exceed the partial billings. If the partial billings are higher, the contract represents an amount due to the customer. The gross amount due from customers for contract work is reported in the statement of financial position within the item "Trade and other receivables". The gross amount due to customers from contract work is included in "Trade and other payables".

3.19. Borrowing costs

Borrowing costs that can be directly allocated to the acquisition, construction or production of a qualifying asset are capitalised as a component of the acquisition or production cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred, if they are not also required to be capitalised under IAS 23.

3.20. Government grants

Government grants are recognised only when there is reasonable assurance that the Group will comply with the conditions attached to the grants and that the grants will also be received.

Government grants whose most important condition is the purchase, construction or other acquisition of non-current assets are recorded as a deduction from the acquisition or production cost of the asset. Other government grants are recognised as income over the period necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants received as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are offset against the expenses incurred in the period in which the entitlement is established.

3.21. Income taxes

The income tax expense for the period comprises current and deferred taxes.

Current taxes

The current tax expense for each entity liable to tax is derived from its taxable income. The Group's current tax liability is calculated on the basis of the applicable tax rates.

Deferred taxes

Deferred taxes are recognised for all temporary differences between the tax base of the assets and liabilities and their carrying amounts in the consolidated financial statements (balance sheet-oriented liability method). Deferred taxes are not recognised if the temporary differences arise from the initial recognition of goodwill or (except in the case of business combinations) of other assets and liabilities resulting from transactions that do not affect either taxable income or the net profit for the year.

Deferred tax assets and liabilities are generally recognised for all taxable temporary differences. When deferred tax assets exceed deferred tax liabilities, they are only recognised to the extent to which taxable income will probably be available against which the deductible temporary differences can be utilised, and where the assumption can be made that they will reverse in the foreseeable future.

Deferred tax liabilities are recognised for taxable temporary differences arising from investments in subsidiaries or associates as well as investments in joint ventures, unless the Group can control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are calculated on the basis of the tax rates (and the tax laws) expected to be applicable at the date when the liability is settled or the asset is realised. The measurement of deferred tax assets and liabilities reflects the tax consequences that would arise from the manner in which the Group expects at the reporting date to settle the liability or to realise the asset. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities, and if they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis. Additionally, deferred tax assets for tax losses carried forward are recognised, if their use in following periods is expected to reduce tax payments.

Current and deferred taxes for the period

Current and deferred taxes are recorded as income or expenses unless they relate to items recognised directly in equity. In this event, the tax is also recorded directly in equity. In addition, tax effects are not recognised in the income statement if they result from the initial recognition of a business combination. In the case of a business combination, the tax effect is reflected in the calculation of the goodwill or in the determination of the excess of the acquirer's share of the fair value of the identifiable assets, liabilities and contingent liabilities of the business acquired over the cost of the business combination.

4. Estimates and assumptions

In preparing the consolidated financial statements, estimates and assumptions are made to a certain extent that affect the amount and presentation of the assets and liabilities recognised, the income and expenses and the contingent liabilities for the reporting period. The premises underlying the estimates and assumptions are based on the state of knowledge available at the time in the particular case. Due to the uncertainty associated with these estimates and assumptions, however, outcomes may occur which result in future adjustments to the carrying amounts of the assets and liabilities affected.

The material estimates listed below and the associated assumptions together with the uncertainties attaching to the accounting policies adopted are central to an understanding of the risks underlying the financial reporting and the effects that those estimates, assumptions and uncertainties may have on the financial statements.

Estimates are especially necessary in the case of the assets and liabilities referred to below and the associated income and expenses.

Business combinations

The measurement of items of property, plant and equipment and intangible assets acquired as part of a business combination requires estimates to be made for determining their fair value at the date of acquisition. The expected useful lives of the assets must also be estimated. The determination of the fair value of assets and liabilities and of the useful lives of the assets is based on the management's assessments.

Impairment of goodwill

The Group tests goodwill for possible impairment at least once a year. The calculation of the recoverable amount of a business area to which goodwill has been allocated requires estimates to be made by management. The Group generally determines these amounts using valuation techniques based on discounted cash flows. These cash flows are based on three-year forecasts derived from financial projections approved by management. The forecasts take into account past experience and are based on management's best estimate of future developments. The most important assumptions underlying the determination of the discounted cash flows comprise estimated growth rates, weighted interest rates and tax rates. These premises can have a significant effect on the relevant amounts and therefore on the extent to which goodwill is impaired.

Impairment of property, plant and equipment and intangible assets

The identification of indications that an asset may be impaired, the estimation of future cash flows and the determination of the fair values of assets or groups of assets require significant assessments by management regarding the identification and review of signs of impairment, the expected cash flows, the appropriate discount rates, the respective useful lives and any residual values.

Revenue recognition for construction contracts

Some companies, in particular EDAG Engineering GmbH, Wiesbaden (EDAG; deconsolidation in December 2015), FFT GmbH & Co. KGaA (FFT), J.S. Redpath Holdings Inc. (Redpath) and their subsidiaries, conduct a significant portion of their business with customers in the form of construction contracts. In the plant construction project business, revenue is generally recognised in accordance with the stage of completion of the project using the percentage of completion method. The principal factors that have to be estimated for the purpose of determining the stage of completion include the total contract costs and revenue, as well as the contract risks. The companies constantly review all estimates made in connection with such construction contracts and adjust them where necessary.

Trade and other receivables

The Group recognises valuation allowances for doubtful receivables in order to reflect imminent losses resulting from customers' inability to pay. Management assesses the appropriateness of valuation allowances based on the maturity structure of the outstanding balances, the analysis of historical bad debts, the customer's creditworthiness, current economic developments and changes in the payment terms and conditions. In the event that the customer's liquidity position deteriorates, the extent of actual losses on receivables may exceed the imminent losses.

Pensions and other post-employment benefits

The obligation from defined benefit plans and other post-employment benefits is determined on the basis of actuarial calculations. The actuarial measurement is based on assumptions with respect to discount rates, future wage and salary increases, biometric bases and future increases in pensions.

The discount factors applied reflect the interest rates achievable at the reporting date for currency and term congruent high-quality corporate bonds. As a result of the changing situation in the market and the economy and the long-term orientation of these pension plans, the underlying premises may differ from the actual development, which may significantly affect the obligations for pensions and other post-employment benefits.

For a sensitivity analysis showing how the defined benefit obligation would have been affected by changes in the significant actuarial assumptions, reference is made to Note 27 **Provisions for pensions**.

Provisions

The determination of provisions for imminent losses from onerous contracts, provisions for warranties and provisions for litigation is dependent to a considerable extent on estimates of the likelihood of a future outflow of resources, as well as on past experience and the circumstances known at the reporting date. Because of the uncertainties associated with this assessment, actual losses may differ from the original estimates and therefore from the amount of the provision.

A significant portion of the business of EDAG (deconsolidation in December 2015), FFT, Redpath and their subsidiaries is conducted in the form of long-term contracts. The Group recognises a provision for imminent losses from onerous contracts if the current estimate of the total contract costs exceeds the expected revenue from the relevant contract. These estimates are subject to revision in the light of new information as the project progresses. The companies identify onerous contracts by constantly monitoring the progress of the project and updating the calculation of total contract costs.

Leases

Assets and liabilities from finance leases are initially recognised at the lower of their fair value and the present value of the minimum lease payments. The determination of the fair value generally requires estimates to be made with respect to the cash flows from the use of the leased asset and with respect to the discount rate applied. The present value of the minimum lease payments is calculated using the lessor’s internal rate of return. If the lessor’s internal rate of return is not available, it is derived from the interest rate at which the total lease payments including any unguaranteed residual value must be discounted in order for the resulting present value to be equal to the fair value of the leased asset at the inception of the lease. The estimate of the unguaranteed residual value requires assumptions to be made which may differ from the actual residual value on expiry of the lease.

Fair value of derivative financial instruments

The fair value of financial instruments not traded on an active market is determined by applying appropriate valuation techniques, which are selected from a variety of methods. The underlying assumptions are based, to the greatest possible extent, on market conditions existing on the balance sheet date.

Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised. The tax benefit from the utilisation of deferred tax assets depends on the ability to generate sufficient future taxable income relating to the particular type of taxation and tax jurisdiction, taking into account any statutory restrictions relating to minimum taxation or a maximum period for which tax losses may be carried forward. The assessment of the probability that deferred tax assets will be utilisable in future is based on a number of factors, such as past results of operations, operating business plans, or tax planning strategies. If actual results differ from these estimates or if adjustments to the estimates are necessary in future periods, this may have a negative impact on the results of operations, net assets and financial position. If there is a change in the assessment of the recoverability of deferred tax assets, the deferred tax assets are written down through profit or loss or other comprehensive income – according to their original recognition – or, respectively, impaired deferred tax assets are recognised through profit or loss or directly in equity.

5. Changes in the scope of consolidation

EDAG Immobilien spol. s r.o., Mladá Boleslav, Czech Republic, was merged with EDAG Engineering CZ spol. s r.o., Mladá Boleslav, Czech Republic with retrospective effect as of 1 January 2015.

EDAG Testing Solutions GmbH, Munich, was merged with EDAG Engineering GmbH, Wiesbaden with retrospective effect as of 1 January 2015.

On 20 January 2015, Redpath Greece Private Company was founded in Athens, Greece. Redpath Greece Private Company is a 100 % subsidiary of J.S. Redpath Holdings Inc. and is included in the scope of full consolidation in the consolidated financial statements.

Rücker Gesellschaft m.b.H., Grambach, Austria was liquidated on 28 February 2015.

With effect from 16 March 2015, BFFT Hungary Kft., Györ, Hungary was deleted by right from the commercial register. The company was included at cost.

On 26 March 2015, BFFT Italia S.R.L., Bologna, Italy, was founded and included in the scope of consolidation since its foundation.

With effect from 31 March 2015, Star Design (UK) Ltd., Cambridge, UK was deleted by right from the commercial register. The company was included at cost.

With the sales agreement of 2 April 2015 and with effect as of 30 April 2015, the operative business of iSILOG GmbH, Baden-Baden, was acquired. The acquisition was effected in such a way that, in the process of the transfer, EDAG Production Solutions GmbH & Co. KG acquired certain individual assets and took over the employees necessary and useful for carrying on the business. The acquisition costs amounted to EUR 1,400k. The actual cash outflow amounted to EUR 1,161k.

The following table sets out the assets and liabilities identified for the acquisition of the company and assumed at the time of acquisition:

in EUR '000	IFRS carrying amounts at date of acquisition	Purchase price allocation	Fair values at date of acquisition
Intangible assets	196	873	1,069
Property, plant and equipment	24	-	24
Non-current assets	**220**	**873**	**1,093**
Trade and other receivables	19	-	19
Current assets	**19**	**-**	**19**
Total assets	**239**	**873**	**1,112**
Provisions	3	-	3
Trade payables	50	-	50
Other current liabilities	40	-	40
Total liabilities	**93**	**-**	**93**
Net assets acquired	**146**	**873**	**1,019**

The following table gives an overview of the purchase price allocation of the operating business acquisition of iSILOG GmbH:

in EUR '000	2015
Attributable fair value of the purchase price for the net assets	1,354
Net assets at book value	145
Difference	**1,209**
Adjustment to fair value	
Software	873
Goodwill	**336**

Synergies from the asset deal with iSILOG GmbH result from the experience and expertise of the employees in the field of process and distribution logistics. Of the goodwill, EUR 323k is tax-deductible. Subsequent amendments may be made as a result of variable purchase price shares. The income and profit or loss from the acquisition of the business since the acquisition date cannot be disclosed, as the business has been completely integrated into the legal entity EDAG Production Solutions GmbH & Co. KG.

On 16 June 2015, REFORM Grinding Technology GmbH, a 100 % subsidiary of REFORM Maschinenfabrik Adolf Rabenseifner GmbH & Co. KG based in Fulda, was founded and is included in the scope of full consolidation in the consolidated financial statements. Its corporate purpose is the development, construction, production and the distribution of machine tools of all kinds, machine tool modules, tools, standard parts and all associated peripheral equipment up to the turnkey factory plant with all the associated services and herewith related business.

As of 14 September 2015 ATON GmbH founded EDAG Engineering Sub-Holding AG. Based on a contribution agreement in kind all shares in EDAG Engineering Holding GmbH have been contributed into EDAG Engineering Sub-Holding AG.

As of 2 November 2015 EDAG Engineering Group AG was established by ATON GmbH. Based on a grant contract all shares of EDAG Engineering Sub-Holding AG has been contributed without consideration into capital reserves of EDAG Engineering Group AG on 1 December 2015.

As of 2 December 2015, EDAG Engineering Group AG went public and ATON GmbH sold 40.25 % of its shares. Due to the existing voting rights agreement dated 4 November 2015 between ATON GmbH and EDAG Engineering Group AG, ATON GmbH lost control over EDAG Engineering Group AG during the initial public offering. Consequently, EDAG Engineering Group AG and all its subsidiaries have been deconsolidated with ATON Group as of 2 December 2015, which downsized the number of consolidated companies significantly. EDAG Engineering Group AG is now accounted for as an investment in associates using the equity method.

Regarding the income from deconsolidation of we refer to note 8**.** Other operating income.

On 17 December 2015 ATON Austria Holding GmbH was established as a 100 % affiliate of ATON GmbH.

In the context of the liquidation of Augsburg Airways GmbH the shares in AAM Haltergesellschaft Nr. 1 mbH and Augsburg Airways Flugzeugbeteiligung Nr. 1 GmbH & Co. KG have been passed to the shareholder AT Aviation GmbH. Thereafter AAM Haltergesellschaft Nr. 1 mbH was merged to AT Aviation GmbH based on the merger agreement dated 22 December 2015. As a consequence of this merger AAM Haltergesellschaft Nr. 1 mbH as general partner of Augsburg Airways Flugzeugbeteiligung Nr. 1 GmbH & Co. KG ceased to exist. As a consequence the latter merged to AT Aviation GmbH under commercial law.

The request of cancellation of the company Augsburg Airways GmbH was filed at the commercial register on 22 December 2015.

6. Revenue

The break down of reported revenue is as follows:

in EUR '000	2015	2014
Revenue from rendering of services	1,309,577	1,435,864
Revenue from construction contracts	488,454	403,963
Revenue from sales of goods	318,946	315,313
Other operating revenue	5,713	2,670
Revenue	**2,122,690**	**2,157,810**

The table below shows the revenue by geographical area:

in EUR '000	2015	2014
Germany	894,594	937,907
Europe (excluding Germany)	408,485	364,046
North America	336,496	295,647
South America	29,590	41,549
Australia	70,000	151,932
Asia	293,099	301,161
Africa	90,426	65,568
Revenue	**2,122,690**	**2,157,810**

Revenue was allocated to the business segments as follows:

in EUR '000	2015	2014
AT Engineering *	1,287,660	1,281,890
AT Mining *	465,770	510,169
AT Med Tech	295,546	283,255
AT Aviation	74,290	83,245
Holding/Consolidation	- 576	- 749
Revenue	**2,122,690**	**2,157,810**

* Against the background of the advanced integration of Deilmann-Haniel Mining Systems GmbH as a plant engineer and manufacturer of machinery with other companies of the business segment AT Engineering, the company was reclassified from the business segment AT Mining in to the business segment AT Engineering during financial year 2015. Prior year segment information has been adjusted in accordance with requirements within IFRS 8 for the purpose of maintaining comparability.

7. Changes in inventories and own work capitalised

Changes in inventories and own work capitalised break down as follows:

in EUR '000	2015	2014
Changes in inventories of goods and services	5,080	-10,904
Own work capitalised	3,013	3,171
Changes in inventories and own work capitalised	**8,093**	**-7,733**

Changes in inventories reflect the increase / decrease in unfinished and finished goods and services calculated on the basis of the acquisition cost method.

The increase in inventories results from a higher volume of unfinished deliveries and services within the segment AT Engineering, which consequently could not be invoiced.

Own work capitalised in the reporting period mainly contains own work of Ziehm Imaging GmbH amounting to EUR 2,590k (previous year: EUR 1,663k) and in the segment AT Engineering EUR 371k (previous year: EUR 365k).

8. Other operating income

The other operating income comprises the following:

in EUR '000	2015	2014
Operating income		
Income from benefits from the use of a company car	4,893	4,621
Rental and lease income	3,196	2,852
Income from compensation payments due to contract terminations	2,000	0
Government grants	1,762	2,145
Income from catering/canteen	948	783
Income from external services and cost transfers third parties	857	842
Income from cost reimbursements	753	610
Income from the reversal of specific valuation allowances	696	2,414
Income from recycling/scrap disposal	644	508
Income from insurance compensation payments	350	514
Income from derecognised receivables	193	29
Income from compensation and agreements for terminating contracts	156	292
Income from reversal of provisions/derecognition of liabilities	1,169	1,724
Miscellaneous operating income	2,091	2,840
Operating income	**19,708**	**20,174**
Non-operating income		
Income from the disposal / deconsolidation of consolidated companies	317,799	12,543
Currency translation gains	30,176	16,479
Income from the reversal of provisions/derecognition of liabilities	7,273	8,795
Income from other periods	1,373	1,592
Income from the disposal and write-ups of property, plant and equipment	2,202	19,396
Income from hedging transactions	1,664	197
Income from the disposal and write-ups of current assets	1	136
Miscellaneous non-operating income	2,058	976
Non-operating income	**362,546**	**60,114**
Other operating income	**382,254**	**80,288**

Miscellaneous operating income and none operating income consists of a large number of small individual items.

Government grants mainly consist of government grants in the form of training subsidies and research and development grants, together with income in accordance with the German Renewable Energy Act (Erneu-erbare-Energien-Gesetz, "EEG").

Income from the disposal / deconsolidation of consolidated companies amounting to EUR 317.799k relates to the deconsolidation of EDAG group. For further information please refer to note 5. Changes in the scope of consolidation.

9. Cost of materials

The cost of materials breaks down as follows:

in EUR '000	2015	2014
Cost of raw materials, consumables and supplies and of purchased merchandise	491,259	488,429
Cost of purchased services	269,262	279,355
Cost of materials	**760,521**	**767,784**

The cost of raw materials, consumables and supplies and of purchased merchandise allocates to the business segments as follows:

in EUR '000	2015	2014
AT Engineering *	299,695	291,236
AT Mining *	67,293	71,188
AT Med Tech	116,261	114,116
AT Aviation	9,185	11,924
Holding/Consolidation	- 1,175	- 35
Cost of materials	**491,259**	**488,429**

The costs mainly relate to expenses for purchased models and small parts as well as deliveries of materials for construction activities and plant construction.

The cost of purchased services can be allocated as follows:

in EUR '000	2015	2014
AT Engineering *	198,810	200,022
AT Mining *	23,548	28,500
AT Med Tech	10,900	9,970
AT Aviation	36,089	41,101
Holding/Consolidation	- 85	- 238
Cost of purchased services	**269,262**	**279,355**

The cost of purchased services primarily consists of costs for subcontractors.

* Against the background of the advanced integration of Deilmann-Haniel Mining Systems GmbH as a plant engineer and manufacturer of machinery with other companies of the business segment AT Engineering, the company was reclassified from the business segment AT Mining in to the business segment AT Engineering during financial year 2015. Prior year segment information has been adjusted in accordance with requirements within IFRS 8 for the purpose of maintaining comparability.

10. Personnel expenses

The personnel expenses are attributable to the following items:

in EUR '000	2015	2014
Wages and salaries	789,153	770,532
Expenses for social security, retirement and other employee benefit expenses	148,709	147,410
Personnel expenses	**937,862**	**917,942**

The expenses for retirement include the cost of defined benefit pension commitments, among other items. Due to its financial character the net interest expense of the provisions for pensions is recorded in the financial result. For the presentation of the pension commitments, please see note 27. Provisions for pensions.

The average number of employees of the companies included in the consolidated financial statements during the financial year, broken down by groups, is as follows in comparison with the previous year:

Number	2015	2014
Industrial workers	3,740	3,610
Salaried staff	11,969	12,133
Total employees excluding trainees	**15,709**	**15,743**
Trainees	963	838

11. Other operating expenses

The other operating expenses comprise the following:

in EUR '000	2015	2014
Operating expenses		
Rental and lease payments	52,672	50,098
Travelling expenses	48,837	49,200
Maintenance	32,014	29,526
Legal and consulting costs, audit costs	31,443	22,190
Selling and marketing costs	27,153	28,914
Administration costs	25,112	25,140
Other incidental personnel expenses	12,859	11,177
Expenses from additions to provisions	9,943	15,056
Education and training costs	6,877	6,607
Other taxes and levies	6,530	6,410
Insurances	4,960	6,329
Car expenses	3,840	4,692
Incidental rental costs and cleaning expenses	3,446	4,585
Expenses from additions to specific valuation allowances	3,066	2,001
Research and development costs	2,170	1,079
Expenses from security services	1,824	2,129
Bad debt expenses	573	1,001
Incidental costs of monetary transactions	298	553
Expenses from cost transfers third parties	241	278
Non-deductible input tax	140	389
Miscellaneous operating expenses	10,720	6,642
Operating expenses	**284,718**	**273,996**
Non-operating expenses		
Currency translation losses	26,780	10,240
Expense from hedging transactions	3,523	3,931
Expenses from other periods	1,099	243
Expenses from the disposal of property, plant and equipment	586	473
Expenses from the disposal of consolidated companies	0	743
Miscellaneous non-operating expenses	8,054	6,086
Non-operating expenses	**40,042**	**21,716**
Other operating expenses	**324,760**	**295,712**

The increase in legal, consulting and audit costs mainly results from the activities related to the initial public offering of EDAG group.

The miscellaneous operating expenses comprise a large number of small, non-material individual items.

The miscellaneous non-operating expenses mainly comprise restructuring and reorganisation expenses within the segment AT Engineering amounting to EUR 6,510k (previous year: EUR 5,945k).

12. Result from investments accounted for using the equity method

The result from investments accounted for using the equity method amounts to EUR 2,691k (previous year: EUR 3,761k). For further information please refer to note 20. Investments accounted for using the equity method.

13. Net interest expense

The net interest expense comprises the following:

in EUR '000	**2015**	**2014**
Interest income		
Interest and similar income from related parties	2,513	358
Interest income from credit institutions	1,839	2,435
Earnings from plan assets	65	0
Other interest income	1,065	860
	5,482	**3,653**
Interest expense		
Interest expense to credit institutions and bondholders	10,492	10,814
Interest portion of finance lease agreements	1,219	1,748
Interest and similar expense to related parties	896	973
Net interest expense from defined benefit pension plans	686	677
Other interest expense	3,494	3,951
	16,787	**18,163**
	- 11,305	**- 14,510**

14. Other financial result

The other financial result comprises the following:

in EUR '000	2015	2014
Other financial income		
Interest and dividend income from securities	4,544	1,035
Income from sale of securities	2,464	1,530
Gains from fair value measurement	3,413	1,743
Income from the reversal of specific valuation allowances	50	43
Other financial income	659	15
	11,130	**4,366**
Other financial expense		
Losses from fair value measurement	1,892	3,386
Write-downs on securities	11	10
Losses from sales of securities	1,172	37
Other financial expense	6	3,612
	3,081	**7,045**
Other financial result	**8,049**	**- 2,679**

As in previous year, other financial income primarily results from earnings from cash flow hedges.

Prior years other financial expenses mainly comprise losses from fair value measurement of derivatives in the amount of EUR 3,602k.

15. Income taxes

The income taxes reported include the actual taxes on income in the respective countries as well as deferred taxes.

The income taxes for the financial years 2015 and 2014 break down as follows:

in EUR '000	2015	2014
Income taxes		
Income taxes for the current year	45,100	65,529
Income taxes for previous years	3,673	1,217
Income from the reversal of provisions for income taxes	- 340	- 186
	48,433	**66,560**
Deferred taxes		
Deferred taxes from temporary differences	347	- 12,290
Deferred taxes on losses carried forward	4,089	- 3,084
	4,436	**- 15,374**
Income taxes	**52,869**	**51,186**

Unchanged from the previous year, current income taxes in Germany are based on a uniform corporate income tax rate of 15 % plus a solidarity surcharge of 5.5 % of this amount. In addition to the corporate income tax, trade tax is levied on profits generated in Germany. Taking into consideration that trade tax cannot be deducted as an operating expense, the average trade tax rate is 15.05 %, resulting in an average composite tax rate of 30.88 % for Germany. The higher assessment rate at the domicile of the parent company leads to a higher composite tax rate of 32.98 % unchanged to prior year.

The profit generated by foreign subsidiaries is calculated based on the regulation of the national tax law and using the tax rates applicable in the individual foreign countries. The tax rates applied by the foreign companies vary between 16.00 % and 35.00 % (in previous year between 19.00 % and 35.00 %).

The income taxes of the reporting period amounting to EUR 52,869k (previous year: EUR 51,186k) are reconciled as follows from the expected income tax expense, that would have resulted if the parent's statutory income tax rate had been applied to the earnings before income taxes (EBT):

	2015		2014	
	EUR '000	**in %**	**EUR '000**	**in %**
Earnings before income taxes (EBT)	**411,918**		**163,328**	
Income tax rate of the parent		32.98%		32.98%
Expected income tax expense	**135,830**		**53,857**	
Tax-free income and non-deductible expenses, incl. the effect of sections 8a / 8b of the KStG (corporate tax law)	- 84,606	-20.54%	1,410	0.86%
Income taxes for previous years	2,295	0.56%	1,032	0.63%
Tax rate variances	- 4,831	-1.17%	- 7,883	-4.83%
Amount of tax losses carried forward and other deferred tax assets not recognised or impaired	11,774	2.86%	3,550	2.17%
Effects from the recognition of previously unused tax loss carryforwards	- 5,945	-1.44%	- 1,436	-0.88%
Non-deductible withholding taxes	1,368	0.33%	2,448	1.50%
Other tax effects	- 3,016	-0.73%	- 1,792	-1.10%
Income taxes reported in the consolidated income statement	**52,869**		**51,186**	
Effective tax rate		**12.83%**		**31.34%**

Tax-free income mainly results from the income from deconsolidation of EDAG group.

The current and deferred taxes in the consolidated statement of financial position changed as follows:

in EUR '000	**31.12.2015**	**31.12.2014**
Current income taxes in the consolidated statement of financial position		
Income tax assets	6,383	15,042
Income tax liabilities	- 2,910	- 3,047
Provisions for income taxes	- 12,212	- 53,184
	- 8,739	**- 41,189**
Deferred taxes in the consolidated statement of financial position		
Deferred tax assets	19,553	19,954
Deferred tax liabilities	- 21,382	- 31,550
	- 1,829	**- 11,596**
Income taxes in the consolidated statement of financial position	**- 10,568**	**- 52,785**

The deferred tax assets and liabilities are attributable to the following items in the consolidated statement of financial position:

in EUR '000	**31.12.2015**	**31.12.2014**
Deferred tax assets		
Intangible assets	2,992	2,579
Property, plant and equipment	1,933	1,876
Financial assets	747	46
Inventories	3,682	2,834
Receivables and other assets	1,030	1,856
Provisions for pensions	751	6,856
Other provisions	1,826	2,473
Other liabilities	57,766	66,314
Losses carried forward	9,883	13,707
Netting	- 61,057	- 78,587
	19,553	**19,954**
of which: non-current before netting	**16,306**	**25,064**
Deferred tax liabilities		
Intangible assets	3,733	15,029
Property, plant and equipment	14,790	16,055
Financial assets	1,048	799
Inventories	101	2,273
Receivables and other assets	40,915	51,683
Provisions for pensions	0	18
Other provisions	16,104	19,615
Other liabilities	5,748	4,665
Netting	- 61,057	- 78,587
	21,382	**31,550**
of which: non-current before netting	**19,571**	**31,901**
Deferred taxes, net	**- 1,829**	**- 11,596**

The deferred taxes changed as follows:

in EUR '000	**2015**	**2014**
Deferred taxes at the beginning of the financial year	- 11,596	- 30,924
Changes in the scope of consolidation	10,346	106
Recognised in profit or loss	- 4,436	15,374
Recognised directly in equity	333	3,186
Currency translation differences	3,524	662
Deferred taxes at the end of the financial year	**- 1,829**	**- 11,596**

The changes in the scope auf consolidation amounting to EUR 10,346k result from deconsolidation of EDAG group.

Deferred taxes are measured on a regular basis. The ability to realise tax income from deferred taxes depends on the ability to generate taxable income in the future and to use tax losses carried forward before they expire. Deferred tax assets are recognised to the extent to which it is probable that taxable profit will be available against which deductible temporary differences can be utilised and where the assumption can be made that they will reverse in the foreseeable future.

Deferred tax assets and liabilities are offset, where a legally enforceable right to set off current tax assets against current tax liabilities exists. In addition, tax assets and liabilities have to relate to the income taxes of the same taxable entity and have to be levied by the same tax authority.

The domestic and foreign corporate income tax losses carried forward were as follows as of the reporting dates:

in EUR '000	**2015**	**2014**
Losses carried forward (total)		
Losses carried forward expire within		
1 year	7,556	19,309
2 to 5 years	13,132	31,359
over 5 years	31,029	21,958
carried forward indefinitely	72,325	62,277
	124,042	**134,903**
Losses carried forward (not usable)		
Losses carried forward expire within		
1 year	0	460
2 to 5 years	0	1,033
over 5 years	16,627	38,435
carried forward indefinitely	72,325	62,906
	88,952	**102,834**
Expected use of usable tax losses carried forward		
1 year	7,556	19,197
2 to 5 years	13,132	30,553
over 5 years	14,402	19,718
	35,090	**69,468**

As of 31 December 2015, trade tax losses carried forward amount to EUR 59,913k (previous year: EUR 27,885k); thereof deferred tax assets were not recognised for an amount of EUR 54,033k (previous year: EUR 25,690k).

16. Goodwill and other intangible assets

The development of goodwill and other intangible assets is as follows during the financial year:

in EUR '000	Acquired goodwill	Develop-ment costs	Other acquired intangible assets	Advance payments	Total other intangible assets
Acquisition and production cost					
As of 31 December 2014	**209,174**	12,482	173,323	513	**186,318**
Changes in the scope of consolidation	**-64,534**	-1,397	-77,980	8	**-79,369**
Additions	**65**	2,480	6,629	313	**9,422**
Disposals	**0**	-269	-20,420	0	**-20,689**
Reclassifications	**0**	0	165	-102	**63**
Reclassification under IFRS 5	**0**	0	0	0	**0**
Currency translation differences	**-3,789**	41	1,214	0	**1,255**
As of 31 December 2015	**140,916**	**13,337**	**82,931**	**732**	**97,000**
Accumulated depreciation, amortisation and impairment losses					
As of 31 December 2014	**7,009**	6,456	111,346	0	**117,802**
Changes in the scope of consolidation	**-88**	-933	-39,956	0	**-40,889**
Depreciation, amortisation and impairment 2015	**6,478**	2,692	17,462	0	**20,154**
Depreciation and amortisation	**0**	1,720	17,462	0	**19,182**
Impairment losses	**6,478**	972	0	0	**972**
Disposals	**0**	0	-20,261	0	**-20,261**
Reclassifications	**0**	0	0	0	**0**
Reclassifications under IFRS 5	**0**	0	0	0	**0**
Currency translation differences	**0**	26	432	0	**458**
As of 31 December 2015	**13,399**	**8,241**	**69,023**	**0**	**77,264**
Carrying amounts					
As of 31 December 2014	202,165	6,026	61,977	513	68,516
As of 31 December 2015	127,517	5,096	13,908	732	19,736

The development of goodwill and other intangible assets is as follows during the previous year:

in EUR '000	Acquired goodwill	Develop-ment costs	Other acquired intangible assets	Advance payments	Total other intangible assets
Acquisition and production cost					
As of 31 December 2013	**209,085**	10,507	162,300	557	**173,364**
Changes in the scope of consolidation	**-**	- 70	- 442	-	**- 512**
Additions	**0**	2,049	10,673	178	**12,900**
Disposals	**0**	0	- 3,304	-	**- 3,304**
Reclassifications	**-**	0	3,103	- 232	**2,871**
Currency translation differences	**89**	- 4	993	10	**999**
As of 31 December 2014	**209,174**	**12,482**	**173,323**	**513**	**186,318**
Accumulated depreciation, amortisation and impairment losses					
As of 31 December 2013	**7,009**	4,949	95,955	0	**100,904**
Changes in the scope of consolidation	**-**	0	0	-	**0**
Depreciation, amortisation and impairment 2014	**-**	1,354	16,691	-	**18,045**
Depreciation and amortisation	**-**	1,354	16,691	-	**18,045**
Disposals	**-**	0	- 3,106	-	**- 3,106**
Reclassifications	**-**	130	1,434	-	**1,564**
Currency translation differences	**-**	23	372	-	**395**
As of 31 December 2014	**7,009**	**6,456**	**111,346**	**0**	**117,802**
Carrying amounts					
As of 31 December 2013	202,076	5,558	66,345	557	72,460
As of 31 December 2014	202,165	6,026	61,977	513	68,516

Additions to other acquired intangible assets in the financial year 2015 primarily relate to software of the AT Engineering segment. The changes in the scope of consolidation mainly relate to disposals resulting from the sale of the aviation activities of the Rücker Group.

Capitalised development costs relate to various smaller amounts for intangible assets internally generated by the affiliated companies. In addition to the capitalised development costs, research and development costs of EUR 2,170k (previous year: EUR 1,079k) were recognised as expenses.

Goodwill impairment losses of EUR 6,478k regard to goodwill, which resulted from the acquisition of the Deilmann-Haniel Mining Systems GmbH. As a consequence of the reorganisation of the reporting structure Deilmann-Haniel Mining Systems GmbH is allocated to the segment AT Engineering since 2015 (previously within the segment AT Mining). When Deilmann-Haniel Mining Systems GmbH was reallocated to the segment AT Engineering, an impairment test was carried out based on the previous reporting structure, which led to the impairment described above.

No borrowing costs were capitalised in the financial year. The purchase commitments for intangible assets amounted to EUR 0k as of 31 December 2015 (previous year: EUR 0k).

As in the previous year, intangible assets are not subject to any restrictions on title. The intangible assets do not include any assets acquired under finance leases. No government grants were deducted from acquisition and production cost either in the reporting period or in the previous year.

The carrying amounts of the goodwill attributable to the acquired companies have been allocated to the following cash-generating units:

in EUR '000	31.12.2015	31.12.2014
EDAG	0	64,610
FFT	7,796	7,800
Goodwill AT Engineering	**7,796**	**72,410**
Goodwill AT Mining	**43,775**	**53,809**
Ziehm/OrthoScan	45,384	45,384
W.O.M.	15,921	15,921
Haema	14,641	14,641
Goodwill AT Med Tech	**75,946**	**75,946**
Goodwill	**127,517**	**202,165**

The Group tests its goodwill for impairment at least once a year. As of 31 December 2015, all goodwill items were subject to an impairment test conducted as presented in Note 3.4. Impairment of property, plant and equipment and other intangible assets, by comparing the carrying amounts with the value in use as recoverable amount. The value in use is determined using the discounted cash flow method. For the financial year 2015 an impairment of EUR 6,478k has been noted and recorded within the segment AT Engineering.

Other changes in goodwill within the segment AT Engineering result from the deconsolidation of EDAG group and from currency translation differences.

The determination of the recoverable amounts is based on the following basic assumptions:

	2015	2014
Planning period	3 years	3 years
Growth rate	1.00%	1.00%
Expected market return	7,67% to 8,21%	7.40%
Return for risk-free investments	1,17% to 2,45%	1.40%
Pre-tax discount rate	4,10% to 11,49%	4,92% to 10,66%

Regarding the impairment test for the segment AT Mining a post tax discount rate of 11.49 % in 2015 (previous year: 9.43 %) was used. Assuming an increase of the discount rate to 11.61 % or more, this would lead to an impairment.

Since the valuation of the other goodwill is not critical, no further sensitivity analysis are considered necessary.

17. Property, plant and equipment and investment properties

The development of property, plant and equipment and investment properties is as follows in the financial year:

in EUR '000	Land, land rights and buildings, including buildings on thirdparty land	Technical equipment and machinery	Other equipment, operating and office equipment	Advance payments for and construction in progress	Total property, plant and equipment
Acquisition and production cost					
As of 31 December 2014	101,504	261,890	126,319	7,271	**496,984**
Changes in the scope of consolidation	-30,976	-43,080	-61,688	-3,527	**-139,271**
Additions	9,731	16,945	16,394	38,754	**81,824**
Disposals	-974	-25,171	-3,437	-771	**-30,353**
Reclassifications	2,873	31,313	-1,515	-32,735	**-64**
Reclassifications under IFRS 5	0	-2,342	0	0	**-2,342**
Currency translation differences	-1,295	-14,668	-104	-502	**-16,569**
As of 31 December 2015	**80,863**	**224,887**	**75,969**	**8,490**	**390,209**
Accumulated depreciation, amortisation and impairment losses					
As of 31 December 2014	30,030	105,773	79,841	52	**215,696**
Changes in the scope of consolidation	-11,221	-25,200	-42,786	0	**-79,207**
Depreciation, amortisation and impairment 2015	4,835	31,551	14,015	-50	**50,351**
Depreciation and amortisation	4,253	31,541	13,995	0	**49,789**
Impairment losses	582	10	20	-50	**562**
Disposals	-924	-23,882	-2,366	0	**-27,172**
Reclassifications	1,337	-587	-749	0	**1**
Reclassifications under IFRS 5	0	0	0	0	**0**
Currency translation differences	-490	-6,904	-93	0	**-7,487**
As of 31 December 2015	**23,567**	**80,751**	**47,862**	**2**	**152,182**
Carrying amounts					
As of 31 December 2014	71,474	156,117	46,478	7,219	281,288
As of 31 December 2015	57,296	144,136	28,107	8,488	238,027

The development of property, plant and equipment is as follows during the previous year:

in EUR '000	Land, land rights and buildings, including buildings on thirdparty land	Technical equipment and machinery	Other equipment, operating and office equipment	Advance payments for and construc-tion in progress	Total property, plant and equipment	Investment properties
Acquisition and production cost						
As of 1 January 2014 restated	121,750	233,838	102,930	28,412	**486,930**	3,808
Changes in the scope consolidation	0	118	-358	0	**-240**	0
Additions	4,285	21,408	16,861	12,188	**54,742**	0
Disposals	-25,715	-12,520	-5,253	-2,897	**-46,385**	-3,808
Reclassifications	2,529	23,323	10,273	-30,031	**6,094**	0
Reclassifications under IFRS 5	-1,901	0	0	0	**-1,901**	0
Currency translation differences	556	-4,277	1,866	-401	**-2,256**	0
As of 31 December 2014	**101,504**	**261,890**	**126,319**	**7,271**	**496,984**	**0**
Accumulated depreciation, amortisation and impairment losses						
As of 1 January 2014 restated	27,485	81,494	56,881	40	**165,900**	804
Changes in the scope consolidation	0	117	0	0	**117**	0
Depreciation, amortisation and impairment 2014	5,200	34,865	13,970	12	**54,047**	79
Depreciation and amortisation	4,335	34,865	13,970	0	**53,170**	79
Impairment losses	865	0	0	12	**877**	0
Disposals	-2,169	-6,751	-2,720	0	**-11,640**	-883
Reclassifications	312	-5,063	11,362	0	**6,611**	0
Reclassifications under IFRS 5	-1,151	0	0	0	**-1,151**	0
Currency translation differences	353	1,111	348	0	**1,812**	0
As of 31 December 2014	**30,030**	**105,773**	**79,841**	**52**	**215,696**	**0**
Carrying amounts						
As of 1 January 2014 restated	94,265	152,344	46,049	28,372	321,030	3,004
As of 31 December 2014	71,474	156,117	46,478	7,219	281,288	0

All changes in property, plant and equipment regarding changes in scope of consolidation result out of the deconsolidation of EDAG group.

Land and buildings decreased from EUR 71,474k to EUR 57,296k mostly because of the deconsolidation of EDAG group.

The additions to and disposals of technical equipment and machinery, as well as advance payments and construction in progress primarily relate to technical equipment for major projects in the segment AT Mining. Within the AT Aviation segment the reclassifications according to IFRS 5 towards non-current assets held for sale amounts to EUR -2,342k. Please refer to note 25. Assets held for sale and discontinued operations.

Property, plant and equipment in the amount of EUR 4,852k (previous year: EUR 5,834k) was used as collateral for liabilities. Property, plant and equipment is subject to restrictions on title in the amount of EUR 4,135k (previous year: EUR 5,118k) which mainly result from the AT Mining segment. Property, plant and equipment includes assets in the amount of EUR 38,355k (previous year: EUR 31,969k) acquired under finance leases. Government grants amounting to EUR 10,208k (previous year: EUR 10,230k) were deducted from the acquisition cost of property, plant and equipment in the reporting period. They were granted for land and buildings, technical equipment and machinery as well as operating and office equipment. The investment grants are subject to an earmarking period and a job guarantee. The main grants received in the financial year amounting to EUR 45k (previous year: EUR 177k) were attributable to investment grants for the Leipzig-based company Haema AG. In the financial year and in the previous year no repayments of government grants were made. The purchase commitments for property, plant and equipment amount to EUR 13,458k as of 31 December 2015 (previous year: EUR 4,362k).

The investment properties were sold in the financial year 2014. The sales price amounted to EUR 5,267k. The resulting gain of EUR 2,341k was recorded as income. There are no investment properties in financial year 2015.

In financial year 2015 as well as in previous year no borrowing costs were capitalised.

18. The Group as lessee

The carrying amounts of property, plant and equipment accounted for under finance leases, other than sale-and-lease-back arrangements, are as follows as of 31 December 2015 and 31 December 2014:

in EUR '000	31.12.2015	31.12.2014
Land and buildings	10,563	5,189
Technical equipment and machinery	27,646	26,453
Other equipment, operating and office equipment	146	327
Net carrying amounts of capitalised leased assets	**38,355**	**31,969**

The lessee of land and buildings for a complex of buildings is FFT. All technical equipment and machinery, which amount to EUR 27,646k, are recognised by Redpath. As in prior year, the lease terms vary between three and four years.

As of the reporting date, future obligations arising from finance leases, other than sale-and-lease-back arrangements are as follows:

	2015			2014		
in EUR '000	Minimum lease payments	Interest portion included	Present values	Minimum lease payments	Interest portion included	Present values
Maturity						
Up to 1 year	9,872	866	9,006	9,444	650	8,794
1 to 5 years	10,703	2,115	8,588	11,328	1,751	9,577
Over 5 years	8,862	793	8,069	5,349	799	4,550
Total	**29,437**	**3,774**	**25,663**	**26,121**	**3,200**	**22,921**

As of the reporting date and the previous year no future obligations arising from sale-and-lease-back arrangements (finance leases) exist.

There are no significant renewal or purchase option clauses regarding finance leases.

The expenses recognised and the future minimum lease payments under operating leases are as follows:

in EUR '000	2015	2014
Lease payments recognised as expense	52,672	50,098
Future lease payments (maturity)		
Up to 1 year	15,802	37,200
1 to 5 years	26,866	54,798
Over 5 years	3,483	44,456
Total	**46,151**	**136,454**

Most of the obligations from non-cancellable operating leases arise from commercial real estate contracts, vehicles and technical equipment. There are no significant renewal or purchase option clauses regarding operating leases.

As in the previous year, no contingent lease payments were recognised as expenses in the financial year. In the financial year, there are no significant subleases.

19. The Group as lessor

The Group acts as lessor in operating leases, most of which relate to building premises. The contracts are normally short term without renewal options. Operating lease income recognised in profit or loss amounts to EUR 3,196k in the financial year (previous year: EUR 2,852k). The future minimum lease payments under non-cancellable operating leases mature as follows: up to one year EUR 34k (previous year: EUR 3,562k), one to five years EUR 0k (previous year: EUR 986k) and over five years EUR 0k (previous year: EUR 0k). Contingent rental income of EUR 16k (previous year: EUR 16k) was recognised in the income statement.

20. Investments accounted for using the equity method

The Group has investments in joint ventures and associates. The amounts recognised in the balance sheet in investments accounted for using the equity method are as follows:

in EUR '000	31.12.2015	31.12.2014
Investments accounted for using the equity method		
Associates	288,888	5,271
Joint Ventures	10,144	11,121
	299,032	**16,392**

The amounts recognised in the consolidated income statement are as follows:

in EUR '000	2015	2014
Result from investments accounted for using the equity method		
Associates	-195	114
Joint Ventures	2,886	3,647
	2,691	**3,761**

The most significant investment accounted for using the equity method as of 31 December 2015 is EDAG Engineering Group AG, an independent engineering service provider working for the global automotive industry. As explained in Note 5. Changes in the scope of consolidation, EDAG Engineering Group AG and all its subsidiaries have been deconsolidated within ATON GmbH's consolidated financial statements as of 2 December 2015. Henceforth, the 59.75 % interest in EDAG Engineering Group AG is accounted for as an investment in associates using the equity method. The fair value measurement at initial recognition of the investment in associates was derived from the stock market price at initial public offering.

The 49 % interest in EKS InTec GmbH is also accounted for using the equity method. EKS InTec GmbH provides services in the planning, development, simulation and commissioning of simple to complex production facilities and special purpose machines for the automotive industries as well as their suppliers. The company is a strategic partnership for the Group, providing FFT Group access to a virtual commissioning of production plants by software specially developed by EKS InTec GmbH.

The 50 % interest in the joint venture Associated Mining Construction Inc. is also accounted for using the equity method. Associated Mining Construction Inc. is a strategic partnership for the Group between J.S. Redpath Limited and Thyssen Mining Inc. The Joint Venture was established in 2008 and offers shaft sinking solutions for challenging ground conditions.

The 50 % interest in the joint venture Schacht Konrad 2 is also accounted for using the equity method. The joint venture is a strategic partnership for the Group between Deilmann-Haniel GmbH and Thyssen Schachtbau GmbH. Schacht Konrad 2 offers access to the former iron ore mine in Salzgitter, which is converted at present.

Summarised financial information for the most significant investments accounted for using the equity method as of 31 December 2015 are presented in the following tables.

The summarised balance sheet is as follows:

in EUR '000				
Company	**EDAG Engineering Group AG[1)]**		**EKS InTec GmbH**	
Nature of the relationship	Associate		Associate	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Interest held in %	60	0	49	49
Current				
Cash and cash equivalents	70,654	0	2,189	1,981
Other current assets (excluding cash)	212,330	0	1,214	1,451
Total current assets	**282,984**	**0**	**3,403**	**3,432**
Financial liabilities (excluding trade and other payables, provisions and tax liablities)	-24,284	0	0	0
Other liabilities (includingtrade and other payables, provisions and tax liabilities)	-124,944	0	-1,272	-1,230
Total current liabilities	**-149,228**	**0**	**-1,272**	**-1,230**
Non-current				
Assets	**192,560**	**0**	**433**	**271**
Financial liabilities (excluding trade and other payables, provisions and tax liablities)	-135,167	0	0	0
Other liabilities (including trade and other payables and provisions)	-35,906	0	0	0
Total non-current liabilities	**-171,073**	**0**	**0**	**0**
Net assets	**155,243**	**0**	**2,564**	**2,473**

1) EDAG Engineering Group AG is an associate since 2 December 2015, before it was a fully consolidated subsidiary. Hence the statement of financial position as of 31 December 2014 is not disclosed.

in EUR '000				
Company	**Joint Venture Schacht Konrad 2**		**Associated Mining Construction Inc.**	
Nature of the relationship	Joint Venture		Joint Venture	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Interest held in %	50	50	50	50
Current				
Cash and cash equivalents	719	2,266	12,573	3,193
Other current assets (excluding cash)	9,766	6,494	6,361	25,198
Total current assets	**10,485**	**8,760**	**18,934**	**28,391**
Financial liabilities (excluding trade and other payables, provisions and tax liablities)	0	0	-793	0
Other liabilities (including trade and other payables, provisions and tax liablities)	-8,708	-7,628	-4,848	-12,741
Total current liabilities	**-8,708**	**-7,628**	**-5,641**	**-12,741**
Non-current				
Assets	**1,799**	**2,147**	**979**	**1,698**
Financial liabilities (excluding trade and other payables, provisions and tax liablities)	0	0	0	0
Other liabilities (includingtrade and other payables, provisions and tax liablities)	0	0	0	0
Total non-current liabilities	**0**	**0**	**0**	**0**
Net assets	**3,576**	**3,279**	**14,272**	**17,348**

The summarised statement of comprehensive income is as follows:

in EUR '000				
Company	**EDAG Engineering Group AG[1)]**		**EKS InTec GmbH**	
Nature of the relationship	Associate		Associate	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Interest held in %	60	0	49	49
Revenue	721,967	0	5,300	6,231
Depreciation and amortisation	-25,564	0	-225	-232
Interest income	2,230	0	0	1
Interest expense	-10,349	0	0	-1
Profit (+) or loss (-) from continuing operations	**53,394**	**0**	**210**	**362**
Income tax expense (-) / income (+)	-17,046	0	-118	-129
Profit (+) or loss (-) after tax from continuing operations	**36,348**	**0**	**92**	**233**
Other comprehensive income	1,421	0	0	0
Total comprehensive income	**37,769**	**0**	**92**	**233**
Dividends received	0	0	0	0

1) EDAG Engineering Group AG is an associate since 2 December 2015, before it was a fully consolidated subsidiary. Hence the summarised statement of comprehensive income 2014 is not disclosed.

in EUR '000				
Company	**Joint Venture Schacht Konrad 2**		**Associated Mining Construction Inc.**	
Nature of the relationship	Joint Venture		Joint Venture	
	31.12.2015	**31.12.2014**	**31.12.2015**	**31.12.2014**
Interest held in %	50	50	50	50
Revenue	8,009	11,270	78,861	117,890
Depreciation and amortisation	-745	-711	-2,534	-531
Interest income	0	0	0	0
Interest expense	-21	0	-10	34
Profit (+) or loss (-) from continuing operations	**298**	**108**	5,830	**8,241**
Income tax expense (-) / income (+)	0	0	-1,577	-2,441
Profit (+) or loss (-) after tax from continuing operations	**298**	**108**	**4,253**	**5,800**
Other comprehensive income	0	0	0	0
Total comprehensive income	**298**	**108**	**4,253**	**5,800**
Dividends received	0	0	-3,174	-2,046

For investments in associates using the equity method total comprehensive income agrees with profit or loss for the period from continuing operations.

There are no commitments and contingent liabilities relating to the investments accounted for using the equity method.

The information above reflects the amounts presented in the financial statements of the investments accounted for using the equity method (and not ATON GmbH's share of those amounts).

The reconciliation of the summarised financial information related to the carrying amount of the investments accounted for using the equity method is presented in the following table:

in EUR '000								
Company	**EDAG Engineering Group AG[1)]**		**EKS InTec GmbH**		**Arbeitsgemeinschaft Schacht Konrad 2**		**Associated Mining Construction Inc.**	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Net assets as of 1 January	0	0	2,473	0	3,279	3,171	17,348	12,878
Additions	153,942	0	0	2,240	0	0	0	0
Profit (+) / loss (-) for the period	1,183	0	91	233	297	108	4,358	5,800
Other comprehensive income	118	0	0	0	0	0	0	0
Increase in capital	0	0	0	0	0	0	0	0
Adjustments	0	0	0	0	0	0	0	0
Dividends received	0	0	0	0	0	0	-6,348	-2,046
Currency translation differences	0	0	0	0	0	0	-1,086	716
Net assets as of 31 December	**155,243**	**0**	**2.564**	**2.473**	**3,576**	**3,279**	**14,272**	**17,348**
Interest held in %	60	0	49	49	50	50	50	50
Interest in investments accounted for using the equity method	92,758	0	1,257	1,212	1,788	1,640	7,136	8,674
Allocatable hidden reserves/burden as a result of the PPA	125,450	0	0	0	0	0	0	0
Goodwill	65,364	0	4,059	4,059	0	0	0	0
Carrying value	**283,572**	**0**	**5,316**	**5,271**	**1,788**	**1,640**	**7,136**	**8,674**
investments accounted for using the equity method	283,572	0	5,316	5,271	1,788	1,640	7,136	8,674
liabilities to investments accounted for using the equity method	0	0	0	0	0	0	0	0

1) EDAG Engineering Group AG is an associate since 2 December 2015, before it was a fully consolidated subsidiary.

in EUR '000				
Company	**Other investments accounted for using the equity method**		**Total**	
	2015	**2014**	**2015**	**2014**
Net assets as of 1 January	1,251	1,375	24,351	17,424
Additions	0	0	153,942	2,240
Profit (+) / loss (-) for the period	860	1,075	6,789	7,216
	0	0	118	0
Increase in capital	0	100	0	100
Adjustments	0	0	0	0
Dividends received	0	-1,728	-6,348	-3,774
Currency translation differences	329	393	-757	1,109
Net assets as of 31 December	**2,440**	**1,215**	**178,095**	**24,315**
Interest held in %	50	50 resp. 65	49 resp. 50 esp. 59,75	49 resp. 50 resp. 65
Interest in investments accounted for using the equity method	1,220	807	104,159	12,333
Allocatable hidden reserves/burden as a result of the PPA	0	0	125,450	0
Goodwill	0	0	69,423	4,059
Carrying value	**1,220**	**807**	**299,032**	**16,392**
investments accounted for using the equity method	1,220	807	299,032	16,392
liabilities to investments accounted for using the equity method	-246	-375	-246	-375

For investments accounted for using the equity method, intercompany profits and losses are eliminated on a pro-rata basis in general.

21. Other financial assets

Other financial assets break down as follows:

in EUR '000	31.12.2015			31.12.2014		
	Remaining maturity			Remaining maturity		
	> 1 year	< 1 year	Total	> 1 year	< 1 year	Total
Non-consolidated investments in affiliated companies	2,826	-	2,826	2,920	-	2,920
Non-consolidated investments in associated companies	1,461	-	1,461	1,436	-	1,436
Loans	145,226	37,590	182,816	8,142	32,050	40,192
Securities held to maturity	1,337	-	1,337	1,250	-	1,250
Securities available for sale	12,179	-	12,179	11,023	92	11,115
Securities held for trading	-	152,688	152,688	-	96,278	96,278
Fair values of derivative financial instruments	-	1	1	-	227	227
Fair values of derivative financial instruments - hedging	-	70	70	50	20	70
Other financial assets	**163,029**	**190,349**	**353,378**	**24,821**	**128,667**	**153,488**

The non-consolidated investments in affiliated companies are recognised at acquisition costs because future cash flows cannot be reliably estimated and the fair value can therefore not be reliably determined. It is not planned to sell significant parts of securities available for sale, which are measured at acquisition costs, in the near future.

The loans of EUR 182,816k (previous year: EUR 40,192k) were not overdue as of the reporting date and will be repaid as planned. Specific allowances for non-current loans were not necessary in the reporting period as well as in previous year. The increase in loans is due to the deconsolidation of EDAG group. As a consequence previously consolidated loans to EDAG group are now presented in the consolidated financial statements.

The securities include bonds held to maturity amounting to EUR 1,337k (previous year: EUR 1,250k). In addition, securities amounting to EUR 12,179k (previous year: EUR 11,115k) are available for sale. Moreover, securities held for trading exist amounting to EUR 152,688k (previous year: EUR 96,278k), which exclusively consist of publicly listed Western European bonds.

Cash flow hedges are used to hedge against foreign currency risks from future procurement transactions. Option and future contracts serve as hedging instruments. Fair value changes of hedging instruments relating to the effective portion are recognised in other comprehensive income until the underlying hedged item is realised. The ineffective portion of the fair value change is recognised in the income statement. In the financial year, no effective hedge relationships exist.

When the underlying hedged item is realised, the associated fair value changes of the hedging transaction are reclassified from other comprehensive income to the income statement. The recognised fair value of cash flow hedging instruments amounts to EUR 70k as of the reporting date (previous year: EUR 70k). The procurement transactions hedged with cash flow hedges are expected to be due and recognised in profit or loss until end of 2016.

In the reporting period, the effective part of changes in fair values of the hedging instruments amounting to EUR -2,266k is accounted for directly within other comprehensive income without income statement effect. There were no effective portions of hedging instruments in previous year. Ineffective portion of the fair value change are recognised within income statement amounting to EUR 2,338k (in previous year EUR -3,209k) have been accounted for as income (in previous year as expense) within income statement.

22. Trade and other receivables

in EUR '000	31.12.2015		31.12.2014	
	current	non-current	current	non-current
Trade receivables	203,714	222	309,445	190
Receivables from construction contracts	195,880	0	244,287	0
Other receivables	36,640	381	88,863	1,738
Carrying amount (net)	**436,234**	**603**	**642,595**	**1,928**

Receivables from construction contracts break down as follows:

in EUR '000	31.12.2015	31.12.2014
Accumulated direct costs	1,457,306	1,705,671
+ accumulated allocated gains	248,111	252,282
- accumulated allocated losses	67,940	50,683
+ accumulated currency translation differences	- 51,882	- 5,200
Accumulated contract revenue	**1,585,595**	**1,902,070**
- advance payments received	284,390	344,858
- partial billings	1,154,253	1,322,066
+ accumulated currency translations differences	48,928	9,141
Carrying amount	**195,880**	**244,287**

The allowances for trade receivables developed as follows:

in EUR '000	2015	2014
As of 1 January	3,737	3,896
Changes in the scope of consolidation	-839	0
Currency translation differences	53	78
Additions	3,066	1,958
Utilisation	-541	-1,004
Reversals	-686	-1,191
As of 31 December	**4,790**	**3,737**

The change in allowances for trade receivables due to changes in the scope of consolidation of EUR - 839k results from the deconsolidation of EDAG group.

For trade receivables not impaired an amount of EUR 56,788k (previous year: EUR 82,358k) was overdue as of the reporting date:

in EUR '000	2015	2014
Trade receivables (net)	203,936	309,635
of which neither impaired nor overdue	147,148	227,277
of which overdue in the following time bands, but not impaired		
up to 30 days	33,655	52,850
between 30 and 60 days	10,244	12,625
between 61 and 90 days	3,673	3,220
between 91 and 180 days	2,812	8,255
between 181 and 360 days	3,262	3,472
over 360 days	3,142	1,936

The receivables that are neither impaired nor overdue are expected to be fully recoverable because of the established receivables management processes in the respective subsidiaries and the case-by-case assessment of individual customer risks. The future risk of default of the existing receivables is reflected adequately within the allowances.

Other receivables break down as follows:

in EUR '000	31.12.2015	31.12.2014
Current		
Value added tax receivables	18,432	15,958
Receivables from employees	533	1,214
Other tax receivables	487	1,306
Creditors with debit balances	488	502
Other receivables	16,700	69,926
Allowances	-	- 43
	36,640	**88,863**
Non-current		
Other receivables	381	2,738
Allowances	-	- 1,000
	381	**1,738**
Other receivables	**37,021**	**90,601**

The allowances for other receivables changed as follows:

in EUR '000	2015	2014
As of 1 January	1,043	2,569
	-1,033	0
Additions	0	43
Utilisation	0	-346
Reversals	-10	-1,223
As of 31 December	**0**	**1,043**

The change in allowances for other receivables due to changes in the scope of consolidation of EUR - 1,033k results almost exclusively from the deconsolidation of EDAG group.

For other receivables not impaired an amount of EUR 722k (previous year: EUR 2,137k) was overdue as of the reporting date:

in EUR '000	2015	2014
Other receivables (net)	37,021	90,601
of which neither impaired nor overdue	36,299	88,464
of which overdue in the following time bands, but not impaired		
up to 30 days	331	1,450
between 30 and 60 days	161	74
between 61 and 90 days	0	48
between 91 and 180 days	1	141
between 181 and 360 days	192	372
over 360 days	37	52

Receivables not impaired are subject to individual risk assessments in the respective subsidiaries. These assessments have not provided any further indication that the receivables carry any risks exceeding the allowances recognised as of the reporting date.

23. Inventories

The carrying amount of the inventories amounting to EUR 165,140k (previous year: EUR 154,991k), breaks down as follows:

in EUR '000	31.12.2015	31.12.2014
Raw materials, consumables and supplies	45,155	47,385
Unfinished goods, work in progress	24,667	19,173
Finished goods	15,952	16,366
Merchandises	33,886	29,678
Advance payments	45,480	42,389
Inventories	**165,140**	**154,991**

Inventories are written down to the lower net realisable value. The carrying amount of the inventories measured at the net realisable value amounts to EUR 41k (previous year: EUR 96k). Total write-downs amounted to EUR 12,295k (previous year: EUR 9,525k). As in the previous year, the impairment losses were fully recognised in cost of materials.

Unchanged to previous year no inventories were pledged as collateral for liabilities.

24. Cash and cash equivalents

in EUR '000	31.12.2015	31.12.2014
Cash and bank balances	186,800	231,063
Other cash equivalents	0	329
Cash in transit	250	258
Cash and cash equivalents	**187,050**	**231,650**

For details of changes in cash and cash equivalents, please refer to the consolidated statement of cash flows. As of 31 December 2015, the Group cannot freely dispose over a portion amounting to EUR 69k (previous year: EUR 398k).

25. Assets held for sale and discontinued operations

In the **segment AT Aviation** the following items were classified as assets held for sale in accordance with IFRS 5 in the reporting period and in the previous year.

As of 31 December 2015, DC Aviation GmbH classified one aircraft and spare parts as assets held for sale in accordance with IFRS 5, since those assets have no further use within the operating business. The assets have been handed over to a distributor for resale. The assets held for sale in accordance with IFRS 5 as of 31 December 2014 (only spare parts) have been sold in 2015. The classification did not result in an impairment in 2015 as well as in 2014.

In the **segment AT Engineering** the following items were classified as assets held for sale in accordance with IFRS 5 in the reporting period and in the previous year.

As of 31 December 2014, EDAG Engineering GmbH classified a property as an asset held for sale in accordance with IFRS 5. As a consequence of the deconsolidation of EDAG group there are no non-current assets held for sale within the segment AT Engineering as of 31 December 2015.

26. Equity

Details of the development of the equity between 1 January and 31 December 2015 and the previous period are presented in the Group's statement of changes in equity.

Subscribed capital

The subscribed capital of EUR 15,000k (previous year: EUR 15,000k) corresponds to the equity item reported by the parent (ATON GmbH). As of 31 December 2015, the share capital of EUR 15,000k is fully paid in.

Capital reserve

The capital reserve as of 31 December 2015 amounts to EUR 624,206k. In the reporting period an amount of EUR 560k was paid in and an amount of EUR 61,871k was reversed. In the previous period, an amount of EUR 746k was paid in.

Other reserves

In the other reserves, the revenue reserves and profit or loss of previous years attributable to shareholders (profit or loss carried forward), the current net profit or loss attributable to shareholders, reserves from the transition from HGB (German GAAP) to IFRS accounting and total other comprehensive income are reported.

Other comprehensive income contains currency translation differences, effects from remeasurements of defined benefit plans, the effective part of changes from cash flow hedges as well as changes in the fair values of financial assets available for sale. The currency translation differences include the differences from translating the currencies of financial statements of foreign subsidiaries, which are recognised directly in equity.

In 2015 payments to shareholders at ATON GmbH amounting to EUR 110,000k occurred. Furthermore, EUR 14k werde paid to minority shareholders during the reporting period.

in EUR '000	31.12.2015	31.12.2014
Retained earnings including profit or loss		
Revenue reserves and profit (+) or loss (-) carried forward	96,642	37,654
Profit attributable to the owners	357,623	111,484
Reserve from the transition to IFRSs	2,194	-3,776
	456,459	**145,362**
Other comprehensive income		
Currency translation differences	-22,791	-1,983
Remeasurements of defined benefit plans	-2,647	-12,613
Effective part of changes from cash flow hedges	-1,349	0
Fair value valuation of available-for-sale financial assets	634	585
	-26,153	**-14,011**
Other reserves	**430,306**	**131,351**

Non-controlling interest

The non-controlling interest is attributable to the following companies:

in EUR '000	31.12.2015	31.12.2014
TSO	3,366	2,889
FFT	8,813	665
EDAG	0	69
DHI	-455	-1,509
Non-controlling interest	**11,724**	**2,114**

Non-controlling interests at FFT subgroup are a consequence of the deconsolidation of EDAG group, which had a 49 % interest in EDAG Werkzeuge + Karroserie GmbH. Together with the 51 % share, which was hold and is hold by FFT, no non-controlling interest existed in relation to EDAG Werkzeuge + Karroserie GmbH. Since the deconsolidation of EDAG group the direct and indirect controlling interest totals to 80.3 % of equity of EDAG Werkzeuge + Karroserie GmbH.

The non-controlling interests in TSO, FFT and DHI are not material.

The development of the non-controlling interest in equity is shown in the table below:

in EUR '000	2015	2014
As of 1 January	2,114	1,624
Changes in equity recognised directly in equity		
Changes in the scope of consolidation	8,041	0
Currency translation differences from translation of financial statements of foreign subsidiaries	142	- 26
Dividend payments	- 14	- 30
Other changes in equity	15	- 112
	8,184	**- 168**
Changes in equity recognised in profit or loss	1,426	658
As of 31 December	**11,724**	**2,114**

With regard to the changes in scope of consolidation please refer to the effect described above for EDAG Werkzeuge + Karroserie GmbH as a consequence of the deconsolidation of EDAG group.

The other changes in equity within non-controlling interest in 2015 and 2014 include actuarial gains from the remeasurements of defined benefit plans.

In previous year the other changes in equity within non-controlling interest contain the disposal of minorities in as a result of the acquisition of additional Rücker AG shares by EDAG Engineering GmbH.

27. Provisions for pensions

The Group has occupational pension systems in the form of defined contribution plans and defined benefit plans.

Defined contribution plans take the form of old-age, disability and survivor's benefits. The employer contributions to the statutory pension insurance scheme payable in Germany should be treated as defined contribution plans of this type. The payments to defined contribution pension plans in the Group primarily relate to contributions to the statutory pension insurance schemes in Germany. The Group has no further payment obligations once the contributions have been paid. In the reporting period, current contributions of EUR 50,920k (previous year: EUR 53,174k) were paid. Other long-term employee benefits according to IAS 19.153 amount to EUR 1,900k in 2015 (previous year: EUR 1,837k).

The defined benefit obligations relate to direct pension commitments and indirect pension commitments through VKE Versorgungkasse EDAG-Firmengruppe e.V. (VKE).The latter, however, are no longer part of the consolidated financial statements as of 31 December 2015, as far as EDAG group is concerned, since EDAG group was deconsolidated.

The direct pension commitments obligate the employer to life-long pension payments. The obligations partly take the form of fixed commitments and partly of commitments, which depend on years of service and salary. Commitments are made for old-age, disability and survivor's benefits.

The exclusive and unalterable purpose of VKE is to manage a special pension fund, which grants voluntary, one-time, repeated or recurring benefits to beneficiaries according to the benefit plan of VKE when they need support, become disabled or incapable to work and in old age. The funding companies (members of VKE) are as follows:

- EDAG Engineering GmbH, Wiesbaden
- EDAG Production Solutions GmbH & Co. KG, Fulda
- EDAG Werkzeug + Karosserie GmbH, Fulda (funding company since 1 October 2014)
- FFT GmbH & Co. KG, Fulda

Beneficiaries can be employees and/or former employees of the funding companies as well as their close relatives (spouses and children) and/or surviving dependants. Individuals who find or found themselves in a comparable situation to that of employees of the funding companies are also classified as members of the funding companies. For employees recruited from 1 June 2006 onwards, the EDAG Group has not made any pension commitments.

The employees receive old-age, disability and survivor's benefits in accordance with the pension regulations applicable at the time. The benefit due in each case is paid as a lump sum.

In Germany, the provisions of the German Company Pensions Act apply to the pension commitments. Due to the legally prescribed pension adjustment, the pension obligations are subject to inflation risk. Furthermore, there is a risk that the actual payment obligations differ from the obligations expected at the time of the commitment, which is caused by changes in lifetime, disablement probabilities, and mortality rates.

The pension obligations are determined on the basis of actuarial reports, which are requested annually. The benefit amount is determined on the basis of the years of service and the estimated future salary and pension trends.

The provisions for pensions recognised in the statement of financial position is as follows:

in EUR '000	**2015**	**2014**
Present value of funded obligations	6,583	42,291
Fair value of plan assets	- 4,285	- 28,642
Deficit of funded plans	**2,298**	**13,649**
Present value of unfunded obligations	7,853	18,821
Total deficit of defined benefit pension plans	**10,151**	**32,470**
Provisions for pensions as of 31 December	**10,151**	**32,470**

The provisions for pensions changed as follows:

in EUR '000	2015	2014
Provisions for pensions as of 1 January	32,470	19,013
Changes in the scope of consolidation	-22,022	0
Current service cost	1,794	1,659
Past service cost	0	-32
Net interest cost (+) / income (-)	621	677
Remeasurements	-2,518	11,697
Currency translation differences	111	42
Employer contributions	0	-172
Contributions by plan participants	87	0
Benefit payments	-392	-415
Administration cost	0	1
Provisions for pensions as of 31 December	**10,151**	**32,470**

The decrease in pension provisions due to changes in the scope of consolidation amounting to EUR 22,022k in reporting period 2015 results from the deconsolidation of EDAG group.

The present value of the defined benefit obligation developed as follows:

in EUR '000	2015	2014
Present value of the defined benefit obligation as of 1 January	61,112	46,868
Changes in the scope of consolidation	-46,649	0
Current service cost	1,794	1,659
Past service cost	0	-32
Interest cost	1,234	1,621
Remeasurements of defined benefit plans		
from changes in financial assumptions	-2,208	11,759
from experience gains (-) / losses (+)	-237	84
Currency translation differences	482	90
Contributions by plan participants	87	95
Benefit payments	-1,179	-1,033
Administration cost	0	1
Present value of the defined benefit obligation as of 31 December	**14,436**	**61,112**

The decrease in defined benefit obligation due to changes in the scope of consolidation amounting to EUR 46,649k in reporting period 2015 results from the deconsolidation of EDAG group.

The fair value of plan assets developed as follows:

in EUR '000	2015	2014
Fair value of plan assets as of 1 January	28,642	27,855
Changes in the scope of consolidation	-24,629	0
Interest income	613	944
Return on (-) / loss from (-) plan assets excluding amounts included in interest income	73	145
Currency translation differences	372	49
Employer contributions	0	172
Contributions by plan participants	0	95
Benefit payments	-786	-618
Fair value of plan assets as of 31 December	**4,285**	**28,642**

The decrease of the fair value of plan assets due to changes in the scope of consolidation amounting to EUR 24,629k in reporting period 2015 results from the deconsolidation of EDAG group.

The asset allocation of the fair value of the plan assets is as follows:

in EUR '000	2015	in %	2014	in %
Debt instruments (Germany)	4,178	98%	24,188	84%
thereof without a quoted market price in an active market	0		0	
thereof investments in employer company or related parties	4,178		24,188	
Asset values of reinsurance cover pension trust (Germany)	107	2%	1,967	7%
thereof without a quoted market price in an active market	107		1,967	
Collective foundation (Switzerland)	0	0%	2,487	9%
thereof without a quoted market price in an active market	0		2,487	
Plan assets as of 31 December	**4,285**	**100%**	**28,642**	**100%**

Neither as of 31 December 2015 nor as of 31 December 2014, asset ceiling rules had an effect regarding plan assets to be recorded.

The calculation of the present value of the defined benefit obligation is based on the following actuarial assumptions:

	2015	2014
Average discount rate		
Germany	2.24%	2.04%
Switzerland	-	1.50%
Italy	-	1.80%
Biometric accounting bases		
Germany	2005 G mortality tables	2005 G mortality tables
Switzerland	-	BVG 2010 GT
Italy	-	RG48

The following sensitivity analyses present the impact on the present value of the defined benefit obligation of an increase or decrease in the actuarial assumptions:

in EUR'000		2015	in %	2014	in %
Average discount rate	+ 0,50 %	13,451	-6.82	56,859	-6.96
	- 0,50 %	15,517	7.49	65,896	7.83
Average life expectancy	+ 1 year	13,828	-4.21	62,965	3.03
	- 1 year	14,890	3.14	59,248	-3.05

The above sensitivity analyses were calculated in analogy to the defined benefit obligation by changing one assumption while holding all other assumptions and the valuation method constant. If several assumptions change at the same time, the total effect does not have to be the same as the sum of the individual effects. In addition, the effects of the individual changes in assumptions are not linear. The assumptions for salary and pension increases do not have a material impact on the present value of the defined benefit obligation. Hence sensitivities for these assumptions are not disclosed.

For the financial year 2016, the Group expects contributions to defined benefit pension plans amounting to EUR 493k (previous year: 2,204k) in total.

The weighted average duration of the defined benefit obligation of ATON's defined benefit plans is 15 years as of 31 December 2015 (previous year: 15 years).

28. Provisions for income taxes and other provisions

Provisions for income taxes and other provisions developed as follows:

in EUR '000	Income taxes	Person-nel	Warran-ties	Rework	Onerous con-tracts	Litiga-tion risks	Other	Total other provi-sions
As of 31 December 2014	**53,184**	**12,882**	**2,780**	**256**	**20,061**	**1,364**	**11,920**	**49,263**
thereof: current	**51,724**	9,747	2,152	256	20,061	1,364	7,152	**40,732**
Changes in the scope of consolidation	**- 20,889**	- 2,442	- 436	-	- 283	- 245	- 6,022	**- 9,428**
Currency translation differences	**- 3**	- 426	16	-	151	- 104	115	**- 248**
Additions	**14,021**	4,707	1,239	1,253	2,744	1,487	1,275	**12,705**
Consumption	**33,761**	4,947	-	188	2,453	605	1,402	**9,595**
Reversal	**340**	1,638	121	-	391	402	2,675	**5,227**
Interest effect	**-**	15	4	-	-	-	1	**20**
As of 31 December 2015	**12,212**	**8,151**	**3,482**	**1,321**	**19,829**	**1,495**	**3,212**	**37,490**
thereof: current	**12,212**	5,961	2,688	1,321	19,829	1,495	2,692	**33,986**

in EUR '000	Income taxes	Person-nel	Warran-ties	Rework	Onerous con-tracts	Litiga-tion risks	Other	Total other provi-sions
As at 31 December 2014	**21,839**	**20,750**	**2,674**	**933**	**13,183**	**5,787**	**13,713**	**57,040**
thereof: current	20,379	17,569	2,103	932	11,234	5,787	9,541	47,166
Changes in the scope of consolidation	-	- 18	-	-	-	- 2,730	2,715	- 33
Currency translation differences	17	277	13	-	175	11	353	829
Additions	39,584	7,202	1,282	418	13,806	991	4,443	28,142
Consumption	8,070	14,313	1,118	933	3,730	2,585	5,520	28,199
Reversal	186	1,065	71	162	3,373	136	3,763	8,570
Interest effect	-	18	-	-	-	-	4	22
Other changes	-	31	-	-	-	26	- 25	32
As at 31 December 2015	**53,184**	**12,882**	**2,780**	**256**	**20,061**	**1,364**	**11,920**	**49,263**
thereof: current	51,724	9,747	2,152	256	20,061	1,364	7,152	40,732

The decrease of provision from changes in scope of consolidation in the reporting period results from the de-consolidation of EDAG group.

The provisions for income taxes include income taxes as a result of tax audits.

Personnel provisions in particular relate to provisions for severance payments EUR 4,565k (previous year: EUR 7,261k), service anniversaries provisions EUR 929k (previous year: EUR 1,510k) and partial retirement provisions EUR 18k (previous year: EUR 363k).

The provisions for warranties are recognised for statutory and contractual warranty obligations as well as goodwill services. The provisions were recognised based on the products sold with the period being selected depending on the product and the industry. The measurement is made on the basis of past experience for repairs and complaints.

The provisions for rework comprise subsequent obligations from sales of machinery.

Provisions for onerous contracts are recognised for expected contract-related losses from construction, sales and lease contracts.

The provisions for litigation risks result from current or future legal action of which the related outcome cannot be predicted with certainty. They are measured on the basis of individual assessments of the most likely result.

The provisions for archiving costs amount to EUR 559k (previous year: EUR 742k) in the financial year.

29. Financial liabilities

Financial liabilities break down as follows:

in EUR '000	31.12.2015 Total	31.12.2015 Remaining maturities < 1 year	> 1 year < 5 years	> 5 years	31.12.2014 Total	31.12.2014 Remaining maturities < 1 year	> 1 year < 5 years	> 5 years
Bonds	199,792	1,119	198,673	0	199,363	1,119	198,244	0
thereof non-convertible	199,792	1,119	198,673	0	199,363	1,119	198,244	0
Liabilities to banks	59,781	50,091	9,690	0	62,634	15,154	47,480	0
thereof from loans	59,781	50,091	9,690	0	62,634	15,154	47,480	0
Loan liabilities	4,545	4,545	0	0	5,478	5,468	10	0
thereof to third parties	0	0	0	0	376	366	10	0
thereof to shareholders	0	0	0	0	36	36	0	0
thereof to related parties	4,197	4,197	0	0	4,222	4,222	0	0
thereof to associates	102	102	0	0	469	469	0	0
thereof to investments accounted for using the equity method	246	246	0	0	375	375	0	0
Finance lease liabilities	25,664	9,007	8,588	8,069	22,921	8,794	9,577	4,550
Liabilities from derivative financial instruments	4,999	4,999	0	0	6,975	3,908	3,067	0
Liabilities from bills	0	0	0	0	260	260	0	0
Total	**294,781**	**69,761**	**216,951**	**8,069**	**297,631**	**34,703**	**258,378**	**4,550**

Liabilities to shareholders, related parties and associates have been agreed until further notice. For this reason the repayment is shown under "no fixed repayments". No demands for repayment are expected in the next years.

For details of lease liabilities, please refer to note 18. The Group as lessee. For details of hedging liabilities, please refer to note 21. Other financial assets.

The tables below show the future undiscounted cash flows of financial liabilities that have an impact on the future liquidity status of the ATON Group:

		Cash flow in 2016			Cash flow in 2017-2019			Cash flow in 2020 and beyond			
in EUR '000	**Carrying amount**	**Fixed interest rate**	**Variable interest rate**	**Repay-ment**	**Fixed interest rate**	**Variable interest rate**	**Repay-ment**	**Fixed interest rate**	**Variable interest rate**	**Repay-ment**	**No fixed repay-ment**
Bonds	199,792	7,750	0	0	15,500	0	200,000	0	0	0	0
Liabilities to banks	59,781	507	1,351	56,229	127	6	2,153	224	0	1,399	0
Finance lease liabilities	25,664	800	217	9,045	635	122	5,441	1,470	0	11,178	0
Loan liabilities to shareholders, related parties and associates	4,299	65	0	0	0	0	0	0	0	0	4,299
Loan liabilities to investments accounted for using the equity method	246	0	0	246	0	0	0	0	0	0	0
Liabilities from derivative financial instruments	4,999	0	0	4,999	0	0	0	0	0	0	0
Trade payables [1)]	115,061	0	0	111,792	0	0	3,269	0	0	0	0
Other liabilities (financial instruments as defined in IAS 32)	3,211	0	0	3,211	0	0	0	0	0	0	0
Total	**413,053**	**9,122**	**1,568**	**185,522**	**16,262**	**128**	**210,863**	**1,694**	**0**	**12,577**	**4,299**

1) Excludes liabilities from construction contracts

The table below shows the figures as of 31 December 2014, also disclosing the future undiscounted cash flows of the financial liabilities:

		Cash flow in 2015			Cash flow in 2016-2018			Cash flow in 2019 and beyond			
in EUR'000	**Carrying amount**	**Fixed interest rate**	**Variable interest rate**	**Repay-ment**	**Fixed interest rate**	**Variable interest rate**	**Repay-ment**	**Fixed interest rate**	**Variable interest rate**	**Repay-ment**	**No fixed repay-ment**
Bonds	199,363	7,750	0	0	23,250	0	200,000	0	0	0	0
Liabilities to banks	62,634	329	0	15,153	173	1,288	41,908	320	0	5,573	0
Finance lease liabilities	22,921	1,152	0	9,720	720	0	6,491	1,222	0	6,710	0
Loan liabilities to shareholders and related parties	4,727	177	0	0	0	0	0	0	0	0	4,727
Loan liabilities to investments accounted for using the equity method	375	0	0	375	0	0	0	0	0	0	0
Loan liabilities to third parties	376	0	0	0	0	0	0	0	0	0	376
Liabilities from derivative financial instruments	6,975	0	0	3,908	0	0	3,067	0	0	0	0
Trade payables [1)]	122,726	0	0	121,312	0	0	1,414	0	0	0	0
Other liabilities (financial instruments as defined in IAS 32)	4,912	0	0	4,912	0	0	0	0	0	0	0
Total	**425,009**	**9,408**	**0**	**155,380**	**24,143**	**1,288**	**252,880**	**1,542**	**0**	**12,283**	**5,103**

1) Excludes liabilities from construction contracts

30. Trade and other payables

in EUR '000	31.12.2015 Total	31.12.2015 Remaining maturities < 1 year	31.12.2015 Remaining maturities > 1 year < 5 years	31.12.2015 Remaining maturities > 5 years	31.12.2014 Total	31.12.2014 Remaining maturities < 1 year	31.12.2014 Remaining maturities > 1 year < 5 years	31.12.2014 Remaining maturities > 5 years
Trade payables								
to third parties	107,666	107,666	-	-	119,967	119,967	-	-
to related parties	3,264	3,264	-	-	81	32	49	-
to affiliated companies	670	670	-	-	1,085	1,085	-	-
to associates	3,461	191	3,270	-	1,593	228	1,365	-
from construction contracts	185,087	185,087	-	-	235,401	234,486	915	-
	300,148	**296,878**	**3,270**	**-**	**358,127**	**355,798**	**2,329**	**-**
Other liabilities								
payments received on account of orders	9,368	8,858	510	-	5,623	5,413	210	-
to affiliated companies	67	30	37	-	63	28	35	-
to related parties	-	-	-	-	54	54	-	-
to employees	39,456	39,456	-	-	64,083	64,080	3	-
from social security contributions	1,200	1,200	-	-	3,383	3,235	148	-
from value added tax and other taxes	37,872	37,872	-	-	48,333	48,333	-	-
from company purchase agreements	11	11	-	-	10	10	-	-
from deferred income	3,778	3,450	328	-	2,595	2,511	84	-
from other liabilities	3,833	3,492	341	-	5,368	5,368	-	-
	95,585	**94,369**	**1,216**	**-**	**129,512**	**129,032**	**480**	**-**
Total	**395,733**	**391,247**	**4,486**	**-**	**487,639**	**484,830**	**2,809**	**-**

Construction contracts with a liability balance due to customers are composed of the following net amounts:

in EUR '000	2015	2014
Accumulated direct costs	1,376,329	1,383,245
+ accumulated allocated gains	221,012	214,688
- accumulated allocated losses	46,576	44,187
+ accumulated currency translation differences	449	- 7,768
Accumulated contract revenue	**1,551,214**	**1,545,978**
- advance payments received	69,294	169,955
- amounts invoiced	1,667,456	1,617,078
+ accumulated currency translation differences	449	5,654
Carrying value	**- 185,087**	**- 235,401**

Other liabilities to employees primarily include liabilities from claims of bonus agreements, current salary payments, untaken leave and overtime credits.

Liabilities from social security contributions relate in particular to contributions to be paid to social security institutions.

Aside from this, other liabilities contain a large number of items that are individually insignificant.

31. Notes to the statement of cash flows

The statement of cash flows shows how the cash and cash equivalents of the ATON Group changed in the course of the reporting period as a result of cash inflows and cash outflows. The impact of changes in the scope of consolidation is disclosed separately only in the cash flow from investing activities. All other changes are disclosed on a net basis in the individual line items of the cash flow from operating activities and from financing activities.

The cash funds reported in the statement of cash flows comprise cash, cheques and bank balances.

Cash flow from operating activities

Income before interest, dividends and income taxes includes earnings before income taxes (EUR 411,918k; previous year: EUR 163,328k) adjusted by the net amount of interest expense, interest income and dividend income (EUR 6,827k; previous year: EUR 7,265k). Part of the interest income is recognised in the other financial result.

In the reporting period, the cash flow from operating activities amounts to EUR -43,045k (previous year: EUR 105,331k) and thus decreased by EUR 148,376k compared to the period of the previous year. The gross cash flow in the amount of EUR 170,004k decreased by EUR 39,193k compared to previous year. Moreover, the change in other assets and liabilities caused a cash outflow of EUR 147,963k (previous year: EUR 67,634k). In addition, the income taxes paid were EUR 34,670k lower than in the previous reporting period.

Cash flow from investing activities

The cash inflow from investing activities amounts to EUR 102,542k (previous year: cash outflow of EUR 123,581k). The increase was mainly driven by the net proceeds of from the initial public offering of EDAG group amounting to EUR 190,301k. In the previous reporting period, proceeds from the disposal of consolidated subsidiaries amounted to EUR 14,387k. On the other hand, payments for the acquisition of consolidated companies amounting to EUR 1,161k (previous year: EUR 0k) have been made. A lower net cash outflow by EUR 124,584k, respectively lower investments in financial assets also improved the cash flow. Having an opposite effect, the net amount from payments for and proceeds from property, plant and equipment and intangible assets increased by EUR 73,214k.

Cash flow from financing activities

In the reporting period, the cash outflow from financing activities amounts to EUR 95,075k (previous year: EUR 89,305k). Payments to shareholders of EUR 110,014k took place in 2015 (previous year: EUR 30,030k). Moreover, repayments of bank loans and finance leases in the amount of EUR 23,070k (previous year: EUR 67,262k) were made. Having an opposite effect, the proceeds from bank loans and finance leases amounted to EUR 38,009k (previous year: EUR 7,987k).

32. Contingent liabilities and other financial obligations

Contingent liabilities

For the contingent liabilities listed below no provisions were recognised, because at the reporting date it was deemed unlikely that the risk would materialise:

in EUR '000	31.12.2015	of which to affiliated companies	31.12.2014	of which to affiliated companies
Liabilities from guarantees, bill and cheque guarantees	-	-	1,792	-
Contingent liabilities from the granting of security for third-party liabilities	281	-	184	-
Other contingent liabilities	2,662	691	3,357	691
Contingent liabilities	**2,943**	**691**	**5,333**	**691**

The probability that the disclosed contingent liabilities will arise is very small.

Other financial obligations

In addition to the provisions, liabilities and contingent liabilities, there are other financial obligations, which break down as follows:

in EUR '000	31.12.2015	31.12.2014
Obligations from non-cancellable operating leases	46,151	136,454
Purchase commitments and other purchase obligations	16,680	18,457
Miscellaneous other obligations	5,047	2,865
Other financial obligations	**67,878**	**157,776**

For fix-term contracts the expenses during the entire term of the contract are taken into account, whereas for permanent contracts only the expenses of the following financial year are taken into the valuation.

The decrease in obligations from non-cancellable operating leases is the result of the deconsolidation of EDAG group. In this line EDAG group stood for EUR 98.313k in previous year.

The rise in purchase commitments and other purchase obligations is primarily due to a decline in investments in the segment AT Mining, partly compensated by an increase in investments within the segment AT Med Tech.

The increase in miscellaneous other obligations can be traced to the segments AT Engineering and AT Aviation.

33. Financial instrument disclosures

Carrying amount, valuation and fair values of financial instruments by measurement categories

Financial instruments are initially measured at fair value. Financial instruments not measured at fair value primarily include cash equivalents, trade receivables, trade payables and other financial liabilities, overdrafts and long-term loans.

In the case of cash equivalents and overdrafts, the carrying amount approximately corresponds to the fair value because of the short maturities of these financial instruments. For receivables and payables that are subject to normal trade credit terms, the carrying amount is likewise very similar to the fair value.

The fair value of the non-current loans are based on current borrowing interest rates with matching maturity and credit standards. The fair value of financial liabilities largely corresponds to their carrying amount, because the agreed interest rate is regularly adjusted to market levels. For fixed-rate items, the carrying amount is likewise very similar to the fair value, which results by discounting with a term-adequate interest rate, because the interest rate principally corresponds to the current market rates.

The fair values of assets and liabilities from derivative financial instruments are determined on the basis of market terms and conditions prevailing as of the reporting date. For the determination, recognised valuation models are used. For foreign exchange futures, the fair value is based on the expected discounted future cash flows. Options are measured using valuation models on the basis of market values.

The positive fair value of foreign exchange futures amounts to EUR 71k (previous year: EUR 297k). The negative fair value amounts to EUR 264k (previous year: EUR 1,660k).

The positive fair value of currency options amounts to EUR 0k (previous year: EUR 0k). The negative fair value amounts to EUR 4,735k (previous year: EUR 5,315k).

The following tables shows the fair values and carrying amounts of the financial assets and financial liabilities included in the respective items of the statement of financial position as of 31 December 2015 and 31 December 2014, respectively. Thereby, a distinction is made between the following financial assets and financial liabilities, aggregated into measurement categories:

[LaR] Loans and receivables

[HtM] Held-to-maturity investments

[FAHfT] Financial assets held for trading

[AfS] Available-for-sale financial assets

[FLAC] Financial liabilities measured at amortised cost

[FLHfT] Financial liabilities held for trading

in EUR '000	Measurement category under IAS 39	Carrying amount as of 31.12.2015	Recognition under IAS 39 Amortised cost	Recognition under IAS 39 Cost	Recognition under IAS 39 Fair Value	Recognition under IAS 17	Fair Value 31.12.2015
Assets							
Cash and cash equivalents	LaR	187,050	187,050				187,050
Trade receivables	LaR	399,816	399,816				399,816
Other receivables and loans							
Financial instruments as defined in IAS 32	LaR	192,944	192,944				192,944
Non-financial instruments as defined in IAS 32	n/a	26,893	26,893				26,893
Other non-derivative financial assets							
Financial assets held for trading	FAHfT	152,688			152,688		152,688
Held-to-maturity investments	HtM	1,337	1,337				1,337
Available-for-sale financial assets	AfS	12,179			12,179		12,179
Non-consolidated equity investments	AfS	4,287		4,287			4,287
Derivative financial assets							
Foreign exchange futures	FAHfT	71			71		71
Liabilities							
Trade payables[1)]	FLAC	115,061	115,061				115,061
Non-convertible bonds	FLAC	199,792	199,792				199,792
Liabilities to banks	FLAC	59,781	59,781				59,781
Other interest-bearing liabilities	FLAC	4,545	4,545				4,545
Other non-interest-bearing liabilities							
Financial instruments as defined in IAS 32	FLAC	3,278	3,278				3,278
Non-financial instruments as defined in IAS 32	n/a	277,392	277,392				277,392
Finance lease liabilities	n/a	25,664				25,664	25,664
Derivative financial liabilities							
Foreign exchange futures	FLHfT	264			264		264
Currency options	FLHfT	4,735			4,735		4,735
Of which aggregated into IAS 39 measurement categories							
Loans and receivables (LaR)	LaR	779,810	779,810				779,810
Held-to-maturity investments (HtM)	HtM	1,337	1,337				1,337
Available-for-sale financial assets (AfS)	AfS	16,466		4,287	12,179		16,466
Financial assets held for trading (FAHfT)	FAHfT	152,759			152,759		152,759
Financial liabilities measured at amortised cost (FLAC)	FLAC	382,457	382,457				382,457
Financial liabilities held for trading (FLHfT)	FLHfT	4,999			4,999		4,999

1) Excludes liabilities from construction contracts

in EUR '000	Measurement category under IAS 39	Carrying amount as of 31.12.2014	Recognition under IAS 39 Amortised cost	Recognition under IAS 39 Cost	Recognition under IAS 39 Fair Value	Recognition under IAS 17	Fair Value 31.12.2014
Assets							
Cash and cash equivalents	LaR	231,650	231,650				231,650
Trade receivables	LaR	553,922	553,922				553,922
Other receivables and loans							
Financial instruments as defined in IAS 32	LaR	102,595	102,595				102,595
Non-financial instruments as defined in IAS 32	n/a	28,200	28,200				28,200
Other non-derivative financial assets							
Financial assets held for trading	FAHfT	96,278			96,278		96,278
Held-to-maturity investments	HtM	1,250	1,250				1,250
Available-for-sale financial assets	AfS	11,115			11,115		11,115
Non-consolidated equity investments	AfS	4,356		4,356			4,356
Derivative financial assets							
Foreign exchange futures	FAHfT	297			297		297
Liabilities							
Trade payables[1)]	FLAC	122,726	122,726				122,726
Non-convertible bonds	FLAC	199,363	199,363				199,363
Liabilities to banks	FLAC	62,634	62,634				62,634
Other interest-bearing liabilities	FLAC	5,478	5,478				5,478
Other non-interest-bearing liabilities							
Financial instruments as defined in IAS 32	FLAC	5,034	5,034				5,034
Non-financial instruments as defined in IAS 32	n/a	358,965	358,965				358,965
Finance lease liabilities	n/a	22,921				22,921	22,921
Derivative financial liabilities							
Foreign exchange futures	FLHfT	1,660			1,660		1,660
Currency options	FLHfT	5,315			5,315		5,315
Of which aggregated into IAS 39 measurement categories							
Loans and receivables (LaR)	LaR	888,167	888,167				888,167
Held-to-maturity investments (HtM)	HtM	1,250	1,250				1,250
Available-for-sale financial assets (AfS)	AfS	15,471		4,356	11,115		15,471
Financial assets held for trading (FAHfT)	FAHfT	96,575			96,575		96,575
Financial liabilities measured at amortised cost (FLAC)	FLAC	395,235	395,235				395,235
Financial liabilities held for trading (FLHfT)	FLHfT	6,975			6,975		6,975

[1)] Excludes liabilities from construction contracts

If circumstances occur that require a different classification, the reclassification is performed on a quarterly basis.

The following tables shows the gross and net amounts of the other financial assets and other financial liabilities as of 31 December 2015:

in EUR '000	Gross amounts reported in the balance sheet	Gross amounts offset in the balance sheet	Net amounts reported in the balance sheet	Amounts not offset in the balance sheet	Total net amount
Other financial assets					
Derivative financial assets	71		71	- 71	
Other financial liabilities					
Derivative financial liabilities	4,999		4,999	- 71	4,928

The following tables shows the gross and net amounts of the other financial assets and other financial liabilities as of 31 December 2014:

in EUR '000	Gross amounts reported in the balance sheet	Gross amounts offset in the balance sheet	Net amounts reported in the balance sheet	Amounts not offset in the balance sheet	Total net amount
Other financial assets					
Derivative financial assets	297		297	- 297	
Other financial liabilities					
Derivative financial liabilities	6,975		6,975	- 297	6,678

Determination of the fair value of financial instruments

In the tables below the fair values of financial instruments are allocated to the relevant levels in accordance with IFRS 7. Thereby, the fair value measurement of a financial instrument is allocated in its entirety to the level for which inputs are material to determine its fair value. In level 1, fair values are mainly determined by using quoted prices in active markets for identical financial assets or liabilities. The market is considered active, if quoted prices are easily available and at regular intervals at an exchange, from a trader, broker, industry association, price calculation service or a supervisory authority and the prices reflect current recurring market transactions conducted at arm's length principle. The basis to determine fair values of level 2 are mainly observable quoted prices for similar financial assets or liabilities. Fair value is determined on the basis of the results of a valuation method that uses market data to the largest possible extent, avoiding company-specific data as far as possible. Fair value measurements of level 3 are mainly based on unobservable market data. In 2015 and 2014, ATON group determined fair values of financial instruments based on level 1 and level 2. The fair value measurement of level 3 was not used in 2015 nor 2014.

The table below shows the classification of the assets and liabilities measured at fair value as of 31 December 2015:

in EUR '000	Level 1	Level 2	Level 3	Total
Assets				
Financial assets held for trading	152,688			152,688
Securities available for sale	12,179			12,179
Foreign exchange futures		71		71
Liabilities				
Foreign exchange futures		264		264
Currency options		4,735		4,735

In the reporting period 2015 (as in the previous reporting period) there were no transfers between level 1 and level 2 of the fair value hierarchy for assets and liabilities that are measured at fair value on a recurring basis.

The table below shows the classification of the assets and liabilities measured at fair value as of 31 December 2014:

in EUR '000	Level 1	Level 2	Level 3	Total
Assets				
Financial assets held for trading	96,278			96,278
Securities available for sale	11,115			11,115
Foreign exchange futures		297		297
Liabilities				
Foreign exchange futures		1,660		1,660
Currency options		5,315		5,315

The instruments included in level 1 contain financial assets held for trading and securities available for sale.

The fair value of financial instruments not traded on an active market (e.g. over-the-counter derivatives) are determined on the basis of a valuation method.

The foreign exchange futures and currency options in level 2 relate to derivative financial instruments, for which hedge accounting is not applied. The valuation is based on quotation or option pricing models using market data.

Net gains or losses by measurement category

The Group recognises interest on financial instruments and the other components of net gains or losses in the financial result. Allowances on trade and other receivables assigned to the LaR measurement category are an exception. They are reported under other expenses or other income. Likewise, currency translation differences of the LaR and FLAC measurement categories are assigned to other expenses or other income.

The net gains or losses on financial assets and liabilities measured at fair value through profit or loss include gains or losses from changes in fair value as well as interest expense or income from these financial instruments.

The net gains or losses on available-for-sale financial assets include, among other things, income from equity investments and realised gains on the disposal of shares in such investments. The financial result on financial liabilities measured at amortised cost includes primarily interest expense on financial liabilities. In addition, the item includes interest income from discounting or compounding on trade payables.

The net gains or losses by measurement category are as follows:

in EUR '000	From interest and dividends	From subsequent measurement			From disposal	Net gain or loss	
		Fair value	Currency translation	Allowances		31.12.2015	31.12.2014
Loans and receivables (LaR)	4,868	0	3,412	-2,700	0	5,580	8,383
Held-to-maturity investments (HtM)	1	0	0	428	0	429	0
Available-for-sale financial assets (AfS)	255	0	20	-11	1	265	584
Financial instruments held for trading (FAHfT und FLHfT)	4,354	-338	0	0	1,292	5,308	-2,436
Financial liabilities measured at amortised cost (FLAC)	-14,882	0	390	0	0	-14,492	-15,662
Net gain/loss	**-5,404**	**-338**	**3,822**	**-2,283**	**1,293**	**-2,910**	**-9,131**

Net interest income/expense and allowances

Fair value adjustments amounting to EUR 50k (previous year: EUR 66k) were recognised directly in equity in the financial year under review, because changes in value of available-for-sale financial instruments are recognised in equity.

The total interest income and expense recognised in the financial result for financial assets and financial liabilities not classified as at fair value through profit or loss is as follows:

in EUR '000	2015	2014
Interest income	4,935	2,433
Interest expense	14,882	15,651
Net interest expense	**- 9,947**	**- 13,218**

Total net interest income or expense breaks down as follows into IAS 39 measurement categories:

in EUR '000	2015	2014
Loans and receivables (LaR)	4,868	2,375
Held-to-maturity investments (HtM)	1	0
Available-for-sale financial assets (AfS)	66	58
Financial liabilities measured at amortised cost (FLAC)	-14,882	-15,651
Net interest income/expense	**-9,947**	**-13,218**

The allowances recognised to LaR are as follows:

in EUR '000	2015	2014
Bad debt expense	573	1,001
Expenses from additions to specific allowances	3,066	2,001
Income from release of specific allowances	-696	-2,414
Income from receivables written off	-193	-29
Income (reversals of impairment losses) from loans	-50	-43
Loans and receivables (LaR)	**2,700**	**516**

The allowances recognised to Available-for-sale financial assets (AfS) and Held-to-maturity investments (HtM) are as follows:

in EUR '000	2015	2014
Impairment losses on equity investments	-428	0
Impairment losses on securities	-11	-10
Available-for-sale financial assets (AfS)	-11	-10
Held-to-maturity investments (HtM)	428	0

The impairment losses on equity investments amounting to EUR 428k result from the impairment for the interest in NextRay LLC to zero and is presented within the segment “Holding/Consolidation”. The main asset of the company was an option purchased in previous years to acquire a certain technology. This option was not exercised and consequently lost its value.

34. Objectives and methods of financial risk management

Risk management principles

The main financial instruments used by the Group – except derivative financial instruments – comprise bank loans and overdrafts, finance leases and trade payables. The main purpose of these financial instruments is to finance the Group's operating activities. Besides, the Group has different financial assets, such as securities, trade receivables, cash and short-term deposits, which result directly from its operating activities.

With regard to its assets, liabilities and planned transactions, the Group is subject to various market risks, in particular risks from changes in exchange rates and interest rates, as well as liquidity and credit risks. The aim of financial risk management is to limit these market risks specifically by continuously taking operational and financial measures. For this purpose selected derivative and non-derivative hedging instruments are used. In general, risks are hedged only if they may have an impact on the Group's cash flows. In particular, foreign exchange futures and currency options are used as derivative financial instruments to hedge against foreign currency risks arising from the Group companies' operating activities.

Financial policy is defined by the Group's management board on an annual basis. The implementation of financial policy and ongoing risk management are the responsibility of the subgroups and single entities. To monitor financial policy, the Group's management board is regularly informed in quarterly meetings respectively in the event of material changes about the current risk exposure in terms of the extent and amount. In addition, certain transactions exceeding the nature and extent of normal business transactions are subject to prior approval by the Group's management board.

Risks from exchange rate fluctuations are limited by locally procuring most materials needed in the manufacturing and assembly processes in the respective countries.

Credit risk

As a result of their operating activities and certain financing activities, the Group companies of ATON are exposed to credit risk. Credit risk exists where a business partner involved in a transaction with non-derivative or derivative financial instruments cannot meet its obligations and this causes a loss of assets. As part of their operations, the Group companies enter into transactions only with third parties rated as creditworthy. Credit checks are performed for new customers. In the case of existing customer relationships, the customer's payment behaviour is analysed on a regular basis. In addition, orders and receivables are secured with letters of credit from major banks amounting to EUR 3,345k as of 31 December 2015 (previous year: EUR 2,414k). Most of the Group companies have business relationships with large-scale customers (especially international OEMs). The resulting risk is considered low, because these customers have high degrees of solvency and in addition there are no material dependencies. The end customer business with private individuals is of minor importance to the Group.

In the operating business, receivables are continuously monitored on a divisional, i.e. decentralised, basis, so that the Group is not exposed to any material credit risk. The trade and other receivables in the amount of

EUR 436,837k (previous year: EUR 644,523k) as well as other financial assets in the amount of EUR 353,378k (previous year: EUR 153,488k) reported in assets represent the maximum credit risk.

Risk of changes in interest rates

Most of the Group's financing is based on the issued fixed-rate bond and external bank financing. The ATON Group is generally exposed to fluctuations in market interest rates. Fluctuations in interest rates primarily concern liabilities to banks. These include among other things current account overdrafts as well as variable-rate loans and are therefore directly affected by changes in interest rates. These changes have an impact on future cash flows. In our opinion, no material risks arise from the fluctuations in market interest rates.

The table below shows the sensitivity of consolidated earnings before income taxes to a change in interest rates that is deemed reasonably possible. All other variables have remained unchanged.

The impact on equity includes the impact on both OCI and operating profit.

in EUR '000	Change in interest rate in basis points	Impact on profit after tax	Impact on equity
2015	+ 100	- 539	- 539
	./. 100	539	539
2014	+ 100	- 626	- 626
	./. 100	626	626

Foreign currency risk

Foreign currency risks result from investments, financing transactions and operating activities. Significant risks from foreign currencies are hedged, if they affect the Group's cash flows. Foreign currency risks that do not affect the Group's cash flows (i.e. risks resulting from the mere translation of the assets and liabilities of foreign corporate units into the Group's reporting currency) are not hedged.

The foreign currency risks regularly relate to current receivables and liabilities denominated in currencies other than the local currencies of the companies in the ATON Group or those that will arise in the normal course of business. The Group is exposed to material foreign exchange risks mainly because of the development of the USD, CAD and GBP exchange rate.

As of the reporting date, the Group was not exposed to any material risks from investment transactions denominated in foreign currency.

The Group companies settle most of their operating activities in their respective functional currencies. For this reason, the Group's foreign currency risk from operating activities is considered low. However, some Group companies are exposed to foreign currency risks in connection with planned payments not denominated in their functional currency. In some cases, derivative financial instruments (foreign exchange futures and currency options) are used to minimise the risk of changes in exchange rates. These financial instruments are used to hedge only existing or expected foreign currency risks.

As of 31 December 2015, material receivables and payables only exist in US dollar, Canadian dollar and British pound. The non-derivative and derivative financial instruments existing at the end of the reporting period were measured in a hypothetical scenario as part of a sensitivity analysis. The effects of a 10 % increase / decrease in a currency per exchange rate to profit after taxes and equity are as follows as of 31 December 2015.

in EUR '000	change in %	EUR/USD	EUR/CAD	EUR/GBP
2015	+ 10	2,234	- 2,976	1,114
	./. 10	- 2,730	3,638	- 1,361
2014	+ 10	1,128	- 3,236	- 8
	./. 10	- 1,379	3,955	10

Relevant risk variables are all non-functional currencies in which the Group enters into financial instruments.

The currency sensitivity analyses are based on the following assumptions: Material non-derivative financial instruments (cash and cash equivalents, receivables, interest-bearing liabilities, finance lease liabilities, non-interest-bearing liabilities) are either denominated directly in the functional currency or, in material circumstances, they are transferred into the functional currency by using derivatives.

Equity instruments held by the Group are non-monetary and therefore not associated with foreign currency risk as defined in IFRS 7.

Liquidity risk

Ensuring permanent solvency is the responsibility of the respective management teams of the subgroups and single entities. The central objective specified for the Group is to continuously ensure that financial requirements are covered by using current account overdrafts, loans and leases. Central monitoring of the liquidity of the individual Group companies is performed with weekly reports to the parent ATON. The information provided is presented to the Group’s management board on a weekly basis for risk management purposes. Based on the current and expected business situation, the liquidity risk is considered low. Nevertheless, liquidity continues to be ensured through medium-term and long-term lines of credit. In general, it is ensured that there are sufficient free lines of credit. Appropriate measures are taken on time to ensure the financing of planned investments.

Please refer to Note 29 Financial liabilities for the liquidity analysis.

Covenant Risk

The majority of financing contracts with banks include covenants that are based on predefined financial ratios. The ratios mainly are equity ratios, leverage ratios and in individual cases, interest coverage ratios. If one of the agreed thresholds of the covenants is violated, the lender has the right of termination. The existing covenants were complied with.

In the terms and conditions of the bond issued in 2013 there are clauses included, which limit the financial leverage of the ATON Group as well as ATON subsidiaries by using financial ratios. Moreover, the terms and conditions include regulations regarding securing financial liabilities, transactions with owners, change of control and the maximum amount of dividends.

In the case of change of control each bondholder has the right of termination, in breach of other obligations a creditor quorum of 10 % is required for the validity of the termination. The clauses of the bond and the covenants of financing contracts with banks are permanently monitored concerning the companies' current financial results, thereby facilitating the early detection of risks. In the financial year 2014 the clauses of the issuance of the bond were complied with.

Other price risks

As part of the disclosure of market risks, IFRS 7 also requires information on how hypothetical changes in risk variables impact on the prices of financial instruments. Eligible risk variables are exchange prices or indices in particular.

in EUR '000	Change in prices in basis points	Impact on profit after tax	Impact on equity
2015	+ 100	1,649	1,649
	./. 100	- 1,649	- 1,649
2014	+ 100	1,074	1,074
	./. 100	- 1,074	- 1,074

There are not material concentration of risks in the ATON Group as of the 2015 reporting date.

Capital management / control

The main objective of the Group's capital management system is to ensure that the Group's ability to repay debt and its financial strength are maintained, combined with the corresponding credit rating and equity ratio.

The Group manages its capital structure and makes adjustments in line with changes in economic conditions.

Capital is primarily managed on the basis of a dynamic debt ratio (I and II), which corresponds to the ratio of first and second degree net financial liabilities to EBITDA. The debt ratio I monitored by the management board should not exceed 4 and the debt ratio II should not be higher than 10.

In the reporting period as in previous year, the dynamic debt ratios I and II are within the specified range:

in EUR '000	2015	2014
Earnings before interest, taxes, depreciation and amortisation	489,894	248,927
Liabilities to banks	59,781	62,634
Leasing liabilities	25,664	22,921
Other financial liabilities	205,103	207,819
	290,548	293,374
Cash and cash equivalents	187,050	231,650
First-degree net financial assets (-) / net financial liabilities (+)	103,498	61,724
Liabilities to shareholders/related parties	4,197	4,258
Investments in securities that can be liquidated at short notice	166,205	108,643
Second-degree net financial assets (-) / net financial liabilities (+)	- 58,510	- 42,661
Dynamic debt ratio I	0.2	0.2
Dynamic debt ratio II	-	-

35. Segment reporting

The management board is the main decision maker of the Group. Management has determined the operating segments for the purpose of allocating resources and assessing performance. The management board defines the business from a product perspective with the segments Engineering, Mining, Med Tech and Aviation.

The services of the segment **AT Engineering** cover in particular the areas of engineering and plant construction for the automotive industry, along with other sectors of the mobility industry, as well as manufacturing of specialised machine and mining.

The segment **AT Mining** offers mining and shaft-sinking services and products worldwide.

The segment **AT Med Tech** provides on the one hand solutions for the healthcare market in the fields of surgery and diagnostics, specialising in X-ray diagnostics, basic medical diagnostics and minimally invasive surgery, and on the other hand products for the pharmaceuticals industry and hospitals.

The segment **AT Aviation** comprises business aviation and charter flights.

The management board assesses the performance of the operating segments based on gross revenue, EBIT and EAT (profit or loss for the period).

Sales between segments are carried out in accordance with standard market practices. The revenue from external parties reported to the management board is measured in a manner consistent with that in the income statement.

Non-cash transactions are mainly summarised in the non-operating result. The non-operating result contains the result from disposal of consolidated subsidiaries, from disposal of fixed assets, income and expenses from foreign currency translation, income from the reversal of provisions as well as other income and expenses from previous years.

The following table presents information for the Group's segments:

	AT Engineering *		AT Mining *		AT Med Tech	
in EUR '000	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
External revenue (net)	1,287,545	1,281,386	463,414	509,494	292,908	282,307
Internal revenue (net)	115	504	2,356	675	2,638	948
Revenue	**1,287,660**	**1,281,890**	**465,770**	**510,169**	**295,546**	**283,255**
Changes in inventories and own work capitalised	6,492	- 11,596	- 96	990	1,697	2,873
Gross performance	**1,294,152**	**1,270,294**	**465,674**	**511,159**	**297,243**	**286,128**
Non-operating result	318,968	29,093	2,925	996	1,004	2,491
EBITDA	**438,879**	**144,961**	**57,560**	**69,594**	**31,508**	**38,809**
Depreciation and amortisation	31,818	31,471	25,082	28,862	11,351	10,073
Impairment losses	6,994	757	1,017	-	-	3
EBIT	**400,067**	**112,733**	**31,461**	**40,732**	**20,157**	**28,733**
Financial result	- 13,461	- 17,882	3,557	- 2,610	- 1,030	- 561
thereof result from at equity investments	- 195	114	2,886	3,647	-	-
EBT	**386,606**	**94,851**	**35,018**	**38,122**	**19,127**	**28,172**
Income taxes	30,038	28,262	12,502	12,775	5,432	9,521
EAT	**356,568**	**66,589**	**22,516**	**25,347**	**13,695**	**18,651**
EAT attributable to non-controlling interest	515	290	911	368	-	-
EAT attributable to owners of the parent	**356,053**	**66,299**	**21,605**	**24,979**	**13,695**	**18,651**

	AT Engineering *		AT Mining *		AT Med Tech	
in EUR '000	**31.12.2015**	**31.12.2014**	**31.12.2015**	**31.12.2014**	**31.12.2015**	**31.12.2014**
Segment assets	801,410	950,476	348,992	337,300	236,566	226,742
Segment liabilities	400,620	749,830	166,800	138,252	58,508	60,018

* Against the background of the advanced integration of Deilmann-Haniel Mining Systems GmbH as a plant engineer and manufacturer of machinery with other companies of the business segment engineering, the company was reclassified from the business segment AT Mining in to the business segment AT Engineering during financial year 2015. Prior year segment information has been adjusted in accordance with requirements within IFRS 8 for the purpose of maintaining comparability.

	AT Aviation		Holding/Consolidation		ATON Group	
in EUR '000	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
External revenue (net)	73,888	82,644	-	207	2,117,755	2,156,038
Internal revenue (net)	402	601	- 576	- 956	4,935	1,772
Revenue	**74,290**	**83,245**	**- 576**	**- 749**	**2,122,690**	**2,157,810**
Changes in inventories and own work capitalised	-	-	-	-	8,093	- 7,733
Gross performance	**74,290**	**83,245**	**- 576**	**- 749**	**2,130,783**	**2,150,077**
Non-operating result	1,465	3,313	- 1,857	2,519	322,505	38,412
EBITDA	**1,829**	**1,916**	**- 39,883**	**- 6,352**	**489,893**	**248,927**
Depreciation and amortisation	363	662	357	343	68,971	71,411
Impairment losses	-	-	-	-	8,011	760
EBIT	**1,466**	**1,254**	**- 40,240**	**- 6,695**	**412,911**	**176,756**
Financial result	1,454	- 55	8,487	7,680	- 993	- 13,428
thereof result from at equity investments	-	-	-	-	2,691	3,761
EBT	**2,920**	**1,199**	**- 31,753**	**984**	**411,918**	**163,328**
Income taxes	1,358	459	3,539	169	52,869	51,186
EAT	**1,562**	**740**	**- 35,292**	**815**	**359,049**	**112,142**
EAT attributable to non-controlling interest	-	-	-	-	1,426	658
EAT attributable to owners of the parent	**1,562**	**740**	**- 35,292**	**815**	**357,623**	**111,484**

	AT Aviation		Holding/Consolidation		ATON Group	
in EUR '000	**31.12.2015**	**31.12.2014**	**31.12.2015**	**31.12.2014**	**31.12.2015**	**31.12.2014**
Segment assets	65,366	84,148	403,561	191,406	1,855,895	1,790,072
Segment liabilities	27,872	47,953	120,859	- 41,270	774,659	954,783

36. Auditor‘s fees

For the services provided by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft the following fees have been recognised as expenses:

in EUR '000	**2015**	**2014**
Audits	1,148	1,239
Other attestation services	3,063	347
Tax consultation services	120	272
Other services	282	161
Total	**4,613**	**2,019**

37. Related party transactions

In addition to the subsidiaries included in the consolidated financial statements, ATON GmbH has direct or indirect relationships with the shareholders, non-consolidated affiliated subsidiaries, associates, joint ventures and other related parties in the course of normal business operations. These relationships are subject to disclosure requirements in accordance with IAS 24. Related parties, i.e. parties over which the ATON Group has control or can exercise a significant influence are listed in the Note 2.3 Scope of consolidation and consolidation principles.

The volume of services provided to related parties by the ATON Group breaks down as follows:

in EUR ’000	2015 Revenue, other income and interest	31.12.2015 Receivables outstanding	2014 Revenue, other income and interest	31.12.2014 Receivables outstanding
Non-consolidated subsidiaries	876	11,520	237	10,141
Investments accounted for using the equity method	3,310	134,237	3,764	3,049
Other related parties	3,552	24,967	1,128	35,590
Total	**7,738**	**170,724**	**5,129**	**48,780**

Income with related parties mainly results from interests and rendering of services.

The receivables from related parties primarily include balances from loans.

The volume of services received from related parties by the ATON Group breaks down as follows:

in EUR ’000	2015 Purchased merchandise/services, other operating expenses and interest	31.12.2015 Liabilities outstanding	2014 Purchased merchandise/services, other operating expenses and interest	31.12.2014 Liabilities outstanding
Shareholders	-	103	-	60
Non-consolidated subsidiaries	6	736	255	790
Investments accounted for using the equity method	7,325	6,964	-	586
Other related parties	1,640	4,204	10,735	25,127
Total	**8,971**	**12,007**	**10,990**	**26,563**

Expenses with related parties mainly result from interests and from providing goods and services.

The liabilities with related parties primarily include balances from borrowings and trade accounts payables.

Transactions with related parties are contractually agreed and conducted in accordance with standard market practices.

Transactions with the management board

The remuneration paid to the management board amounts to EUR 4,050k in the financial year (previous year: EUR 3,740k). Besides, a significant additional remuneration was granted to the key management.

There were no advances or loans to members of the management board, nor were there contingent liabilities or pension obligations as of the reporting date.

38. List of shareholdings

Concerning the list of shareholdings, please refer to the appendix, which is an integral part of these notes.

39. Events after the balance sheet date

No important subsequent events affecting the results of operation, financial and net assets position occurred since the closing of the financial year.

40. Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group.

Munich, 25 April 2016

ATON GmbH
Management Board

Thomas Eichelmann Jörg Fahrenbach

List of shareholdings (direct and indirect) of ATON GmbH

As of 31 December 2015

No.	Company	City	Country	Share in % direct	Share in % indirect	Currency	Equity as per 31 Dec 2015	Net Result 2015
I. Affiliated Companies								
1. Consolidated Companies								
a) Domestic companies								
1.	AT Aviation GmbH	Munich	Germany	100.0		kEUR	56,189	10,012
2.	ATON - Oldtimer GmbH	Munich	Germany	100.0		kEUR	12,345	- 154
3.	BBZ Berufsbildungszentrum Fulda GmbH	Fulda	Germany		80.0	kEUR	894	66
4.	BBZ Mitte GmbH	Petersberg	Germany		100.0	kEUR	0	163
5.	CLYXON Laser GmbH	Berlin	Germany		100.0	kEUR	72	- 2
6.	DC Aviation GmbH	Stuttgart	Germany		100.0	kEUR	3,193	- 207
7.	Deilmann-Haniel GmbH	Dortmund	Germany		100.0	kEUR	23,690	9,973
8.	Deilmann-Haniel International Mining and Tunneling GmbH	Dortmund	Germany	100.0		kEUR	96,277	- 14,869
9.	Deilmann-Haniel Mining Systems GmbH	Dortmund	Germany		100.0	kEUR	- 19,580	- 24,495
10.	EDAG Werkzeug + Karosserie GmbH	Fulda	Germany		51.0	kEUR	18,264	1,058
11.	FFT GmbH & Co. KGaA	Fulda	Germany	100.0		kEUR	18,302	54
12.	FFT Produktionssysteme GmbH & Co. KG	Fulda	Germany		100.0	kEUR	83,311	34,749
13.	Haema AG	Leipzig	Germany	100.0		kEUR	48,650	3,859
14.	Jota GmbH	Fulda	Germany		100.0	kEUR	91	- 10
15.	REFORM Maschinenfabrik Adolf Rabenseifner GmbH & Co. KG	Fulda	Germany	100.0		kEUR	6,390	- 807
16.	REFORM Grinding Technology GmbH	Fulda	Germany	100.0		kEUR	1,481	- 361
17.	Rosata Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Fulda-West KG	Grünwald	Germany		100.0	kEUR	- 1,304	21
18.	Scherwo Steuerungstechnik GmbH	Gauting	Germany		65.0	kEUR	339	- 33
19.	TSO Industrieanlagen Planung und Vertrieb GmbH	Uehlfeld	Germany	66.7		kEUR	10,100	1,432
20.	W.O.M. World of Medicine GmbH	Berlin	Germany	100.0		kEUR	21,780	5,170
21.	World Of Medicine Lemke GmbH	Berlin	Germany		100.0	kEUR	796	4
22.	W.O.M. WORLD OF MEDICINE Produktions-GmbH	Ludwigsstadt	Germany		100.0	kEUR	- 187	- 239
23.	Ziehm Imaging GmbH	Nuremberg	Germany		100.0	kEUR	47,326	9,798
b) Foreign Companies								
24.	ATON Austria Holding GmbH	Going am Wilden Kaiser	Austria	100.0		kEUR	35	0
25.	ATON Group Finance GmbH	Going am Wilden Kaiser	Austria	100.0		kEUR	1,991	529
26.	ATON US Inc.	Delaware	USA	100.0		kUSD	66,064	- 475
27.	Deilmann-Haniel Schachtostroj OOO	Berezniki	Russia		100.0	kRUB	16,418	7,223
28.	Eroc Holdings Pty Limited	Brisbane	Australia		100.0	kCAD	3	3,064
29.	Eroc Malaysia Sdn. Bhd.	Kuala Lumpur	Malaysia		100.0	kCAD	- 91	- 5
30.	FFT Espana Tecnologías de Automoción S.A.U.	Silla (Valencia)	Spain		100.0	kEUR	6,362	1,515
31.	FFT Mexico S.A. de C.V.	Puebla	Mexico		100.0	kMXN	100,352	39,187
32.	FFT Production Systems S.R.L.	Municipiul Campulung	Romania		100.0	kRON	9,026	3,796
33.	FFT Production Systems (Shanghai) Co., Ltd.	Shanghai	China		100.0	kCNY	102,716	39,061
34.	FFT Production Systems, Inc.	Auburn Hills	USA		100.0	kUSD	- 1,728	- 497
35.	FFT Servicios Mexico, S.A. de CV	Puebla	Mexico		100.0	kMXN	3,321	562
36.	FFT Technologies, Inc.	Montgomery	USA		100.0	kUSD	325	- 24
37.	Great Southern Plant and Labour Hire Pty Limited	Brisbane	Australia		100.0	kCAD	- 42	23
38.	J.S. Redpath Corporation	Sparks	USA		100.0	kCAD	18,961	3,012
39.	J.S. Redpath Holdings Inc.	North Bay	Canada		100.0	kCAD	68,319	14,401
40.	J.S. Redpath Limited	North Bay	Canada		100.0	kCAD	107,353	17,467
41.	J.S. Redpath Peru SAC	Lima	Peru		99.5	kCAD	- 1	- 17
42.	Les Entreprises Mineres Redpath Ltee.	North Bay	Canada		100.0	kCAD	79	0
43.	OrthoScan Inc.	Delaware	USA		100.0	kUSD	6,642	- 2,810
44.	PT Redpath Indonesia	Jakarta	Indonesia		100.0	kCAD	9,916	63

No.	Company	City	Country	Share in % direct	Share in % indirect	Curren-cy	Equity as per 31 Dec 2015	Net Result 2015
45.	Redpath (Australia) Holdings Pty Limited	Brisbane	Australia		100.0	kCAD	4,252	- 2,515
46.	Redpath Africa Limited	Ebene	Mauritius		100.0	kCAD	- 154	- 152
47.	Redpath Argentina Construcciones S.A.	Buenos Aires	Argentina		100.0	kCAD	1,431	- 1,041
48.	Redpath Australia Pty Limited	Brisbane	Australia		100.0	kCAD	20,955	16,443
49.	Redpath Chilena Construcciones Y Cia. Limitada	Santiago	Chile		99.5	kCAD	- 9,978	1,958
50.	Redpath Contract Services Pty Ltd.	Eagle Farm	Australia		100.0	kCAD	6,137	1,354
51.	Redpath Ecuador Construcciones S.A.	Quito	Ecuador		100.0	kCAD	0	0
52.	Redpath Global Mobility Services Inc.	North Bay	Canada		100.0	kCAD	103	119
53.	Redpath Greece Pivate Company	Athens	Greece		100.0	kCAD	191	191
54.	Redpath Guatemala Construcciones S.A.	Guatemala	Guatemala		100.0	kCAD	- 62	- 12
55.	Redpath KR LLC	Bishkek	Kirgizstan		100.0	kCAD	0	- 38
56.	Redpath Mexicana Construcciones SA de CV	Mexico City	Mexico		100.0	kCAD	323	313
57.	Redpath Mining (Botswana) (Pty) Ltd.	Gaborone	Botswana		74.0	kCAD	883	- 38
58.	Redpath Mining (S.A.) (Pty.) Ltd.	Johannes-burg	South Africa		74.0	kCAD	- 8,793	1,169
59.	Redpath Mining Zambia Limited	Kitwe	Zambia		84.4	kCAD	0	0
60.	Redpath Mongolia LLC	Ulaanbaatar	Mongolia		100.0	kCAD	1,833	185
61.	Redpath Philippines Inc.	Makati	Philippines		100.0	kCAD	0	0
62.	Redpath PNG Limited	Port Moresby	Papua New Guinea		100.0	kCAD	1,343	- 42
63.	Redpath Raiseboring Limited	North Bay	Canada		100.0	kCAD	56,009	3,814
64.	Redpath Rig Resources JV Limited	Lusaka	Zambia		70.0	kCAD	- 178	1,945
65.	Redpath Venezolana C.A.	El Callao	Venezuela		99.0	kCAD	0	0
66.	Redpath Zambia Limited	Lusaka	Zambia		74.0	kCAD	5,700	1,843
67.	Triple S Insurance Company Limited	Bridgetown	Barbados		100.0	kCAD	16,004	1,852
68.	UnderAus Group Holdings Pty Limited	Brisbane	Australia		100.0	kCAD	6,120	3,064
69.	W.O.M. WORLD OF MEDICINE ASIA Ltd.	Hong Kong	China		100.0	kHKD	0	0
70.	W.O.M. World Of Medicine USA, Inc.	Orlando	USA		100.0	kUSD	2	0
71.	Ziehm Imaging Finnland (OY)	Hinthaara	Finland		100.0	kEUR	720	67
72.	Ziehm Imaging Inc.	Orlando	USA		100.0	kUSD	- 9,618	1,832
73.	Ziehm Imaging Srl a Socio Unico (SRL)	Reggio Nell' Emilia	Italy		100.0	kEUR	386	184
74.	Ziehm Medical (Shanghai) Co. Ltd.	Shanghai	China		100.0	kCNY	23,299	6,335
75.	Ziehm Medical LLC	Reno Nev.	USA	100.0		kUSD	41,475	325
76.	Ziehm Medical Properties Inc	Reno Nev.	USA		100.0	kUSD	7,570	0

2. Non-Consolidated Companies

a) Domestic Companies

77.	Flexible Fertigungstechnik GmbH	Mücke	Germany		100.0	kEUR	64	8
78.	REFORM Maschinenfabrik Adolf Rabenseifner Beteiligungs GmbH	Fulda	Germany		100.0	kEUR	67	3

b) Foreign companies

79.	Alternative Agro Energy Estate S.R.L.	Municipiul Campulung	Romania		100.0	kRON	- 96	0
80.	DC Aviation Holding Ltd.	St. Julian	Malta		100.0	kEUR	194	- 7
81.	DC Aviation Ltd.	St. Julian	Malta		99.8	kEUR	140	125
82.	Deilmann-Haniel RUS OOO	Berezniki	Russia		100.0	kEUR	375	10
83.	Distinct Crew Management Ltd.	St. Julian	Malta		99.8	kEUR	- 84	- 134
84.	Heli-Link Helikopter AG	Glattbrugg	Switzer-land		100.0	kCHF	- 6	- 236
85.	Jet-Link AG	Glattbrugg	Switzer-land		100.0	kCHF	- 796	- 892
86.	NextRay LLC****	Wilmington	USA		100.0	kUSD		
87.	Ziehm Imaging Sarl	Villejust	France		100.0	kEUR	191	128
88.	Ziehm Imaging Singapore Pte. Ltd. (PTE)	Singapore	Singapore		100.0	kSGD	1,429	69
89.	Ziehm Medical Do Brasil	Sao Paulo	Brazil		100.0	kBRL	720	231

No.	Company	City	Country	Share in % direct	Share in % indirect	Currency	Equity as per 31 Dec 2015	Net Result 2015
II. Joint Ventures - Equity-method investments								
1. Consolidated Companies								
a) Domestic Companies								
90.	Arbeitsgemeinschaft BS Schachtanlage ASSE	Dortmund	Germany		50.0	kEUR	819	498
91.	Arbeitsgemeinschaft Burg Altena	Schmallen-berg	Germany		50.0	kEUR	- 491	252
92.	Arbeitsgemeinschaft Hüllrohre Schacht Rossenray 2	Mühlheim an der Ruhr	Germany		50.0	kEUR	0	6
93.	Arbeitsgemeinschaft Neuhof Ellers	Mühlheim an der Ruhr	Germany		50.0	kEUR	0	0
94.	Arbeitsgemeinschaft Schacht Borth 1	Saarbrücken	Germany		50.0	kEUR	0	0
95.	Arbeitsgemeinschaft Schacht Konrad 1	Dortmund	Germany		50.0	kEUR	1,196	80
96.	Arbeitsgemeinschaft Schacht Konrad 2	Dortmund	Germany		50.0	kEUR	3,573	298
97.	Arbeitsgemeinschaft Konrad Nordstrecke	Mühlheim an der Ruhr	Germany		50.0	kEUR	179	179
98.	Arbeitsgemeinschaft Schächte Bergwerk Siegmundshall	Dortmund	Germany		50.0	kEUR	130	0
b) Foreign Companies								
99.	Associated Mining Construction Inc.	Regina	Canada		50.0	kCAD	10,787	- 1,411
100.	Deilmann Thyssen Schachtbau Sp. z.o.o.	Katowice	Poland		50.0	kPLN	- 335	- 197
101.	Deilmann-Haniel & Drillcon Iberia ACE	Braga	Portugal		50.0	kEUR	113	89
2. Non-Consolidated Companies								
a) Foreign Companies								
102.	DC Aviation Al Futtaim LLC **	Dubai	U.A.E.		49.0	kAED	- 15,550	- 2,580
III. Investments in associates								
1. Consolidated Companies								
a) Domestic Companies								
103.	EKS InTec GmbH	Weingarten	Germany		49.0	kEUR	2,610	152
a) Domestic Companies								
104.	EDAG Engineering Group AG	Arbon	Schweiz	59.8		TCHF	512,528	- 2,675
1. Non-Consolidated Companies								
a) Foreign Companies								
105.	XDF Auto Equipment (Beijing) Co., Ltd.	Beijing	China		15.0	TCNY	11,334	7,009

* not consolidated due to immateriality

** no current financial statements available

The following auditor's report (Bestätigungsvermerk) has been issued in accordance with Section 322 German Commercial Code (Handelsgesetzbuch) on the consolidated financial statements and group management report (Konzernlagebericht) of ATON GmbH as of and for the business year from January 1 to December 31, 2015.

The English version of the report is a translation of the German version of the report. The German text is authoritative.

Auditor's Report

We have audited the consolidated financial statements prepared by ATON GmbH, Munich, comprising the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the cash flow statement and the notes to the consolidated financial statements, together with the group management report for the business year from January 1 to December 31, 2015. The preparation of the consolidated financial statements and the group management report in accordance with the IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § (Article) 315a Abs. (paragraph) 1 HGB ("Handelsgesetzbuch": German Commercial Code) is the responsibility of the parent Company's Managing Directors. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company's Managing Directors, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit, the consolidated financial statements comply with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Munich, April 25, 2016

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Petra Justenhoven	Norbert Klütsch
Wirtschaftsprüferin	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)