

Sustainable business  
leads to success: €k **2,831,303**

# GROWTH AND SUSTAINABILITY.

Your strong IT partner.  
Today and tomorrow.

**BECHTLE**

## 01. 5 YEARS IN FIGURES

		2011	2012	2013	2014	2015	Change in % 2015-2014
<b>Revenue</b>	€k	<b>1,994,881</b>	<b>2,096,835</b>	<b>2,273,485</b>	<b>2,580,448</b>	<b>2,831,303</b>	<b>9.7</b>
IT system house & managed services	€k	1,315,669	1,394,455	1,535,316	1,727,073	1,889,494	9.4
IT e-commerce	€k	679,212	702,380	738,169	853,375	941,809	10.4
<b>EBITDA</b>	€k	<b>104,764</b>	<b>102,013</b>	<b>113,541</b>	<b>132,251</b>	<b>155,920</b>	<b>17.9</b>
IT system house & managed services	€k	64,632	62,205	74,214	88,083	101,831	15.6
IT e-commerce	€k	40,132	39,808	39,327	44,168	54,089	22.5
<b>EBIT</b>	€k	<b>86,403</b>	<b>80,265</b>	<b>91,048</b>	<b>108,498</b>	<b>129,484</b>	<b>19.3</b>
IT system house & managed services	€k	49,891	44,320	56,185	68,907	80,293	16.5
IT e-commerce	€k	36,512	35,945	34,863	39,591	49,191	24.2
<b>EBIT margin</b>	%	<b>4.3</b>	<b>3.8</b>	<b>4.0</b>	<b>4.2</b>	<b>4.6</b>	
IT system house & managed services	%	3.8	3.2	3.7	4.0	4.2	
IT e-commerce	%	5.4	5.1	4.7	4.6	5.2	
<b>EBT</b>	€k	<b>86,289</b>	<b>79,001</b>	<b>89,308</b>	<b>107,385</b>	<b>129,404</b>	<b>20.5</b>
<b>EBT margin</b>	%	<b>4.3</b>	<b>3.8</b>	<b>3.9</b>	<b>4.2</b>	<b>4.6</b>	
<b>Earnings after taxes</b>	€k	<b>62,723</b>	<b>56,358</b>	<b>63,397</b>	<b>76,194</b>	<b>92,877</b>	<b>21.9</b>
<b>Earnings per share</b>	€	<b>2.99</b>	<b>2.68</b>	<b>3.02</b>	<b>3.63</b>	<b>4.42</b>	<b>21.9</b>
<b>Return on equity</b>	%	<b>17.3</b>	<b>13.7</b>	<b>14.2</b>	<b>15.6</b>	<b>17.2</b>	
<b>Equity ratio</b>	%	<b>52.6</b>	<b>54.5</b>	<b>55.1</b>	<b>54.5</b>	<b>53.9</b>	
<b>Cash and cash equivalents<sup>1</sup></b>	€k	<b>141,488</b>	<b>146,155</b>	<b>156,105</b>	<b>156,000</b>	<b>206,660</b>	<b>32.5</b>
<b>Working capital</b>	€k	<b>189,881</b>	<b>211,595</b>	<b>234,624</b>	<b>291,326</b>	<b>294,872</b>	<b>1.2</b>
<b>Cash flow from operating activities</b>	€k	<b>55,782</b>	<b>56,669</b>	<b>73,098</b>	<b>55,965</b>	<b>115,945</b>	<b>107.2</b>
<b>Number of employees<sup>2</sup> (as of 31.12)</b>		<b>5,479</b>	<b>5,970</b>	<b>6,219</b>	<b>6,572</b>	<b>7,205</b>	<b>9.6</b>
IT system house & managed services		4,305	4,754	4,953	5,164	5,766	11.7
IT e-commerce		1,174	1,216	1,266	1,408	1,439	2.2



For more key figures  
see multi-year  
overview, page 234 ff

<sup>1</sup> Incl. time deposits and securities  
<sup>2</sup> Without temporary staff

## 02. REVIEW BY QUARTER 2015

		1st quarter 01.01-31.03	2nd quarter 01.04-30.06	3rd quarter 01.07-30.09	4th quarter 01.10-31.12
<b>Revenue</b>	€k	<b>622,450</b>	<b>686,062</b>	<b>686,178</b>	<b>836,613</b>
<b>EBITDA</b>	€k	<b>28,533</b>	<b>33,294</b>	<b>40,069</b>	<b>54,024</b>
<b>EBIT</b>	€k	<b>22,501</b>	<b>26,667</b>	<b>33,186</b>	<b>47,130</b>
<b>EBT</b>	€k	<b>22,475</b>	<b>26,681</b>	<b>33,135</b>	<b>47,113</b>
<b>EBT margin</b>	%	<b>3.6</b>	<b>3.9</b>	<b>4.8</b>	<b>5.6</b>
<b>Earnings after taxes</b>	€k	<b>15,734</b>	<b>18,720</b>	<b>23,615</b>	<b>34,808</b>



From 13 May 2016,  
you can find the latest  
figures for the first  
quarter of 2016 at  
[bechtle.com/reports](http://bechtle.com/reports)

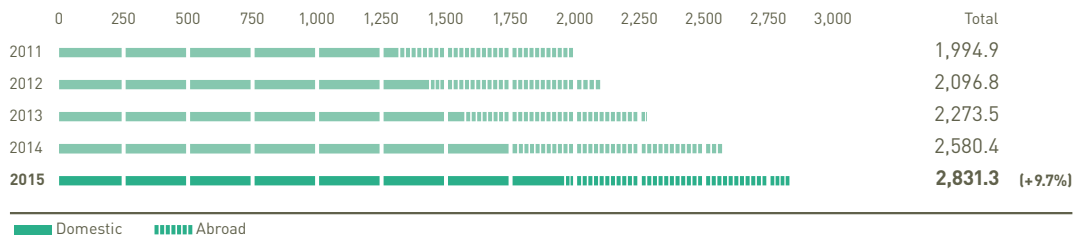
## 5 YEARS IN BRIEF



For revenue performance  
see page 89 f.

## REGIONAL REVENUE DISTRIBUTION

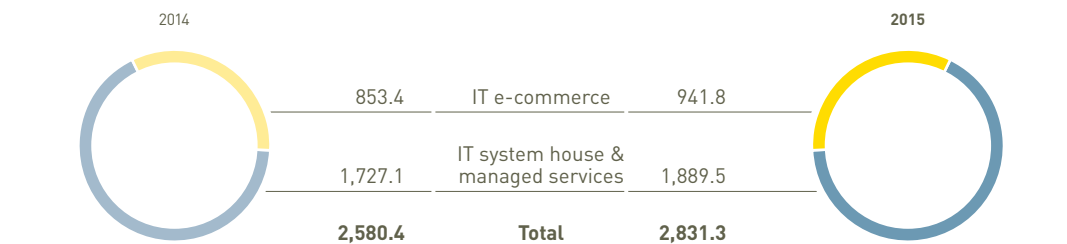
€m



For segment reporting  
see page 94 ff.

## REVENUE BY SEGMENTS

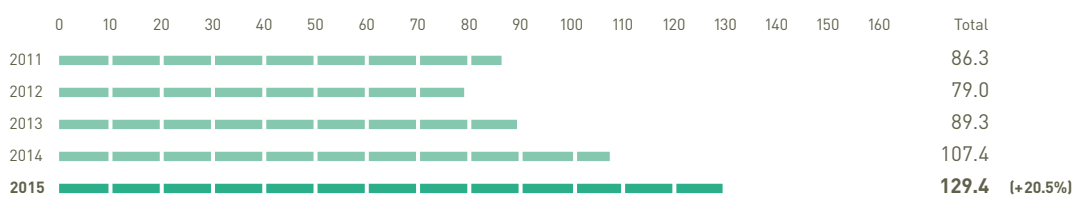
€m



For earnings situation  
see page 91 ff.

## EBT

€m



For EPS and dividend  
see page 93 and page 82

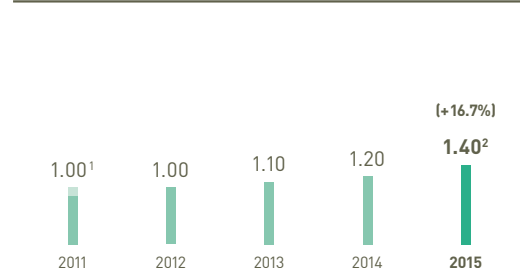
## EPS

€



## DIVIDEND PER SHARE

€



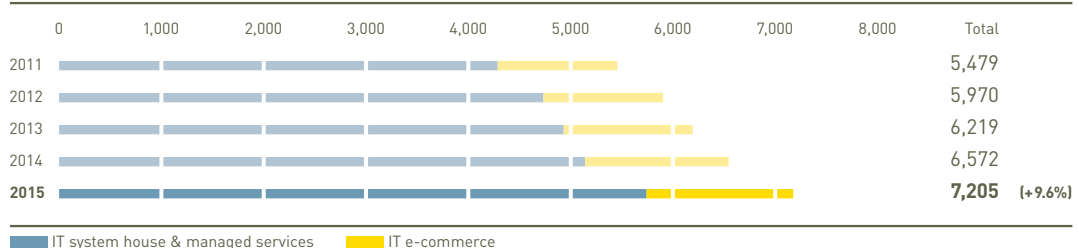
<sup>1</sup> Thereof special dividend €0.15 <sup>2</sup> Proposal to the Annual General Meeting



For development of  
employee numbers  
see page 65 ff.

## EMPLOYEES BY SEGMENTS

as of 31 December





Bechtle builds on sustainability. Though the relevance of sustainability as a guiding principle has steadily increased over the years, there is still no visual symbol that everybody would directly associate with sustainability. Bechtle now has a suggestion for the readers of this annual report: Let's use the infinity symbol!

Firstly, because infinite recycling is a key aspect of sustainability. Secondly, because sustainable dealings have become a precondition for a livable future, which every enterprise should continually make a contribution to. Thirdly, because the combination of economic success and sustainability is an ongoing task.

And most importantly: Sustainable dealings have always been part of Bechtle's basic principles.

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## 10

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2016 is the 10th year in which the universities in Baden-Württemberg can order Bechtle standard PCs at special conditions – see page 4.

## 18

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Do not miss our 18-page special on the subject of sustainability. See page 17.

## 3.10

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On page 70, you can read what Section 3.10 of the German Corporate Governance Code says.



Cross reference  
within the Annual Report



Cross reference  
to other printed works  
and other literature



Cross reference  
to information on the Internet



Reference to non-financial  
performance indicators

## 633

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As of 31 December 2015,  
Bechtle's headcount was 7,205.  
This means 633 more than a  
year earlier. Further information on  
our team is available on page 65.

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## JANUARY

**Konichiwa, JBS.** BECHTLE expands the Global IT Alliance (GITA). The cooperation with Japan Business Systems, headquartered in Tokyo, gives BECHTLE access to another interesting market. The new partner company has been active in the IT industry for 25 years and offers IT infrastructure, IT services, application development and ERP and CRM solutions for enterprises and public-sector clients.

■ **Three top places.** At the Citrix Partner Summit, BECHTLE reaches the Top 3 range in three categories – including the “Most validated Citrix Advisor Reward” in Germany, Austria and Switzerland.

## APRIL

**Ni hao, Jardine OneSolution.** With Jardine OneSolution (JOS), the sixth GITA partner, BECHTLE paves the way to additional Asian markets. With 14 locations in China, Hong Kong, Macao, Malaysia and Singapore, JOS is one of the leading providers of IT products and services in Asia's key economic centres.

■ **Bechtle Switzerland becomes Veeam Platinum Partner.** BECHTLE Switzerland reaches Veeam Software's Platinum Partner status. The provider of backup solutions for modern data centres thus acknowledges the high number of certified employees, the wide geographic coverage and the high revenue of BECHTLE's IT system houses in Switzerland. BECHTLE is one of only two partners in Switzerland that currently hold this top status.

## FEBRUARY

**Exclusivity at EMC.** At the start of the new partner programme of the storage specialist EMC, BECHTLE gains Platinum Partner status. As of 2015, BECHTLE thus belongs to a small top group of only two partners in Germany who enjoy the highest status of the leading technology manufacturer. At the same time, BECHTLE has the largest number of technology and sales certifications for EMC on the German market.

■ **Consistently successful.** For the fifth (!) time in a row, DataCore honours BECHTLE as the partner with the highest revenue. The award especially underlines the achievements of BECHTLE's 100+ certified DataCore specialists.

## MAY

**Awards, awards, awards.** For the 10th time, BECHTLE fulfils the extensive requirements for certification as Cisco Gold Partner, thus confirming once again its highest partner status. For EMC, BECHTLE is the Partner of the Year in EMEA. At the global partner meeting, BECHTLE receives both the coveted “EMEA Partner of the Year 2014” award and the award in the VSPEx category. In Switzerland, BECHTLE reaches Cisco's Premier Certified Partner status. The globally leading provider of network solutions thus honours amongst others the high professional competence of BECHTLE's IT system houses in Switzerland.

■ **Bechtle receives its largest managed services contract.** The Volkswagen Group awards BECHTLE the contract for IT services for about 100,000 IT workplaces. The four-year framework contract comprises services for the Volkswagen, MAN and Audi brands. More than 200 BECHTLE employees are to perform the services in the fields of client design, client management as well as onsite services and remote services in Germany.

## MARCH

**Hello, Datacentrix.** BECHTLE adds a fifth partner to GITA and gains access to the South African market. Datacentrix Holdings Limited, headquartered in Midrand, has a wide service network and additional locations in Cape Town, Durban, Port Elizabeth and East London.

■ **Partner of the year.** HP honours BECHTLE's strong growth in the two HP segments Enterprise Group and Printing & Personal Systems with the “PartnerOne Global Reseller of the Year” award.

■ **Systematic reinforcement.** BECHTLE acquires Modus Consult AG, an established application solutions specialist. Modus Consult was founded in 1995 and has 184 employees at its locations in Gütersloh and Erlangen.

■ **Bechtle HQ attracts visitors.** For the 11th time, BECHTLE holds the “Competence Centre Days” at its headquarters on 25 and 26 March 2015. On two days, more than 2,000 customers, vendors and partners make use of the opportunity to get information on the latest technological developments of the IT industry and BECHTLE's service spectrum under the motto “Industry 4.0 is spelled with IT”.

## JUNE

**Bechtle speeds up with NetApp.** Storage specialist NetApp presents two awards to BECHTLE. At the manufacturer's European Partner meeting in Warsaw, BECHTLE AG is designated “SAN Partner of the Year” in EMEA. On the same day, BECHTLE Switzerland receives the partner award in the “Embrace New Technology” category.

■ **Sustainable IT at Baden-Württemberg's universities.** Since 2007, universities in Baden-Württemberg have been able to order standard PCs from BECHTLE at special conditions. This year, apart from standardisation, energy efficiency is one of the key selection criteria in the context of hardware selection. Under the supervision of the University of Freiburg, the so-called BW PC is eagerly received by all universities in Baden-Württemberg.

■ **Harmonious Annual General Meeting.** About 700 shareholders and guests attend the 15th Annual General Meeting in the concert and congress centre in Heilbronn. Most agenda items are adopted with an overwhelming majority.



## JULY

**Tu felix Austria.** In Austria, BECHTLE is named Partner of the Year of the IT security manufacturer Sophos, Partner of the Year of the data management and backup solution specialist Comm Vault and Best Partner 2014 of Trend Micro in the Complete User Protection category. ■ **Two awards.** The BECHTLE subsidiary Modus Consult again qualifies as Top 1 partner for Microsoft ERP solutions in Germany. The ranking focuses on uncompromising quality standards, outstanding customer service and exemplary commitment. As one of only six partners in Germany and 13 worldwide, Modus Consult is granted Expertise Partner status by Qlik®, the leading provider of business intelligence software, in the field of Manufacturing & High Tech. ■ **Gold award for HR work.** For the second time in a row, BECHTLE receives the “Best Recruiter” award in gold as the best enterprise in its industry.

## AUGUST

**Lead extended.** In the yearly ranking of Germany’s largest IT system houses, BECHTLE holds its top position and further extends the lead over the runner-up.

## SEPTEMBER

**New company in Belgium.** On 1 September 2015, BECHTLE launches its newly founded company in Belgium, which is specialised in the trading business with public-sector clients. ■ **7,000 mark reached.** For the first time, BECHTLE has more than 7,000 employees. ■ **Training experience.** For 30 years, BECHTLE has trained young people in various professions. In September, 140 employees and students on integrated degree programmes embark on their career with BECHTLE. ■ **Très bien.** NetApp honours its top-performing sales and service partners in the French-speaking region of Switzerland. The storage specialist designates BECHTLE as the Growth Partner of the Year.

## OCTOBER

**Popular Shareholder Days.** About 100 visitors attend the regular Shareholder Days at group headquarters in Neckarsulm. Following a company tour and a detailed presentation of the business, the visitors have the opportunity to engage in intensive interchange over coffee and cake. ■ **More awards.** In early October, the market analysis and consulting enterprise Canalys presents BECHTLE with the EMEA Channel Partner of the Year Award in the field of Infrastructure Growth. Furthermore, EMC designates BECHTLE as the Fastest Growing Platinum Partner in Germany. In this way, the storage and technology manufacturer honours a partner’s top growth performance with the highest status at EMC. The storage and data management manufacturer NetApp again distinguishes BECHTLE as FlexPod Premium Partner.

## NOVEMBER

**New locations.** As of 1 November, BECHTLE opens a branch in Saarbrücken. With the new location in the state capital, the largest German IT system house takes care of its customers in Saarland and in the bordering regions of France and Luxembourg. By acquiring the IT system house Tritec GmbH (founded 1992), BECHTLE is now also represented in Künzelsau, Baden-Württemberg. Tritec has 23 employees and boasts excellent customer relationships in the Hohenlohe business region.

## DECEMBER

**Bechtle supports Walbusch.** BECHTLE assumes responsibility for the IT operation for 44 branches of the Solingen-based textile reseller Walbusch for the next three years. The contract comprises the remote maintenance of 200 IT systems via a central help desk. At the branches, BECHTLE also takes care of maintenance, terminal troubleshooting and other services. ■ **Congratulations.** BECHTLE’s customer journal “update” looks back on a full 10 years. The employee journal “inside” was launched five years ago. During this time, the scope and circulation have increased steadily. A remarkable achievement! ■ **Breathtaking stock market rally.** On 7 December, the BECHTLE share closes at an all-time high of €92.64. In total, the share gains 34.1 per cent in the course of 2015.

Dear Stockholders,

Change, transformation and paradigm shift are the dominating themes of this period – in companies as in society.

Bechtle as well is changing in ways great and small. If we want to be as successful as in the past, this is exactly how it should be. No business model can last indefinitely without change – to continuously adjust it is part of our entrepreneurial responsibility. Nevertheless, change is not an end in itself, but must always be aligned with market needs. Apart from the actual course and extent of necessary changes, correct timing is another key success factor. For this reason, the Executive Board is very pleased about the highly successful fiscal year that Bechtle has completed, which enables us to effect change from a strong position, utilising it for the benefit of Bechtle.

Of course, digital change does not turn everything upside down, but it challenges many aspects. This requires flexibility, readiness for new developments and openness. This concerns us as members of the Executive Board as well as all employees who believe in Bechtle's strength – also in the future. Digitalisation sets new standards, not only in the field of production, but also in communication, knowledge transfer, collaboration and identity. Networked working and living environments have evolved. One of the most striking changes is the dilution of conventional structures. At Bechtle, this is observable in trend-setting projects, including the closer collaboration between e-commerce and the system houses, the formation of expert communities, the establishment of our Global IT Alliance and the intensive work on a far-reaching digital Bechtle marketplace.

As the degree of global networking and complexity increases, we as a community are simultaneously entering a new phase. In many areas, we now cooperate and work in new and different ways. While some teams merely come together temporarily as a loose network, other communities crystallise permanently on the basis of shared values. It is thus vital to be aware of what we at Bechtle stand for. In the fiscal year ended, we also occupied ourselves intensively with this clear picture, which represents the core of our brand.

The resulting brand fundament is not a new invention, but the essence of what already makes Bechtle so unique and special. No other business in our industry can offer any comparable level of regional proximity and experience or such close, intensive customer and vendor relationships. Most importantly, in no other business is entrepreneurial leeway promoted and entrepreneurial action needed as much as at Bechtle. All of this makes us future-ready. For good reason, this is the term that constitutes the core of our brand. It expresses self-confidence as well as the conviction that Bechtle has the strength needed to share in successfully shaping the future with IT.

I would like to use this opportunity to remind you that we are working on a wide range of subjects in order to keep Bechtle sustainably successful. We are able to do so because Bechtle is a strong, stable and successful enterprise that allows the needed room for action. Our workforce has laid the basis for this. In 2015, our team again achieved a new revenue record for Bechtle – the sixth in a row. In a highly competitive market, we have attained a leading position as an implementation-oriented partner for future-proof IT architectures. We have again succeeded in gaining market shares and boosting the earnings at an above-average rate. All in all, an outstanding team achievement.

Ultimately, change is effected by the people who make decisions and act – regardless of where the digitalisation and transformation trend is headed. My two Executive Board colleagues and I would like to express our sincere gratitude to our approximately 7,200 fellow employees for their commitment, knowledge, vigour and dedication to our customers and business partners, but above all also in our mutual collaboration.

Although we have achieved much, we are constantly faced with new challenges. We are ready to take up these challenges, because we know that Bechtle is a great enterprise with a great future. We will thus continue to work towards our high goals.

On behalf of the Executive Board of Bechtle AG

Yours sincerely,



Dr. Thomas Olemotz

CEO

Neckarsulm, 14 March 2016

#### **Michael Guschlbauer**

Member of Executive Board, responsible for the IT system house & managed services segment.

Born 1964, married, two children. After finishing his training as an office and communication electronics engineer, he first worked in various technical and project management positions and later in the field of sales. In 1994, he transferred to DeTeSystems (later: T-Systems), where he first served as sales representative and later in various management positions. Eventually, Michael Guschlbauer was put in charge of the Large Enterprises division, Sales & Service management, as a member of the Board of Management of T-Systems Business Services. In January 2008, he embarked on his career at Bechtle as Executive Vice President of managed services. A year later, he was appointed as a member of the Executive Board of Bechtle AG and assumed strategic responsibility for the group's IT system house & managed services business segment.

#### **Dr. Thomas Olemotz**

Chairman of the Executive Board, responsible for controlling and finance, corporate communications, investor relations, IT, logistics & service, human resources and staff development, and legal.

Born 1962, married, two adult children. Upon completion of his training as a banker and studies in business economics, Dr. Thomas Olemotz entered Giessen University as a scientific staff member. After obtaining his doctoral degree, he first served as assistant to the Executive Board of Westdeutsche Landesbank and then moved on to the Deutsche Bank group. At Deutsche Gesellschaft für Mittelstandsberatung, he became the division head responsible for medium-sized mergers and acquisitions. His next professional milestones were a position as head of business development at Delton AG and a position as a member of the Executive Board responsible for finance and human resources at Microlog Logistics AG, in which Delton AG holds the majority interest. In March 2007, he stepped over to Bechtle AG, where he first served as CFO and, after about two years, as Executive Board spokesman. He has been Chairman of the Executive Board of Bechtle AG since June 2010.

#### **Jürgen Schäfer**

Member of Executive Board, responsible for the IT e-commerce segment.

Born 1958, married, two adult children. After his studies of business economics and a job at a medium-sized wholesale company, Jürgen Schäfer joined Bechtle in 1988. He was first responsible for purchasing and organisation and was later appointed director of the Bechtle IT system house in Würzburg, Germany. Subsequently, he successfully established the trading business under the Bechtle direct brand and, as division head, supervised the European expansion and the consolidation of all trading processes in Bechtle's logistics and service division. Since his appointment as a member of the Executive Board of Bechtle AG in early 2009, he has been in charge of the e-commerce activities of the three group trading brands ARP, Bechtle direct and Comsoft direct in Europe.

# BECHTLE





### **Dr. Matthias Metz**

Chairman Of The Supervisory Board

DOB: 1952, four adult children. Dr. Matthias Metz began his post-secondary education with vocational training as a banker at Deutsche Bank AG before earning a degree in business administration from the University of Erlangen-Nuremberg. After graduating in 1979, he stayed at the university as a research assistant in bank management. Following his doctorate in economics in 1985, Dr. Metz returned to Deutsche Bank AG, in Frankfurt am Main, as an executive assistant. He switched to Wüstenrot Bank AG in Ludwigsburg in 1988, climbing the ranks to become a full member of the executive board. He left Wüstenrot in 1993 to take over as manager of the Deutsche Bank branch in Augsburg. Two years later, he joined the B. Metzler seel. Sohn & Co. bank in Frankfurt am Main, where he served as the director of controlling, finances and taxes for three years. In 1998, he switched to Bausparkasse Schwäbisch Hall AG as a fully authorised representative and, one year later, became the executive board member in charge of finances. He was promoted to chairman of the executive board from 2006 to 2014.

## REPORT OF THE SUPERVISORY BOARD

**Dear Sir or Madam,**

In the fiscal year 2015, Bechtle AG seamlessly followed up on the successful performance of the prior years. Internal expectations as well as the expectations of the financial market were fulfilled or even surpassed. This is not to be taken for granted, but is the result of hard work and the ongoing commitment of the entire workforce at Bechtle. On behalf of all stakeholders, the Supervisory Board would like to express its gratitude for this great commitment. Bechtle's growth and especially the high dynamics that were again evident in the reporting period can only be sustained in an economically strong and wisely managed enterprise like Bechtle. All involved are keenly interested in ensuring the company's long-term positive development. Within the framework of its duties, the Supervisory Board coaches the company's progress on this path by providing advice and guidance.

In 2015, the Supervisory Board again meticulously performed all audit and controlling duties imposed on it by law and as required by the Articles of Incorporation. We regularly provided the Executive Board with advice concerning the administration of the group and closely monitored and coached the company's management and development. We were directly involved at an early stage in all decisions that were of material importance to the company or in which the Supervisory Board had a say by virtue of law, the Articles of Incorporation or the rules of procedure of the Supervisory Board. In 2015, the discussions mainly addressed the review of acquisition possibilities as well as the group's long-term development and, in this connection, the further expansion of the BECHTLE Group and its business segments. Another key issue was the gender ratio imposed by the legislator for the Supervisory Board and the other changes introduced by the German Act on Equal Participation of Women and Men in Executive Positions. Moreover, we provided the Executive Board with in-depth advice on the perpetuation of the growth initiative "Switzerland 2020". The collaboration between the boards was characterised by intensive open dialogue.

The Executive Board regularly, promptly and comprehensively informed the Supervisory Board about all aspects significant to the company as well as transactions subject to approval. This included particularly the group's business performance, major investment projects, the risk situation and the opportunity and risk management, as well as basic issues related to corporate planning and strategy.

Especially the Chairman of the Executive Board maintained close contact with individual Supervisory Board members and primarily with the Chairman of the Supervisory Board even outside the regular meetings. Additionally, the Executive Board informed the Supervisory Board as a whole about key operational indicators, the fulfilment of business plans and the employment situation of the group, segments and all major subsidiaries on a monthly basis. Moreover, we intensively elaborated the respective past quarter and the short and medium-term perspectives at quarterly meetings.

At its meetings, the Supervisory Board regularly looked into the business performance of the group as well as the assets and financial position and the implementation of the corporate strategy. Moreover, we continually took care of the risk situation and actively participated in the further development of the control and risk management system of BECHTLE AG.

Thanks to the timely and detailed information received from the Executive Board and the independent audits, the Supervisory Board was able to comply fully with its monitoring and consulting duties. We confirm that the Executive Board has acted legally, correctly and economically in every respect. The Executive Board regularly consulted the legal and compliance department as well as the group controlling, and actively used the risk management system.

## Meetings and Central Issues

In the reporting period, the Supervisory Board held four ordinary plenary sessions on 5 February, 12 March (balance sheet meeting for the annual and consolidated financial statements for 2014), 31 July and 29 October 2015. All Supervisory Board members participated in three meetings, and two Supervisory Board members were excused from one meeting.

Even between meetings, the Chairman of the Executive Board promptly and comprehensively informed the Chairman of the Supervisory Board in particular about any projects or aspects that were of special importance to the company's development or that were urgent. Apart from the resolutions adopted at the meetings, the board and its committees also adopted resolutions via circular procedure in special, urgent cases. We discussed all measures and transactions that required the approval of the Supervisory Board or its committees in detail at Supervisory Board and committee meetings. At its balance sheet meeting on 12 March 2015, the Supervisory Board approved the annual financial statements and the consolidated financial statements of the prior year (thereby adopting the annual financial statements) and accepted the Executive Board's proposal for the appropriation of profits and the business plan for 2015.

In the past fiscal year, the most important subjects discussed included the following:

- The strategy of the group as well as target achievement in connection with the implementation of the strategy
- The economic development of the group
- The Vision 2020 and the achievement of its objectives
- The review of acquisition projects
- The business planning for 2015
- The implementation of the managed service contract with the Volkswagen Group
- The gender ratio for the Supervisory Board as well as the targeted gender ratio for the Executive Board
- The internal audit and risk management system and
- The Executive Board compensation



## Staffing of the Supervisory Board and Executive Board

In the reporting period, the staffing of the Executive Board and Supervisory Board of BECHTLE AG did not undergo any changes.

## Committee Work

To fulfil its duties, the Supervisory Board has formed three committees. The audit committee came together on 5 February, 11 March, 30 July and 28 October 2015. Additionally, it held telephone conferences on 12 May, 6 August and 10 November 2015. Except for two meetings from each of which one committee member was excused, all five committee members participated in the committee meetings held in the fiscal year ended. In 2015, the committee dealt intensively with transactions that require approval, such as acquisitions and long-term agreements. Other subjects discussed included the interim financial reports, the preliminary audits of the annual and consolidated financial statements, the proposal for the appropriation of profits and the review of the internal audit and risk management system. The meetings also focused on the monitoring of the auditor's independence, the definition of the main issues to be audited, the agreement of the audit fee and the corporate governance.

In 2015, the personnel committee came together at three meetings on 26 January, 17 March and 2 December 2015. All three committee members attended all committee meetings in the fiscal year ended. The discussions of the personnel committee mainly focused on the compensation system of the Executive Board and the determination of the targeted gender ratio for the Executive Board.

The arbitration committee pursuant to Section 27 (3) of the German Co-determination Act (MitbestG) was not convened in 2015.

The staffing and chairmanship of the committees did not undergo any changes in 2015.

In the fiscal year 2015, we evaluated our Supervisory Board activity according to the guideline "Efficiency Audit in the Supervisory Board" of Deutsche Schutzvereinigung für Wertpapierbesitz e.V. On the basis of the analysis, we develop further recommendations for the future work of the Supervisory Board. We consistently track the implementation of these recommendations in the board. The basic results of this efficiency audit revealed that the workflows and processes in the Supervisory Board are efficient and target-oriented.

## Corporate Governance and Declaration of Conformity



Corporate Governance  
Report,  
see page 70 ff

We intensively reviewed the set of rules of the German Corporate Governance Code (DCGK), especially the changes of May 2015. To ensure compliance with the German Corporate Governance Code (DCGK), we checked the implementation of the recommendations. Together with the Executive Board, we issued the declaration of conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) in January 2016. Deviations from the recommendations of the Government Commission are explained in detail in the Corporate Governance Report. All declarations of conformity of the last five years and other documents concerning the corporate governance have been and continue to be made permanently available to the shareholders on the Internet at [bechtle.com/investors/corporate-governance](http://bechtle.com/investors/corporate-governance). In the fiscal year ended, there were no conflicts of interests of Executive Board or Supervisory Board members that, according to the code, would have had to be disclosed to the plenum without delay and about which the General Meeting would have had to be informed.



Declaration of Conformity,  
see [bechtle.com/  
investors/corporate-  
governance](http://bechtle.com/investors/corporate-governance)

## Audit of the Annual and Consolidated Financial Statements 2015

The General Meeting appointed Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Heilbronn, as auditor of the annual and consolidated financial statements for the fiscal year 2015. Following the engagement by the Supervisory Board, the auditor audited the annual financial statements of BECHTLE AG as well as the consolidated financial statements and the management reports of BECHTLE AG and of the BECHTLE Group for the fiscal year 2015, including the accounts and the risk management and early detection system, and awarded unqualified auditor's certificates. The consolidated financial statements of BECHTLE have been prepared according to IFRS. The auditor has confirmed that these consolidated financial statements fulfil the conditions for exemption from the preparation of consolidated financial statements according to German law. The audit also included the monitoring system for early identification of risks, which is to be set up by the Executive Board, and the internal audit and risk management system with respect to the accounting process. The auditor confirmed that the installed systems are appropriate for identifying developments endangering the company's going concern at an early stage.

The documents related to the financial statements, the proposal of the Executive Board for the appropriation of retained earnings and the auditor's audit reports were duly sent to the members of the Supervisory Board and discussed in detail in the audit committee and in the board as a whole. The auditor also participated in the balance sheet meeting on 14 March 2016.

The auditor of the annual and consolidated financial statements has reported in detail on all material results of his audit and has comprehensively answered all questions of the Supervisory Board. Prior to the audit, the Supervisory Board requested the auditor of the annual and consolidated financial statements pursuant to Section 7.2.1 of the German Corporate Governance Code (DCGK) to promptly inform the Chairman of the Supervisory Board of any disqualification or partiality issues that could arise during the audit. Pursuant to Section 7.2.3 of the German Corporate Governance Code (DCGK), we also requested the auditor of the annual and consolidated financial statements to promptly report any material findings and events that are relevant to the duties of the Supervisory Board that could arise during the audit. We also agreed with the auditor of the annual and consolidated financial statements that he shall inform us or make a note in the audit reports if, during the audit, he should identify facts revealing any incorrectness of the declaration of the Executive Board and the Supervisory Board concerning the German Corporate Governance Code (DCGK) pursuant to Section 161 of the German Stock Corporation Act (AktG).

The Supervisory Board reviewed the independence of the auditor pursuant to Section 7.2.1 of the German Corporate Governance Code (DCGK) on its own responsibility and obtained a written declaration of independence from the auditor. The declaration renders an account of all professional, business-related, personal, financial and other relationships between the auditor of the annual and consolidated financial statements and his boards and chief auditors, on the one hand, and the company and the members of its boards, on the other hand.

Following its own review of the annual financial statements, consolidated financial statements, management report and group management report, the Supervisory Board agreed to the result of the audit conducted by the auditor. According to the final result of its audit, there were no objections. At the balance sheet meeting on 14 March 2016, following the recommendation of the audit committee, the Supervisory Board thus approved the annual financial statements and the consolidated financial statements, thereby adopting the annual financial statements pursuant to Section 172 sentence 1 of the German Stock Corporation Act (AktG). The Supervisory Board agreed to the Executive Board's proposal for the appropriation of the retained earnings and payment of a dividend of €1.40 per share. We approve the management report and the group management report of the Executive Board and consider the proposal for the appropriation of profits to be appropriate.

The management report of BECHTLE AG and the group management report of the BECHTLE Group do not contain any special disclosures pursuant to Section 289 (4) and Section 315 (4) of the German Commercial Code (HGB) that would have required a statement or explanation by the Supervisory Board.

At the beginning of 2016, it is important not only to review the fiscal year ended, but also to focus on the future development. BECHTLE is an economically strong and healthy business that breaks new records year after year. However, this is not to be taken for granted and does not happen automatically. In 2016, and with a focus on the Vision 2020, profitable growth must be promoted on a daily basis by all involved. Therefore, the Supervisory Board sincerely thanks all employees at BECHTLE, the Executive Vice Presidents and Directors of the group companies as well as the members of the Executive Board for their tireless efforts and persistence in giving their best for the company. We view our mission of guiding and supervising this path both as a challenge and as an honour.

On behalf of the Supervisory Board

A handwritten signature in blue ink, reading "Matthias Metz".

Dr. Matthias Metz,  
Chairman

Neckarsulm, 14 March 2016

Sustainable  
success

requires lateral  
thinking.



# CORPORATE GOVERNANCE.

To operate proactively for the benefit of our customers and shareholders, to ensure respectful cooperation, to take on responsibility towards society and the environment: Sustainable corporate governance is required for these and many other areas.

Four of many aspects of how Bechtie harmonises IT with sustainability.







10

Our executives are guided by  
10 management principles, from  
“be an example” to “follow through”  
to “address conflicts”.

4 VALUES

Four values have guided Bechtle for  
many years: Integrity, determination,  
reliability, inspiration.

€250,000

Contracts with a volume of more than  
€250,000 (hardware: €1 million) are handled  
according to the Bechtle fair business  
process, which continually shows the  
project manager whether everything is OK.

10 YEARS

From the outset, Bechtle has pursued  
long-term goals. Since 1988, these goals  
have been formulated as a vision for  
the next 10 years.

# CUSTOMERS.

Neither Bechtle nor its sustainability would have been possible without the customers and their satisfaction. Every day, more than 7,500 parcels are sent out to our customers – a number that is sustainably going up. Some of our customers, for their part, specialise in sustainability, such as the Bavarian State Forests.



A person wearing a green cap and a dark vest over a light blue shirt is walking through a dense forest of tall, thin trees. They are holding a tablet or clipboard in their hands. The forest floor is covered with fallen leaves and branches. The background is a soft-focus view of more trees and a glimpse of a body of water in the distance.

# 1,000

Day and night, the prices of 1,000 key items are compared with those of our competitors. In this way, we make sure that we offer our customers the best price-performance ratio.

# 0.44%

The return rate is declining from year to year. Meanwhile, it has dropped to 0.44 per cent, compared to 0.7 per cent in 2010.

# ISO 9001

This heading could have consisted of a large "20": For 20 years, ISO 9001 certification has made sure that our customers are sustainably satisfied with their IT partner.

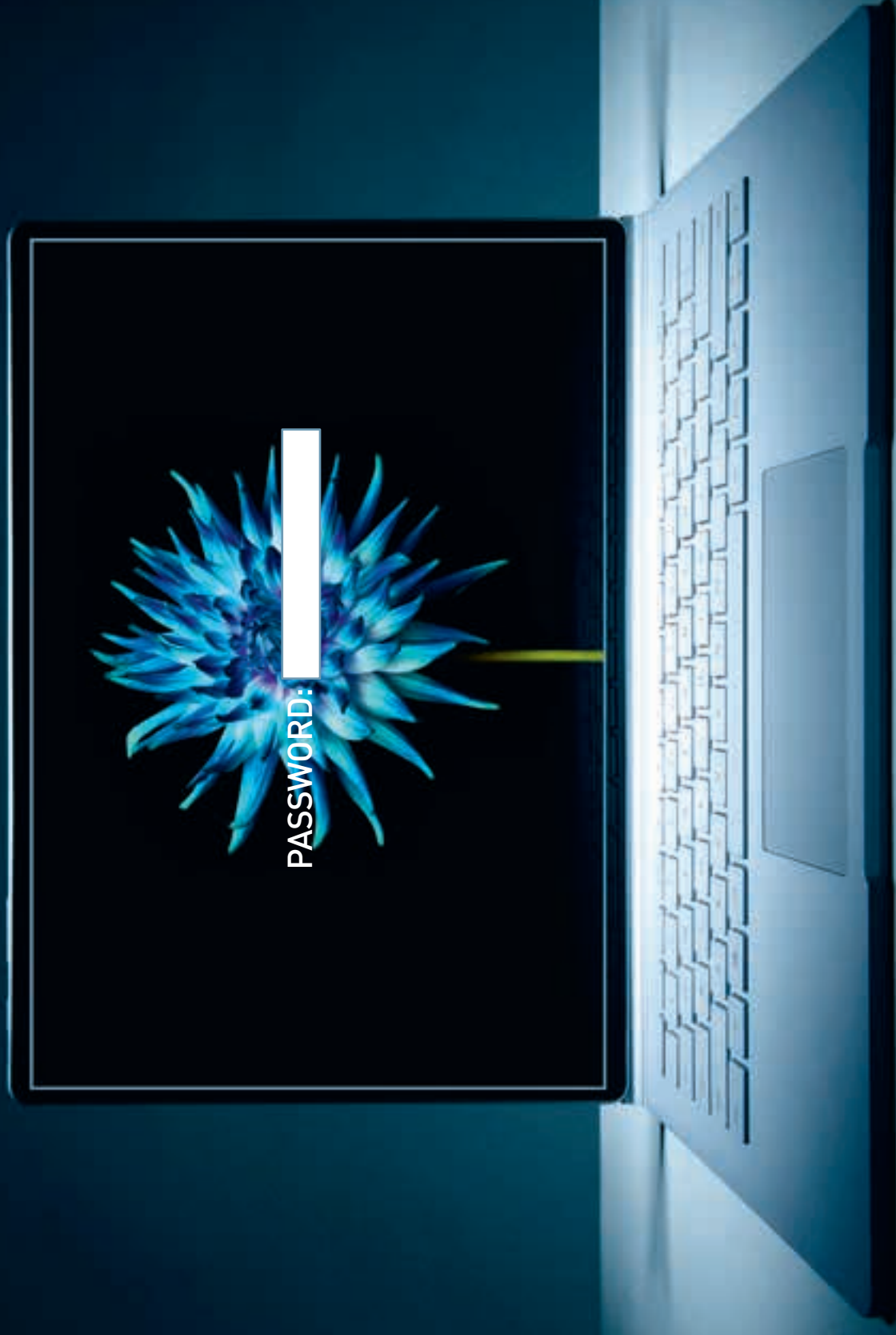
# 1,875,000

Every workday, 7,500 parcels go out to our customers. This means 1,875,000 shipments a year.



# SOLUTIONS.

Sustainability is also – and especially – an issue of daily business. The objective is not only to deliver customer-oriented solutions, data protection and security, but also to make the use of IT eco-compatible and resource-friendly throughout the entire life cycle.





**3**

For three years, Bechtle has its own company, which successfully takes care of the recycling of second-hand IT, thereby bringing forward the life cycle management.

**58%**

More than half of all systems in the data centre at Bechtle Platz 1 are already virtualised.

**16,600**

Many of the 16,600 individuals who participated in Bechtle's internal web conferences have avoided a trip, thereby contributing to environmental protection.

**ISO 27001**

Since 2014, the Bechtle data centres in Germany have been certified according to ISO 27001, the internationally leading standard for information security management systems.

# EMPLOYEES.

The workforce is an area in which sustainability plays an outstanding role. Its numbers have gone up for 30 years – as have its qualifications and experience. This is made possible by our commitment to education and training and the corporate culture, which makes sure that our colleagues wish to stay with Bechtle.



4,000

In 2015, the Bechtle Academy welcomed about 4,000 participants at 300 events. Education and training are as sustainable as the benefits that everybody derives from such measures.

90, 14, 10

Our web-based training portal offers 260 iLearn courses; 90 of these courses are available for all 14 Bechtle countries and in 10 languages. To be continued...

7,205

31 December 2015 marked the end of the first year in which more than 7,000 colleagues had contributed to Bechtle's success. We owe them 7,205 thanks!

7.5%

Training is one of the main areas of the HR work – from warehouse logistics management to integrated degree programmes in business IT. Currently, Bechtle has 473 young trainees. This means a remarkable training ratio of 7.5 per cent.

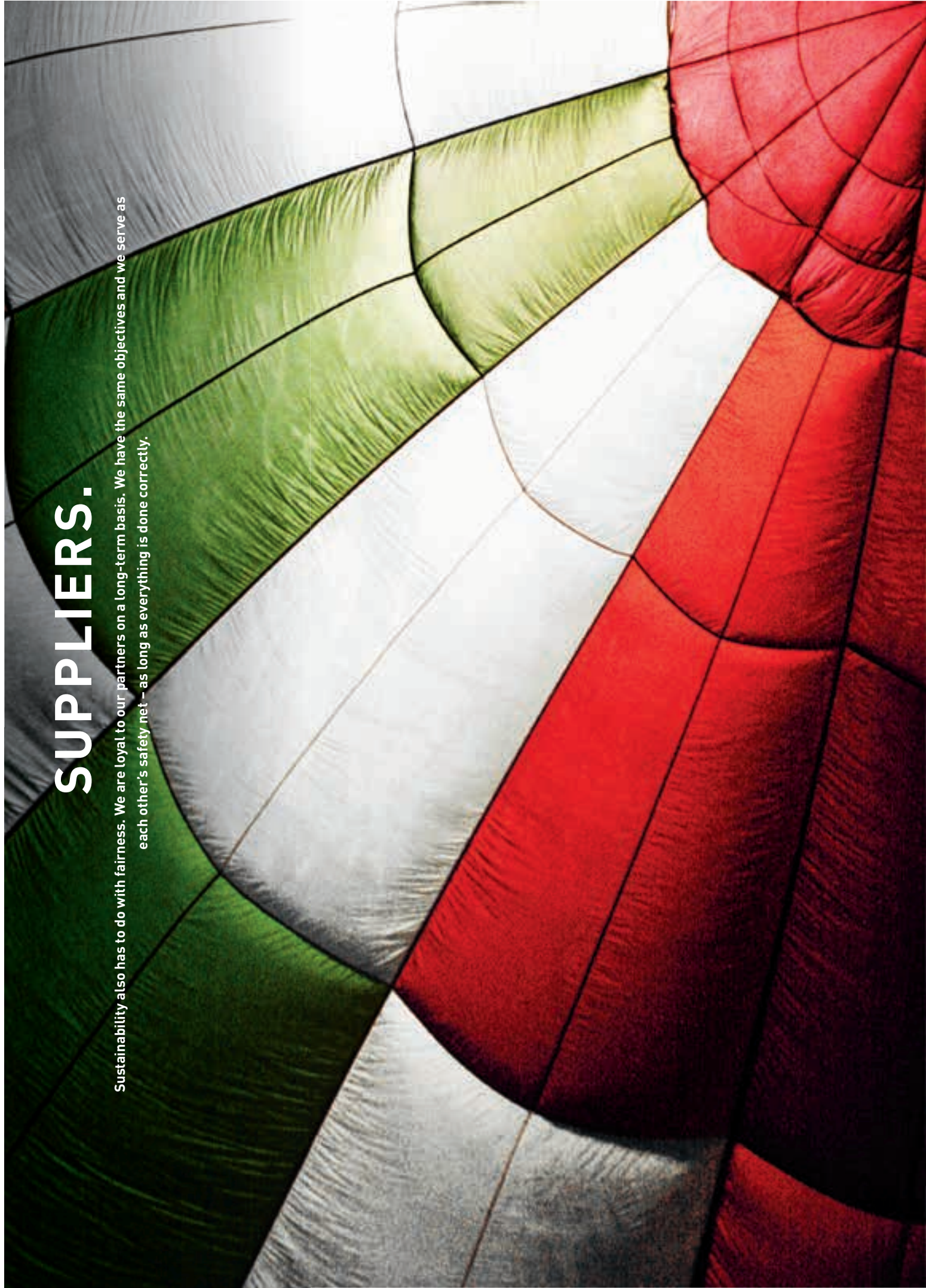






# SUPPLIERS.

Sustainability also has to do with fairness. We are loyal to our partners on a long-term basis. We have the same objectives and we serve as each other's safety net – as long as everything is done correctly.







**1,000**

---

Bechtle successfully cooperates with more than 1,000 suppliers throughout Europe.

**0**

---

Bechtle follows a zero-tolerance policy when it comes to price rigging, bribery and corruption.

**∞**

---

If everything runs smoothly, the performance is good, and our partners are not guilty of any misconduct, we remain infinitely loyal!

**100%**

---

In 2015, all key suppliers have received our declaration on the supplier code.  
All have signed and returned it.



# ENVIRONMENT.

It is said that the environment and environment reports are the parents of the concept of sustainability. This is also the case at Bechtle. Four of many examples of how we effectively reduce environmental strain.







**320 t**

---

This is the amount of carbon dioxide saved by the solar systems on the Bechtle roof in Neckarsulm.

**68.91%**

---

More than two thirds of all waste that accumulates at Bechtle Platz 1 is already recycled. In the future, this proportion is to rise.

**20**

---

The BMW i3 is one of the first genuine electric cars. Bechtle already has 20 of them in its fleet.

**50%**

---

The Bechtle Box® is a customisable, reusable box that reduces conventional packaging by 50 per cent.



# SOCIAL COMMITMENT.

Sustainable, successful business generates the need for sustainable social commitment.

Four examples, one of them from the Schick family, our main shareholders.





€21,000

"Big help for little heroes" is the name of a foundation for paediatric medicine.

In 2015, Bechtle donated €21,000.

3:0

Bechtle is funding a youth coordinator at the Neckarsulm Sport Union on a long-term basis. A clear victory for the young generation, sports and sustainability.

5,895 m

The educational facility CKC is situated in the home of Mt. Kilimanjaro – funded by the foundation of the Schick family, the main shareholders of Bechtle AG.

2019

The endowed chair for technical logistics management at Heilbronn University has been guaranteed until 2019.



# ECONOMIC SUSTAINABILITY.

Sustainability fanatics would probably debate whether economic growth and success have anything to do with sustainability. As far as Bechtle is concerned, the answer is a clear “Yes”! Only permanent economic success – which also includes global partnerships – makes us strong enough to operate sustainably in the future.





2,831,303,000

With an average annual increase of 9.2 per cent, Bechtle has more than doubled its revenue since 2005 to more than €2.8 billion.

€1.40

The share price and the dividend have also made sustainable progress. The dividend of €0.50 for 2005 has grown to €1.40.

14

From Germany to Switzerland and Austria, to a total of 14 European countries: the bottom line of the sustainable growth in IT e-commerce.

8

We are expanding our worldwide network for our international customers. We already have eight global IT alliances on all five continents. Including Shanghai.



# IN WHICH AREAS COULD BECHTLE IMPROVE?

More than anywhere else, sustainability is a field in which a review is associated with the expectation that everything will become even better.

Four goals that we have set for ourselves.





100%

Has always been and will always be our goal: 100 per cent customer satisfaction.

♀

25 per cent of the Supervisory Board,  
13 per cent of the executives:

Some of the female ratios at Bechtle are not bad. But also not so good that they could not get better.

5%

A sustainable EBT margin of 5 per cent is firmly rooted in our Vision 2020.

0

Zero conflict between the sustainability goals and our successful business activity.

it is vital to take care  
of the business.

To have the resources  
needed for sustainability,



## Group Management Report

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BEECHTLE

## 15,000

Bechtle has boosted its education offer! More than 15,000 seminar dates on 500 hot topics cover current market needs. Page 50.

## 64,000

With its various companies, the IT e-commerce segment now offers more than 64,000 different items. See page 51 for more information.

## 34.1%

A figure that makes investors smile:

The closing price of €88.06 on 30 December means an increase of 34.1 per cent in one year.

For more information on the share performance, see page 79 ff.

## 3%

Surprised about this low figure? Rightly so. This is not about Bechtle, but about the growth of IT expenses in our markets. Good that we are growing faster than the market. Page 132.



Cross reference  
within the Annual Report



Cross reference  
to other printed works  
and other literature



Cross reference  
to information on the Internet



Reference to non-financial  
performance indicators

BECHTLE

B E C

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## COMPANY

### GROUP STRUCTURE

The Bechtle Group is the largest IT system house in Germany and one of the leading information technology providers in Europe. On the one hand, its organisational and management structure is aligned with the group's size and degree of internationalisation as well as its long-term strategies and growth targets. On the other hand, the structure reflects the principle of networked decentralisation and flat hierarchies. As a whole, efficiency, controllability and scalability of the structures are key aspects.

### Legal Structure



A chart of the organisational structure is available on the inner back cover page.

The BECHTLE Group is characterised by a typical holding structure. BECHTLE AG is headquartered in Neckarsulm, Germany. As the parent company and holding for the entire group companies, it is responsible for strategic business planning and central duties in the fields of controlling and finance, corporate communications and investor relations, central IT, human resources and staff development, quality management, legal and compliance. Particularly the purchasing, European logistics, warehouse, marketing, product management and address management functions are organised under BECHTLE Logistik & Service GmbH, which also belongs to the holding.

#### 03. HOLDING STRUCTURE OF BECHTLE AG

BECHTLE AG			
Bechtle Systemhaus Holding AG	Bechtle Managed Services AG	Bechtle Holding Schweiz AG	Bechtle E-Commerce Holding AG

Under BECHTLE AG, there is another level of holding companies in which the business fields and brands of the two segments IT system house & managed services and IT e-commerce are bundled:

- BECHTLE SYSTEMHAUS HOLDING AG, Neckarsulm, supervises all activities of the IT system houses in Germany and Austria;
- BECHTLE MANAGED SERVICES AG, Neckarsulm, bundles the central performance components of outsourcing services with longer terms;
- BECHTLE HOLDING SCHWEIZ AG, Rotkreuz, Switzerland, is responsible for all system house and e-commerce companies in Switzerland, the trading activities of all ARP companies and the software licensing business of the COMSOFT DIRECT companies;
- BECHTLE E-COMMERCE HOLDING AG, Neckarsulm, under which the trading activities of the BECHTLE DIRECT companies are consolidated.

The legally independent subsidiaries are allocated to this second holding level. Most of the German and Austrian companies are structured as “GmbH” or “GmbH & Co. KG”, and most of the Swiss companies as “AG”. The legal structure of the companies in other countries is similar to that of the “GmbH”. BECHTLE AG holds 100 per cent of the interests in all subsidiaries, either directly or by means of investment companies.



For a list of  
subsidiaries  
see Notes,  
page 224 ff

Objectives of this two-level holding structure are:

- to relieve the decentralised subsidiaries of administrative and cross-company work, thereby enabling them to concentrate on the core business;
- to bundle competencies and resources in order to establish synergies, e.g. by achieving economies of scale in purchasing and logistics;
- to centrally provide outsourcing services, in particular, in order to optimise the capacity utilisation throughout the group;
- to outline clearly aligned lean leadership responsibility and competence, which is vital in view of the size of the BECHTLE Group.

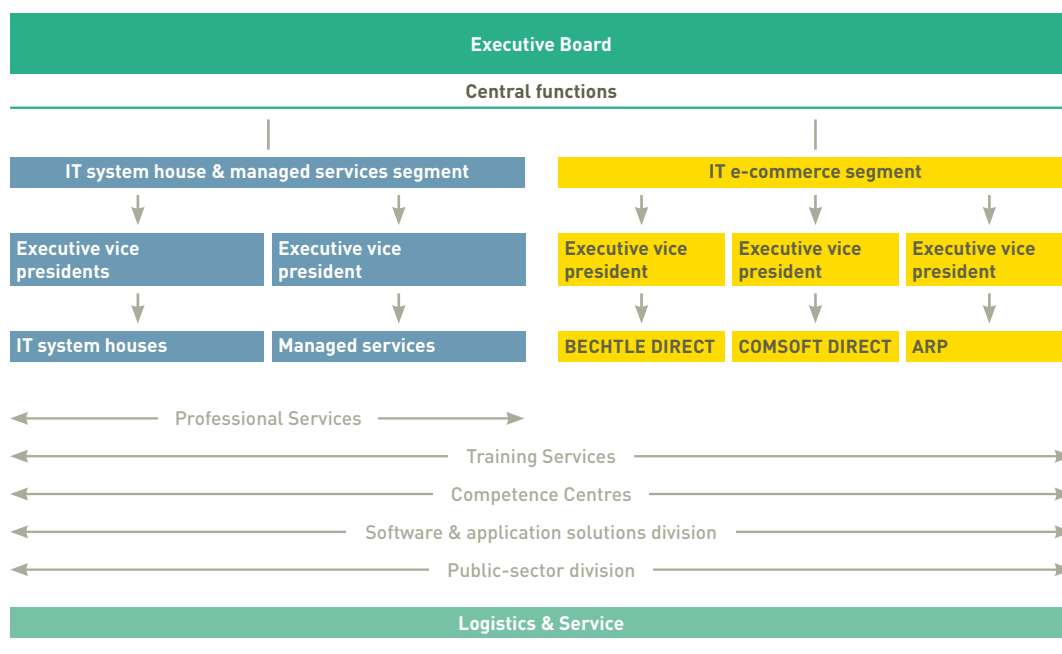
In the reporting period, the Executive Board did not implement any major changes to the existing legal structure of the BECHTLE Group.

## Management Structure

The company's management and executive structure is primarily aligned with the needs of the operations and the economic framework conditions of the markets. The hierarchical separation of the strategic group management by the Executive Board from the leadership of the operational units in the daily business remains the key characteristic of the management structure. In this way, BECHTLE strengthens the principle of decentralisation, which is rooted in the business model, and takes the extensive and continually growing management tasks and the highly dynamic business environment into consideration. Moreover, we thus ensure highly efficient control and management of the group, better support of the decentralised operational units by the central divisions and implementation of the executive organisation required for the further growth of BECHTLE AG.

The two business segments IT system house & managed services and IT e-commerce basically follow the same management approach. However, the divergent market requirements result in different internal structures in some areas. Moreover, the segments pursue different development strategies for their expansion.

## 04. MANAGEMENT STRUCTURE OF BECHTLE AG



[bechtle.com/  
executive-vice-presidents](https://bechtle.com/executive-vice-presidents)

In both business segments, the operational units are headed by Executive Vice Presidents. Apart from the Executive Vice Presidents who are in charge of the cross-segmental public sector division and the central finance department, the Executive Vice Presidents in the IT system house & managed services segment are responsible for the activities of the BECHTLE IT system houses in the northern/eastern, western, central and southern regions in Germany, in Switzerland and in Austria as well as for managed services. In the IT e-commerce segment, they control the trading business of the ARP and BECHTLE DIRECT brands and the software licensing business of the COMSOFT DIRECT companies.

Logistik & Service GmbH is directly supervised by the Chairman of the Executive Board of BECHTLE AG, as are the central functions controlling (including risk management) and finance, corporate communications and investor relations, mergers & acquisitions, central IT, human resources and staff development as well as legal and compliance.

## Locations

The BECHTLE Group is domiciled in Neckarsulm. Apart from BECHTLE AG, Logistik & Service GmbH and the German intermediate holding companies are domiciled here. With about 1,500 employees, Neckarsulm is the largest location.



In the consulting-intensive service business of the IT system house & managed services segment, on-site customer contacts are vital. For this reason, we have a dense network of IT system houses at more than 66 locations in Germany, Austria and Switzerland. In this structure, the Managing Directors of the operating subsidiaries act in the capacity of independent entrepreneurs with a high level of personal responsibility in their local markets. In this context, a consistently performance-oriented compensation system supports and promotes the entrepreneurial activities of the Managing Directors.



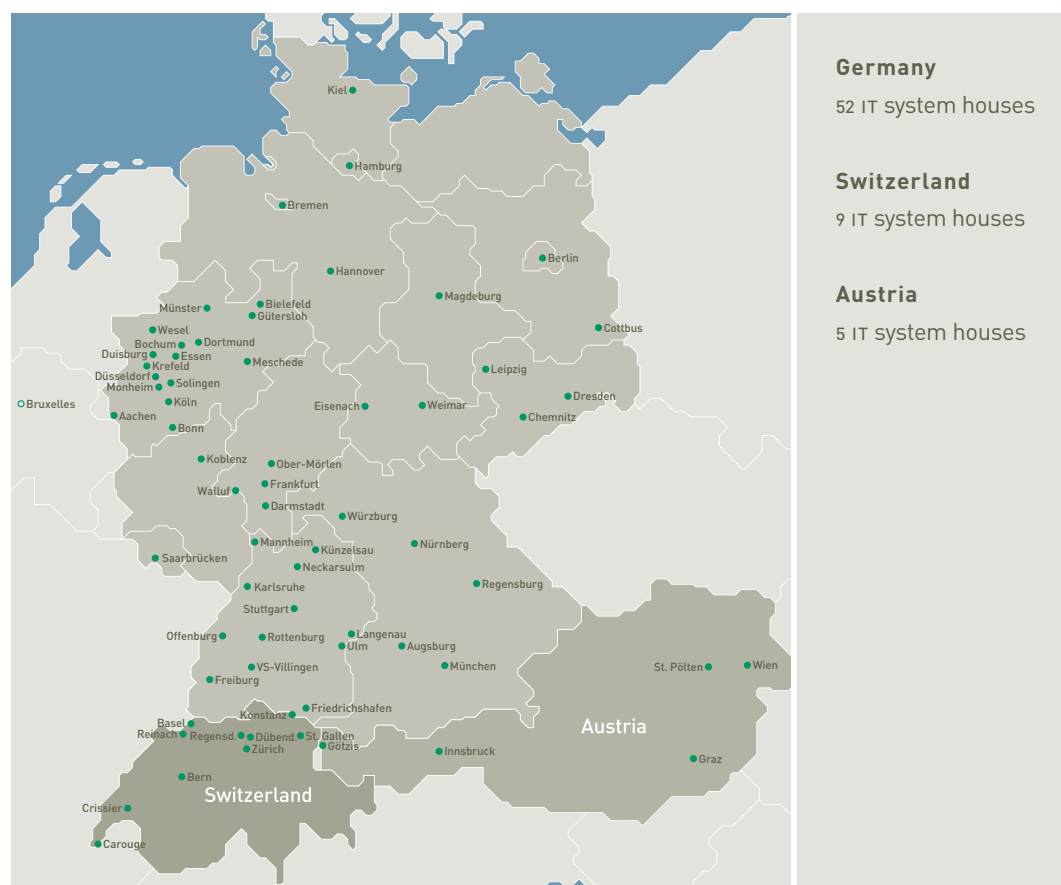
[bechtle.com/  
locations](https://bechtle.com/locations)

In the reporting period, the group further expanded its extensive market presence and technology position in the IT system house & managed services segment in Germany, Austria and Switzerland by acquiring two companies and founding one new company. Through the acquisition of Modus Consult AG, Gütersloh, in May, BECHTLE has further expanded its software and application solutions segment. Tritec GmbH, Künzelsau, joined the BECHTLE Group in November, strengthening the market position in the economic region of Hohenlohe. In November, BECHTLE opened a branch in Saarbrücken. This location takes care of the customers in Saarland and in the bordering regions of France and Luxembourg.



See Notes,  
Scope of Consolidation,  
page 154

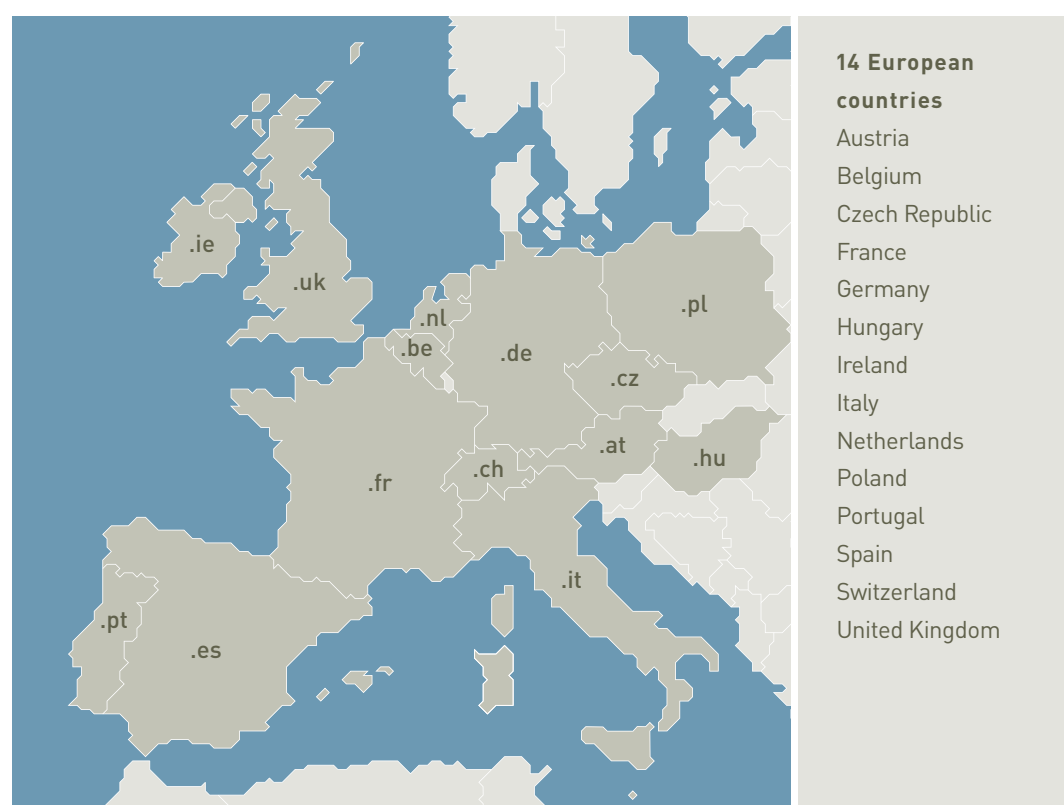
#### 05. SYSTEM HOUSE LOCATIONS OF BECHTLE AG



As of the reporting date, BECHTLE'S IT system house & managed services segment had 52 IT system houses in 15 federal states in Germany. Additionally, there are numerous smaller sales offices. BECHTLE AG has nine system house locations in seven cantons in Switzerland and five locations in five federal states in Austria. Another sales office is located in Bruxelles. The sole purpose of this office is to cater for the EU as our customer.

Under its BECHTLE DIRECT brand, BECHTLE AG has IT e-commerce locations in 14 European countries. The group is currently present in eight European countries with the software and licence management specialist COMSOFT DIRECT, and in six with the trading brand ARP. Moreover, ARP operates a purchasing company in Taiwan.

#### 06. E-COMMERCE LOCATIONS OF BECHTLE AG

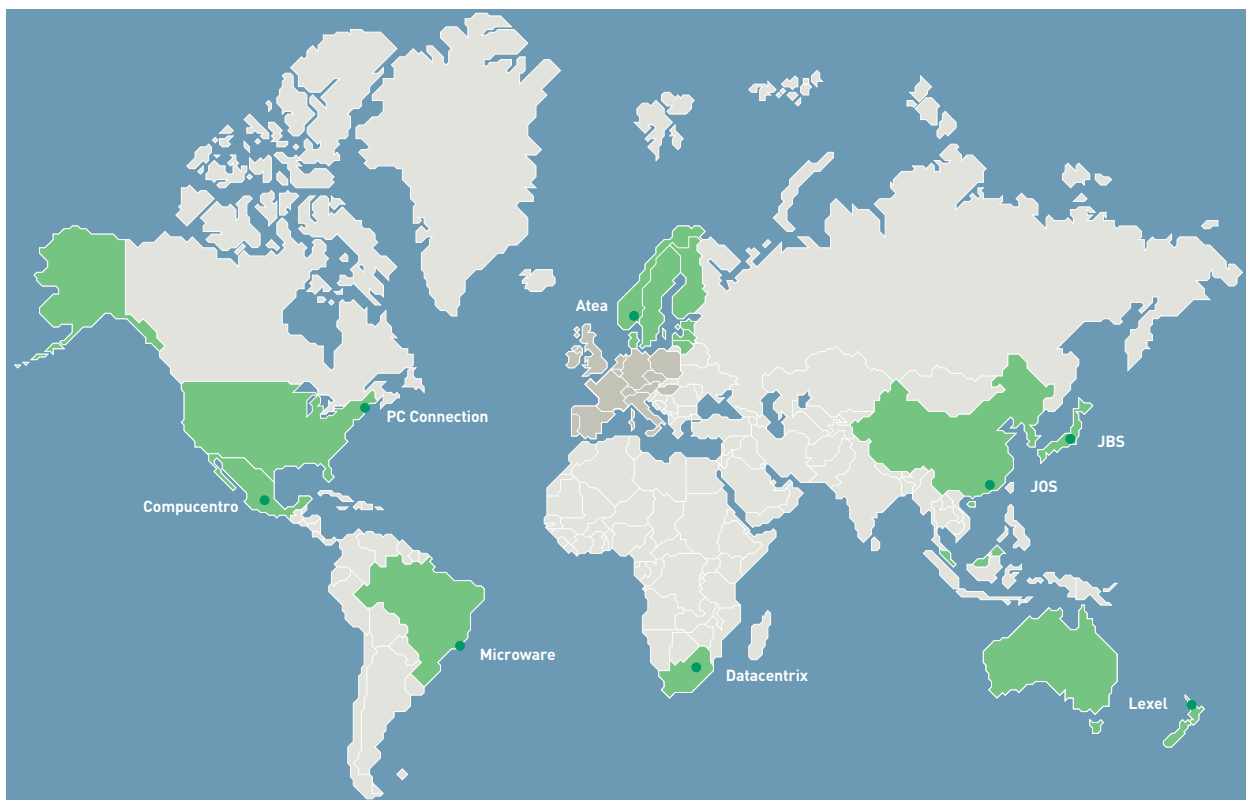


For a list of subsidiaries see Notes, page 224 ff

BECHTLE AG thus owns a total of about 100 operating companies and shareholdings, which are listed in Appendix A to the Notes. The majority of the IT system houses and service and trading companies are located in Germany and secondarily in Switzerland.

For the past two years, BECHTLE has pursued another approach in the IT e-commerce segment besides the founding of its own companies: the establishment of international alliances. In 2014, the Global IT Alliance (GITA) entered into partnerships with companies in the USA, Scandinavia and the Baltic States, as well as in New Zealand and Australia. Companies in South Africa, Japan and China followed in 2015. The purpose of GITA is to be able to supply existing customers via the partners even in regions where a company itself is not directly active, thereby offering them a supply chain with global coverage and comparable quality standards. In this way, BECHTLE also generates new customer business in its home markets: Customers of our alliance partners who are looking for an IT service provider in Europe can now be addressed directly and preferentially by BECHTLE through our partners' reference. In the current year, GITA was further expanded with partners in Brazil and Mexico.

#### 07. BECHTLE GLOBAL IT ALLIANCE (GITA)



## BUSINESS ACTIVITY

The two reporting segments IT system house & managed services and IT e-commerce are the central pillars of Bechtle's business model. In the IT system house & managed services segment, Bechtle's 66 system houses throughout Germany, Austria and Switzerland offer its customers the full spectrum of an IT service provider from one source. In the IT e-commerce segment, the Bechtle Group is one of Europe's leading IT resellers, with subsidiaries in 14 countries. Bechtle boasts a matchless network of experts and partnerships with all renowned vendors. Additionally, specialised system houses and competence centres bundle expertise in technology areas such as CAD, SharePoint and ERP, and in solution areas such as networking solutions, virtualisation and security.

### Business Segments



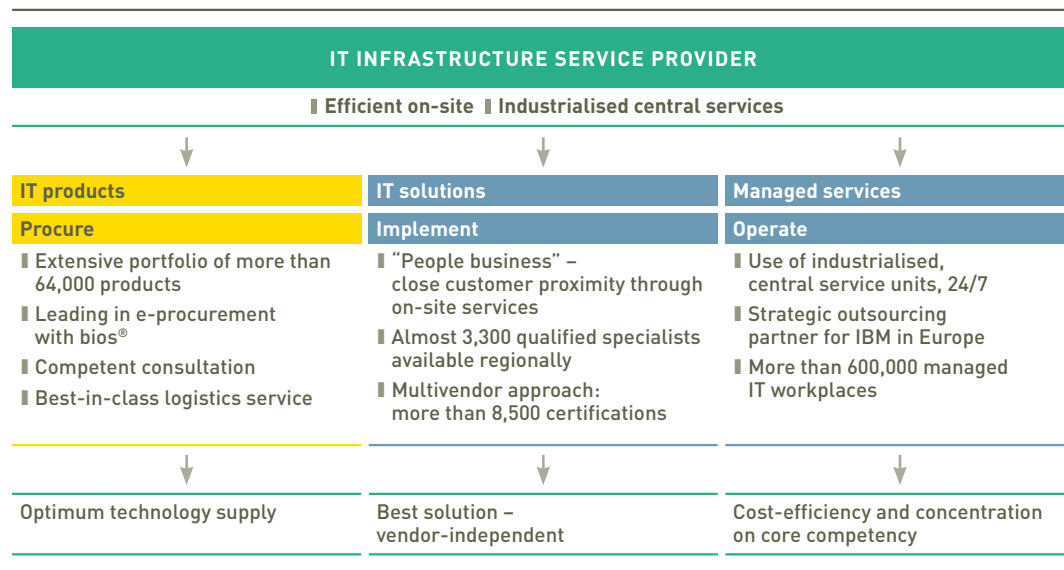
For information on the business model see Management Structure, page 41f



Our multi-brand strategy in e-commerce

BECHTLE AG is an IT service provider and IT reseller. Its activities are divided into two segments. In the IT system house & managed services segment, BECHTLE – as a one-stop provider – offers customers an extensive portfolio that features IT strategy consulting services, hardware and software, project planning and roll-out, system integration, IT services and training, cloud services and complete IT operation. The IT e-commerce segment comprises the group's phone- and internet-based hardware and software trading activities. With the ARP, BECHTLE DIRECT and COMSOFT DIRECT brands, BECHTLE pursues a multi-brand strategy in this segment. We thus offer a one-stop, vendor-independent, comprehensive IT portfolio to our more than 75,000 customers from the fields of industry and trade, the public sector and the financial industry.

#### 08. ONE-STOP SERVICE PROVIDER



## Service Spectrum and Processes: IT System House & Managed Services

BECHTLE'S service portfolio in the IT system house & managed services segment spans the entire IT value chain. The main focus is on highly relevant technology concepts, IT solutions that are much in demand and IT services. The service portfolio is characterised by the fact that BECHTLE is a "one-stop provider". By individual compiling of an offer from various services and service levels that can be freely configured, BECHTLE is able to develop the most suitable solution for every customer. The product portfolio is subject to ongoing review and adaptation to market and customer requirements.

More than 3,300 service team members, certified specialists and system engineers offer customers expertise, advanced specialised competence, many years of IT project experience and the ability to rapidly implement individual requirements in the area of IT services. BECHTLE has bundled specialist know-how in competence centres that are active throughout the country. More than 8,500 certifications of all renowned vendors guarantee premium qualification of our services.



Premium qualification  
thanks to vendor  
certifications

**■ Bechtle IT solutions.** BECHTLE IT solutions feature a fully integrated portfolio focusing on the following subjects:



More information about  
individual Bechtle IT  
solutions is available at  
[bechtle.com/it-solutions](https://bechtle.com/it-solutions)

**■ Client management.** Client management solutions from BECHTLE standardise and optimise the IT workplace landscape at the customer, thereby establishing the technical preconditions for future-proof provisioning concepts. The offer features services such as roll-out, migration, mobile and print solutions, software deployment, virtual clients and client life cycle management. With its managed workplace services, BECHTLE takes over the entire functional and cost responsibility, while optimising and constantly modernising the customer's IT workplaces.

**■ Server & storage.** A modern IT infrastructure is expected to fulfil numerous demands, such as stability, efficiency and permanent availability, along with flexibility and scalability to accommodate new requirements. BECHTLE offers these features through virtualisation, automation and flexibilisation of data centres. The offer comprises vendor-independent architecture advice, project planning and operation of virtualised server and storage systems plus hybrid computing. By means of the selection of a suitable infrastructure solution with respect to technological performance, power supply, cooling and active energy management, BECHTLE enables its customers to cut IT and energy costs significantly.

**■ Networking solutions.** Simplified network administration, WLAN optimisation, the consolidation of LAN (local area network) and SAN (storage area network) as well as sufficient bandwidth in the network and in the data centre represent the main issues of a sustainable, efficient network infrastructure. The objective is to reduce the complexity and save costs. From network analysis to the configuration and connection of networks to network operation, certified BECHTLE experts ensure high infrastructure availability and efficiency. BECHTLE also integrates state-of-the-art collaboration tools. Due to the possibility of accessing the corporate network via various channels, a comprehensive security concept is indispensable for networking solutions.

■ **Virtualisation.** To make the IT flexible and thus scalable and future-proof while achieving significant energy and cost savings, companies are turning to virtualisation as the base technology. BECHTLE offers advice, implementation and the operation of virtualisation solutions for servers, storage, clients and applications. Based on conventional consolidation and optimised availability, security and management, we enable our customers to achieve the highest-possible degree of virtualisation in the data centre. What is more, virtualisation paves the way into the cloud. BECHTLE's competence in this area is backed by numerous awards.

■ **IT security.** Threats from malware, data espionage and theft necessitate an integrated security strategy. IT security from BECHTLE combines technical security with information security, thereby providing comprehensive protection. Our certified IT security experts plan and develop IT security strategies, implement IT security infrastructures and supervise these with 24/7 monitoring. Moreover, we offer corporate data protection solutions. Qualified data protection officers with practical experience, IT security officers and legal experts take care of the consulting, design and implementation in a competent and reliable manner.

■ **Software.** Here, BECHTLE combines expert licence-management consulting services with extensive know-how of market-leading application solutions. With more than 750 software certifications, our application experts roll out software projects with solutions from the fields of CAD, ERP, CRM, SAP, BI, DMS, groupware and SharePoint. Our more than 50 certified licence specialists review the software that is already deployed at the customer and ensure correct and audit-proof licensing. In this way, we guarantee a transparent software inventory, efficient licence management and legal certainty.



For further information  
on the Bechtle technology  
concepts, see  
[bechtle.com/portfolio-en/  
technology](https://bechtle.com/portfolio-en/technology)

■ **Bechtle technology concepts.** Here, BECHTLE has established three ground breaking subjects that combine infrastructure solutions, management and processes. We take care of all necessary planning, architecture and implementation services in connection with the establishment of the technology concepts on behalf of our customers. Our certified IT business architects support the technological implementation of the business requirements. Below is an overview of technology concepts:

■ **Mobility.** BECHTLE offers a fully integrated solution portfolio in the field of mobility, from the planning to the provision and management to protection and support. Our experienced mobility experts and IT consultants provide the customer with vendor-independent advice on current mobility technology and document the requirements. On this basis, we develop a strategic action recommendation and the optimum mobility roadmap in collaboration with the customer. BECHTLE takes care of the secure integration and efficient administration of the mobility landscape and assumes responsibility for the security or the support for technical questions pertaining to warranty services.



[bechtle.com/  
cloud-computing-en](https://bechtle.com/cloud-computing-en)

■ **Cloud computing.** BECHTLE addresses modern requirements for increased business flexibility and mobility along with cost optimisation by providing special cloud services and cloud technologies on the basis of a dynamic infrastructure. In this area, the company has a comprehensive service portfolio that includes consulting services, integration and operation of cloud technologies as well as complete turnkey solutions. Certified specialists and business architects identify the need for cloud-capable IT services and



determine the optimum cloud strategy and cloud architecture for the customer on this basis. Moreover, we operate as a vendor-independent general contractor and take on responsibility for the complete cloud infrastructure or the operation of the implemented solutions in the form of managed cloud services.

**Dynamic data centre.** Industrial IT infrastructures are subject to mounting pressure: Employees need fast and mobile access to data, services and applications at all times. At the same time, the amount of data is growing without let up – as is the desire to use the information potential of these digital resources more effectively. This requires highly adaptable systems and processes. In this area, concepts such as the software-defined data centre or convergent infrastructure solutions help reduce the complexity in the data centre and make IT resources available in accordance with the needs. A higher degree of automation boosts the efficiency when performing routine tasks. The management, departments and users reliably obtain access to the IT services they need. BECHTLE supports its customers with services such as management and automation, provision of intelligent storage solutions and establishment of a data centre network.

**Managed services.** With more than 600,000 managed IT workplaces and more than 250,000 data centre systems under maintenance agreements, we are specialised in the provision of cost-efficient managed services. BECHTLE assumes responsibility for defined operating tasks related to the customers' IT. In this context, fine-tuned service level agreements ensure the availability of the IT infrastructure. Through remote operation or on-site supervision of servers, clients, printers and networks on the basis of standardised operating concepts and comprehensive, multilingual user services for the customer IT infrastructure, BECHTLE guarantees optimum operability of the IT systems along with cost efficiency over the entire life cycle. The technical solutions are complemented by individual financing models such as leasing.

**Maintenance & repair.** The IT infrastructure of businesses is often very heterogeneous. The individual vendors only accept responsibility for their own products and usually offer very different service levels. Often, the customer is left with the overall responsibility as well as the coordination and control of the many contacts. Providing a central point of contact and an integrated warranty and spare parts procurement, BECHTLE ensures efficient handling of all service processes. For the smooth performance of international maintenance & repair services, we make use of an established global partner network.

**Managed cloud services.** Especially in medium-sized businesses, enterprise customers are looking for entry-level solutions that are easy to integrate, flexible and uncompromising in terms of data security. In response to these requirements, BECHTLE offers custom-tailored solution modules as managed cloud services, which support the business processes of our customers as effectively as possible. Based on our managed cloud services, we deliver needs-oriented solutions that make the IT of our customers more cost-efficient and future-proof. The services are provided on the BECHTLE cloud platform and are billed according to the actual needs. The data always remain in the country of origin.




*"Everything under control with Bechtle managed services."*

**Tasso Traub**  
Managed Services Sales,  
Stuttgart system house

**Managed IT & outsourcing.** BECHTLE is specialised in managed IT & outsourcing services. In this area, BECHTLE takes care of the professional provision of workplace and data centre environments under strict service-level agreements. The group is capable of offering customers sustainable, adaptable IT concepts that effectively combine on-site services, support on demand and remote services. For this purpose, BECHTLE makes use of a modular range of offers comprising more than 500 predefined services, ensuring maximum standardisation.

#### 09. MANAGED SERVICES PORTFOLIO

  
[bechtle.com/portfolio-en/it-services](https://bechtle.com/portfolio-en/it-services)

BECHTLE MANAGED SERVICES		
Maintenance & Repair	Managed Cloud Services	Managed IT & Outsourcing
↓	↓	↓
<ul style="list-style-type: none"> <li>■ Clients</li> <li>■ Printers</li> <li>■ Servers</li> <li>■ Storage</li> <li>■ Network</li> </ul>	<ul style="list-style-type: none"> <li>■ Infrastructure as a Service</li> <li>■ Software as a Service</li> </ul>	<ul style="list-style-type: none"> <li>■ Service Desk</li> <li>■ Managed Workplace</li> <li>■ Managed Print Solutions</li> <li>■ Managed Data Centre</li> <li>■ Managed Network &amp; Security</li> <li>■ Managed Application</li> </ul>


**Professional services.** BECHTLE offers professional services from client installation to data centre optimisation. We provide customers with advice on the IT strategy, integrate new application solutions, optimise IT systems or assist the operation with our expert support. With a holistic perspective of business models and value chains, BECHTLE's certified IT business architects design future-proof IT landscapes.

  
[training.bechtle.com](https://training.bechtle.com)

**Training services.** The custom-tailored seminar concept of the 22 BECHTLE training centres throughout Germany is precisely aligned with market needs. The offer covers a wide spectrum, with more than 15,000 seminar dates for 500 hot IT topics. For customers with several branches, this presence enables uniform training on-site.

**Competence centres.** The competence centres constitute an important pillar of BECHTLE's service portfolio. The reasoning behind them is that certain specific technological services require deeper specialist knowledge that cannot be made available at every system house location of the BECHTLE Group. To be able to offer these services to all customers, the BECHTLE Group bundles this know-how in competence centres. In their capacity as internal service units, they render services for all locations.

**Remarketing.** BECHTLE Remarketing is the group company that is specialised in the remarketing of used IT. The experienced BECHTLE Remarketing specialists check and evaluate the legacy equipment that is to be replaced and take over the hardware directly at the customer's location. As a reliable IT logistics partner, we combine the delivery of new equipment with the collection of the legacy equipment, ensuring the secure removal of the systems along with services such as certified deletion of data. We either prepare the legacy systems for resale or duly dispose of them in accordance with environmental regulations.

  
 Sustainability through  
 resource-friendly recycling  
 of legacy systems

## Service Spectrum and Processes: IT E-Commerce

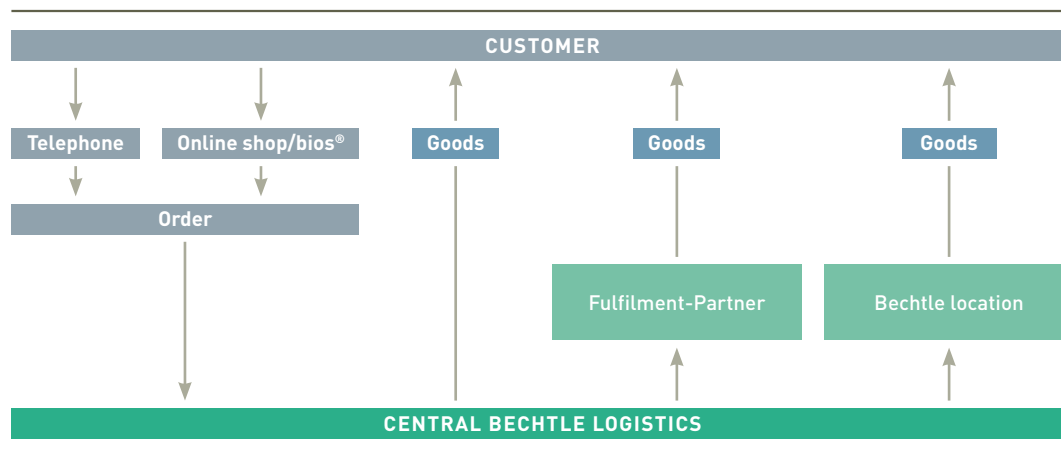
**Hardware and software.** In the IT e-commerce segment, BECHTLE competently covers all common IT areas with more than 64,000 items, ranging from hardware to standard software to peripherals. While BECHTLE DIRECT concentrates more on conventional hardware of leading vendors, the product portfolio of ARP also features innovative niche products. Furthermore, the ARP companies sell peripheral products under their own ARP® and CLAXAN® labels, thereby offering customers an inexpensive alternative to other known brands while maintaining the same quality standard.

In the highly process-controlled IT e-commerce BECHTLE has established lean workflows that are of great significance to the success of this segment. To a certain extent, the underlying processes are even part of the actual service. For example, many of the orders in IT e-commerce are processed according to the fulfilment principle: BECHTLE forwards incoming orders directly to vendors or distributors, who then ship the goods to the customers in the name and for the account of BECHTLE. BECHTLE ensures the shipping quality – which is mainly determined by the speed – by means of agreements with partners and daily audits. By applying the fulfilment principle, BECHTLE keeps its stock level low, thereby reducing the risk of devaluation of IT products, which are characterised by very short innovation cycles. Customers benefit from short delivery times: Orders received by 4:00 p.m. are shipped on the same day and usually delivered on the next day.



Process control,  
fulfilment principle,  
shipping quality,  
daily audits,  
short delivery times

### 10. ORDERS AND SHIPPING OF GOODS



Lean processes and efficient logistics give us a competitive edge in the trading business. The centralisation of product management, purchasing and warehouse guarantees competitive, up-to-date prices and prompt availability. For all EU countries, these sub-areas are taken care of by BECHTLE's Logistics & Service unit in Neckarsulm. The activities of the Swiss system houses and of the ARP and COMSOFT DIRECT companies are controlled by the logistics centre in Rotkreuz, Switzerland. To maintain its competitive edge here in the future, BECHTLE continually implements logistics optimisation measures. In the reporting period, BECHTLE

commissioned an augmented reality (AR) solution with smart glasses at the logistics HQ in Neckarsulm. This is the world's first productive use of the mobile app SAP AR Warehouse Picker. Since May 2014, BECHTLE and SAP have been working on a project to push the integration of future-oriented digital technologies in warehouse logistics. The successfully implemented solution represents the first of several planned application fields. Currently, the central shipping warehouse in Neckarsulm has a total area of approximately 20,000 m<sup>2</sup> and room for 9,700 euro-pallets. Of the 64,000 products that are offered, about 10,500 items are constantly available on stock. In the reporting period, the average warehouse output amounted to 7,500 parcels a day.



Up-to-date prices  
and availabilities

Another key business process concerns the goods and pricing system and the uniform product database, which are accessed by all European subsidiaries. Every night, the European pricing system (EPS) developed by BECHTLE loads more than 15 million pieces of pricing and availability information from IT vendors and distributors and calculates the respective national prices. Suppliers are primarily selected on the basis of the lowest price and the ability to ship immediately across Europe. Market-related product information is automatically updated online for the country-specific webshops.

Apart from active telephone sales and the online shops, the product catalogues are another important sales channel in BECHTLE'S trading business. The main catalogue of BECHTLE DIRECT is reissued once a year. It appears in five languages and 17 international versions with a total print run of about 150,000 copies. The ARP catalogue is published four times a year in three languages and six international versions with a print run of more than 60,000 copies. Additionally, special BECHTLE catalogues on specific trend subjects are regularly published in Germany.



bios® stands for  
Bechtle Information &  
Ordering System,  
for further information  
see Glossary, page 238 ff

**E-procurement.** The bios® shops are a special feature of BECHTLE DIRECT. This online procurement system is tailored to the needs of the customers and serves the purpose of reducing order and flow times, using framework agreements optimally throughout the entire company, managing IT stocks automatically and thus saving time and money. About 24,000 BECHTLE customers throughout Europe have substantially reduced their process costs in connection with the procurement and management of IT products with the help of bios®. Today, more than 50 per cent of all trading orders of the BECHTLE Group are already processed via bios® platforms. The services offered are not limited to the supply of hardware and software, but begin with comprehensive guidance on products and solutions and the establishment of customised procurement concepts in the form of defined shopping carts and framework agreements. Customers who use bios® benefit from high flexibility in the product selection as well as from standardisation, and can thus ensure uniformity of their IT infrastructure in all orders.



bios® provides a tangible  
reduction of process costs  
and high flexibility in  
product selection

In the public-sector division, BECHTLE also consistently maintains its customer-specific approach with its bios® shops. By means of the subdivision in administration, health care, research & education, and church & welfare, the group makes greater allowance for the heterogeneous structure of the public sector. Individual federal and state authorities, municipalities, chambers, associations and educational institutions thus have access to special terms of vendors even without tenders and further negotiation.

Under the name bios® Asset, BECHTLE offers both the procurement as well as the inventory management and ongoing management of the deployed hardware and software. In addition to the newly ordered products, all IT equipment that already exists in the company can be imported, managed and analysed. In this way, the introduction of new technologies and their life cycle can be planned in a time-saving manner, the efficiency of IT resources can be maximised, and the resulting IT costs can be allocated to the responsible parties.

**Software licence management.** The COMSOFT DIRECT companies, which operate in the areas of software licensing and management in eight countries, offer customers a vendor-independent, full-service solution portfolio for software licences. COMSOFT DIRECT'S online product range currently comprises about 10,000 products of more than 130 vendors and is expanded continually. COMSOFT DIRECT supplies enterprises with custom-tailored software products and solutions. The offer covers the entire software life cycle, including consulting, sales, procurement, maintenance and project management. This know-how is becoming increasingly important, as manufacturer licensing and pricing models are becoming more and more complex. Customer demand for this competence is on the rise, especially with respect to service-oriented architectures consisting of diverse software modules with countless licensing models. COMSOFT DIRECT selects the most suitable licensing models from its extensive portfolio and enables customers to use their software applications as effectively and inexpensively as possible. The offer in this segment includes the analysis of the customers' licensing situation, in order to quickly achieve the optimum balance which avoids both illegal under-licensing and unnecessary, cost-intensive over-licensing.

By using a modular, cost-efficient software asset management solution (SAM), we ensure professional inventory management of the software licences employed by the customer. The available IT inventory information can be accessed to gain a comprehensive picture of the software deployed throughout the company, including the frequency of use and distribution. In connection with the current company situation and the planned development, this enables the realisation of extensive consulting potential resulting in licence optimisation for the customer. In this way, COMSOFT DIRECT covers the entire complexity of the software life cycle, from purchase planning to financing, procurement, distribution, provision and maintenance up to the replacement, and enables the customer to continually optimise productivity with maximum cost efficiency.



A chart of the organisational structure is available on the inner back cover page



Professional inventory management with SAM

## Research and Development

As a pure service and trading company, BECHTLE is not involved in any research activities. However, software and application development activities are conducted both for internal purposes and for individual customer projects. Additionally, software to cover special industry needs is developed and offered in modular form.

The software & application solutions division also offers customers the design, development and implementation of software, e.g. in SharePoint or ERP projects. For example, the division offers its customers BECHTLE Product Lifecycle Management (BECHTLE PLM), a solution that accelerates business processes. In the reporting period, BECHTLE strengthened its position by acquiring Modus Consult AG. The range of goods and services of Modus mainly focuses on ERP software solutions based on Microsoft Navision and Axapta, document management systems (DMS), collaboration solutions and business intelligence. The Microsoft Gold Partner's clientele mainly comprises medium-sized customers, for which it develops custom-tailored, certified (sector-specific) solutions.

Programming work was also done for the internally developed software solutions BELOS, BECHTLE Manufacturing and BECHTLE NAV Connect. BELOS is an event management application for planning and conducting events, training, room management and other useful modules. The software was developed on the basis of Lotus Notes for the company's internal needs and has meanwhile spread to more than 50 customers on the basis of Notes. Due to the demand for a solution that offers the same functionality with Outlook integration, BECHTLE's competence centre Business Collaboration has developed a web/Java-based BELOS version that meets this requirement. The main modules were completed in the reporting period and have already been marketed successfully. BECHTLE Manufacturing is the group's comprehensive overall package for medium-sized manufacturing businesses that is based on the ERP software Microsoft Dynamics NAV. Among other things, the tool provides a wealth of functions and a high level of transparency in sales and purchasing, production management, quality assurance for incoming goods, project management, service and complaints handling and notification and approval procedures. BECHTLE NAV Connect – an application that is also based on Microsoft Dynamics NAV – was designed especially for use in the storage and logistics industries. This solution enables the mapping of processes such as incoming/outgoing goods, picking, stock transfer and inventory using mobile bar code scanners. The application is fully integrated in the ERP system Microsoft Dynamics NAV and thus also supports complex processes of the inventory management system via MDE bar code scanner. The software solutions are subject to regular maintenance and further development. Additionally, the competence centre Business Collaboration develops individual applications for Lotus Notes, web environments and mobile devices.



*"The webshops are a central element of our sales strategy. Plus, they are made by Bechtle."*

**Jennifer Oliveira**  
Account Manager, Bechtle direct

The webshops of our trading brands ARP and BECHTLE DIRECT represent internally created intangible assets and are capitalised accordingly. These shops, which are developed and designed by BECHTLE, require ongoing development work in connection with the maintenance and update of our webpages.

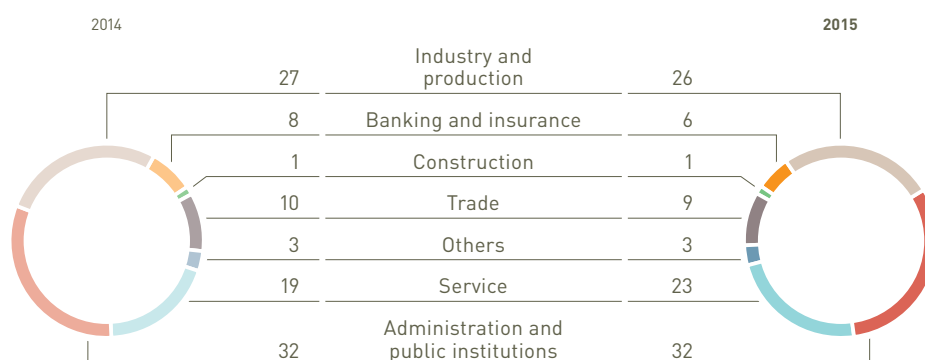
Apart from this, no major development work was done in the reporting period.

## Markets

BECHTLE'S core target group consists of medium-sized businesses. BECHTLE defines the size of businesses according to the number of PC workstations. Local medium-sized businesses are customers with 20 to 50 PC workstations, regional medium-sized businesses are companies with 50 to 250 computer-based workplaces, and upper medium-sized businesses are enterprises with 250 to 2,000 PCs. Apart from conventional medium-sized businesses, BECHTLE also addresses larger enterprises and groups as well as public-sector clients with more than 2,000 PC workstations.

### 11. INDUSTRY SEGMENTATION OF BECHTLE AG BY REVENUE

%



Basically, BECHTLE addresses the IT market irrespective of the industry. However, the special requirements of the tendering procedures in the public sector division have resulted in the establishment of a more clearly focused and specialised approach to this customer group. As an internal service unit, the central public-sector division supports the decentralised system houses and the trading companies in the processing of public invitations to tender.

Geographically, BECHTLE'S IT system house & managed services segment operates in Germany, Austria and Switzerland. The sales office established in Bruxelles, Belgium, in 2011 represents an exception. In the IT e-commerce segment, the BECHTLE Group is active throughout Europe. Through the further GITA expansion in the reporting period, BECHTLE is establishing a network of partner enterprises outside Europe. In this way, BECHTLE can address customers who wish to be supplied worldwide at uniform quality standards without being directly present in the respective markets. At the same time, BECHTLE is the reseller of choice of the alliance partners for core Europe.



See Locations,  
page 42 ff



## Competitive Position



destatis.de

According to information of the Federal Statistical Office, more than 80,000 IT companies in Germany, which differ greatly in terms of size, service spectrum and specialisation, offer products and services in the fields of IT hardware, software and IT services. Most of these companies merely operate on a local scale and seldom exceed annual revenues of €5 million. According to the Federal Statistical Office, the group of medium-sized IT companies with annual revenues of approximately €50 to 250 million comprises about 120 companies. Only about 20 companies, including BECHTLE, are on the list of larger system houses that are active in Germany.



*"Bechtle Platz 1: Our company is in first place in more than one way."*

**Marisa Geyer**

Assistant to the Executive Board,  
Bechtle AG

In Germany, BECHTLE enjoys an excellent market position, which it further reinforced in the reporting period. The professional journal "ChannelPartner" reports that for the third time in a row, BECHTLE ranked first in 2015 among vendor-independent companies in the German system house business in terms of the domestic revenue and further extended its lead over the runner-up. Competitive strength is even more important than revenue. According to a survey also conducted by "ChannelPartner" among German system houses for the purpose of identifying the most significant competitors, BECHTLE is the most frequently mentioned company, reaching almost 60 per cent.

In the annual customer-friendliness survey conducted by the professional journals "ChannelPartner" and "Computerwoche", BECHTLE has maintained its place among the Top 5 German system houses in the category of companies with an annual revenue of more than €250 million. Within the scope of the survey, the customers assessed the performance of the respective system houses in implemented projects.

The market research institute EITO currently estimates the total volume of the German IT market in 2015 at €72.9 billion. With its annual revenue of about €2 billion in Germany, the market share of BECHTLE currently amounts to about 3 per cent. Germany's ten largest IT companies, which the industry journal "ChannelPartner" assesses every year, occupy a market share of about 9 per cent. These figures show how fragmented the German IT market is. Small and medium-sized companies still account for by far the largest market share. However, the consolidation pressure remained high in the reporting period, so that a slight shake-out can be expected in the long run.

According to its own information, BECHTLE is one of the market leaders in the system house business in Switzerland. In Austria, BECHTLE AG is currently present with five system house locations. The company intends to further expand its market position there.



See Locations,  
page 44

In the IT e-commerce segment, the group considers its market position to be outstanding in Germany, Switzerland and the Netherlands. In the other European countries, BECHTLE occupies a stable position, though this position still needs to be fortified in the younger Eastern European markets.

Sustainability

BECHTLE'S success largely depends on the fact that we always keep the big picture in mind instead of pursuing a short-term course. BECHTLE has always been an enterprise with a long-term focus. We are driven by strong goals that are formulated in a measurable vision. From the onset, sustainability has been part of our strategic orientation, regardless of zeitgeist and trends. We believe that economic, environmental and social responsibility belong together. This means that we can only be successful if we manage to keep business and social interests in a healthy balance. As early as 2013, BECHTLE elaborated a sustainability code that brings home our responsibility towards society as a whole and the important guiding principles to all BECHTLE employees and business partners. In the reporting period, BECHTLE additionally published an initially internal sustainability report. From 2016, the sustainability report will be made available to all who are interested. To underline the importance of sustainability to BECHTLE and to demonstrate this both internally and externally, BECHTLE AG signed the WIN Charta, an initiative of the federal state of Baden-Württemberg, in 2014. Thus, BECHTLE is committed to a total of twelve principles and objectives of sustainable operations as defined in the WIN Charta. Moreover, the companies that participate in the WIN Charta undertake to submit regular reports and to support at least one sustainability project in Baden-Württemberg.

 [bechtle.com/  
cr-report](https://bechtle.com/cr-report)

 [win-bw.com](https://win-bw.com)

The basic values defined in the BECHTLE sustainability code comprise the following eight categories:

12. SUSTAINABILITY CATEGORIES

SUSTAINABILITY		
■ Corporate governance	■ Environment	■ Human rights
■ Employees	■ Solution offers	■ Fairness
■ Customer relationships		■ Social commitment

**■ Sustainable corporate governance.** The sustainable corporate governance is based on BECHTLE'S values and guidelines, which have characterised the enterprise from the very beginning like a genetic code. An important item in this connection is the company's long-term orientation for the purpose of achieving profitable growth. We are convinced that this is the precondition for assuming responsibility for the effects of our entrepreneurial decisions and business activities in the economic, environmental and social context. The values are implemented in the form of the management principles and the code of conduct at BECHTLE. Furthermore, open internal and external communication as well as transparency in dealings with the public are important pillars. We also document our responsibility towards stakeholders in the Corporate Governance Report.

 [See Corporate  
Governance Report,  
page 70 ff](#)

**■ Employees.** Employees are the most valuable and important assets of BECHTLE. Therefore, sustainable HR work is inextricably linked with long-term corporate success. Our responsibility towards our employees goes hand in hand with the responsibility towards the company and the shareholders. Important elements of sustainable HR work include the training of our employees, a performance- and incentive-oriented com-



See Employees,  
page 65 ff

pensation system and the establishment of a secure, healthy job environment. This also means creating the basis for a balanced relationship between work and personal life. All of this is based on the BECHTLE management principles, which provide all management levels with guidelines for dealings with employees and, most importantly, for fulfilling their function as role models. Detailed information on the HR work at BECHTLE is also available in the chapter "Employees".



See Competitive Position,  
page 56 f

**Customer relationships.** Our actions are geared to the concerns of our customers and their satisfaction. Satisfied customers furnish evidence of our excellent work and form the basis for our future success. Customer relationships are usually founded on a firm trust basis that has grown over the years and generally pursue a long-term horizon especially in the case of medium-sized businesses, BECHTLE'S core customer segment. For good customer relationships, it is however also important to continually adapt the portfolio to customer needs and to ensure quick and flexible troubleshooting processes. By means of customer surveys, BECHTLE makes sure that it always has a realistic picture of the quality of the customer relationships and the customer satisfaction.

**Environment.** In view of its responsibility towards society as a whole, BECHTLE is committed to environmental protection. To manifest this commitment and, most importantly, to firmly root it within the company, BECHTLE AG introduced an environment management system (EMS) according to ISO 14001 and had it certified back in 2011. With the help of the EMS, the company is able to systematically assess environmental influences and continually reduce the environmental impact.



*"Actions speak louder than words:  
Bechtle's EMS."*

**Bernd Britsch**  
Head of Organisation,  
e-commerce

The EMS at BECHTLE AG especially focuses on energy savings (power and heat) in order to minimise the carbon footprint. Moreover, measures that address the paper consumption, water consumption and emissions as well as the consistent re-channelling of recyclables into the economic cycle also play a role. In the reporting period, the annual evaluation revealed that almost all goals formulated in the prior year had been reached. At the same time, we have defined new goals. The central IT continues to play a central role for the power consumption, and the facility management for power, heat and water. Additionally, the following measures were applied or initiated in the reporting period:

- Within the scope of a bachelor's thesis, all relevant environmental services of BECHTLE AG were recorded in 2014. In this way, it was possible to create a carbon footprint for the company on the basis of ISO 14064. In the reporting period, the status was assessed, and the carbon footprint was updated.
- As in previous years, BECHTLE further increased the degree of virtualisation in its own data centre. It currently stands at a level of 58 per cent. In a dynamically growing business and under consideration of the associated inevitable increase in computing capacities, virtualisation technology is a significant lever for curbing energy consumption.
- In the reporting period, the number of video conferences and of participants in such conferences went up 50 per cent. By avoiding on-site meetings, business trips and their environmental impact can be reduced considerably.
- In the reporting period, the total amount of waste per capita dropped 5 per cent. Thanks to consistent waste separation, the proportion of recyclables in the total amount of waste increased to 33 per cent.

**Sustainable solution offers.** We endeavour to offer our customers solutions in accordance with the principle of making the use of information and communication technologies eco-friendly and resource-friendly throughout the entire life cycle, from the design of the systems to their use and operation to the recycling of the equipment. For this purpose, BECHTLE has established the required technical and HR conditions, thereby enabling us to offer customers sustainable solutions at all times within the scope of our service spectrum. The demand for such solutions is great especially in the public sector, but is also on the rise in the private sector.



See  
Service Spectrum  
and Processes,  
page 47 ff

**Human rights.** As a company, we assume responsibility for the protection of human rights and contribute to compliance with these within our sphere of influence. Besides observing applicable international and national standards and laws, this requires the promotion of diversity in the company. Our BECHTLE code of conduct contains a comprehensive, firmly rooted ban on discrimination that applies at all levels and in all areas of the company.

**Fair operational and business practice.** Honesty, fairness and reliability stand for the integrity of BECHTLE and determine our conduct inside and outside of our company. The most important pillar in this connection is the BECHTLE code of conduct, which defines clear rules and prohibitions for the interaction with business partners. Our open and tolerant corporate culture also plays an important role in this area. At the same time, BECHTLE also expects its suppliers, service providers and downstream contractors to accept these basic values. In 2014, BECHTLE thus compiled a separate code of conduct for its suppliers. BECHTLE'S code of conduct for suppliers of goods and services contains the principles and minimum requirements from BECHTLE'S code of conduct that its suppliers should also be committed to.

**Social commitment.** As an internationally positioned enterprise, we interact in various ways with our respective environment as an employer and client. This obliges and allows us to participate in shaping the social setting of our locations within our means. Our involvement centres on education, youth and sports. Additionally, we are involved in selected charitable projects. In our decentralised structure, the Managing Directors of the local companies are free to decide in which area and to what extent they want to get involved. At our headquarters in Neckarsulm, we support the following subjects:

- **Education:** Since 2009, BECHTLE together with partners has funded an endowed chair at Heilbronn University. This has yielded various synergies in the form of joint projects and up-to-date research input.
- **Children and youths:** BECHTLE has supported the foundation "Große Hilfe für kleine Helden" (Big help for little heroes) since its establishment. To BECHTLE, the involvement is not only a sign of solidarity with Ralf Klenk, the company co-founder and initiator of the foundation, but also underlines the conviction that this involvement represents an extremely meaningful and necessary contribution in the field of paediatrics.
- **Sports:** We consider involvement in sports to be meaningful if it does not merely consist of sporadic activities, but supports a long-term, target-oriented project. Cooperating with the Neckarsulm Sport-Union suggested itself, also because this would highlight the regional bond. Here we decided to finance a youth trainer.

## CORPORATE MANAGEMENT

Corporate management is aligned with the long-term strategy. Furthermore, it is consistently aligned with the Vision 2020, whose objective is to effectively increase the enterprise value through profitable growth. Bechtle AG wants to achieve this both organically and by means of acquisitions. To support the management processes, various instruments are employed which, among other things, enable the evaluation of the business performance and ongoing review of the strategy with respect to the achievement of the long-term growth and profitability targets, which are above industry average.

### Objectives and Strategy



*"This is where I can play a key role: Our Vision 2020."*

**Gottfried Pfeil**  
Group Controlling, Bechtle AG

In the Vision 2020, the Executive Board of BECHTLE AG has set itself ambitious growth targets. By 2020, the group intends to generate total revenue of €5 billion, with an EBT margin of 5 per cent and an increase of the workforce to 10,000. This goal requires an average revenue growth of about 12 per cent a year along with an above-average increase in profitability by about 14 per cent. For comparison: In the years from 2010 to 2015, BECHTLE achieved average annual revenue growth of 10.4 per cent and EBT growth of 16.0 per cent.

The goals of the Vision 2020 are to be achieved both organically and by means of acquisitions. Organically, we can build on our experience in the IT market, which already stretches back 32 years, and the high market penetration. From 2005 to 2015, BECHTLE achieved an average annual organic growth rate of 10.0 per cent.

So far, growth through acquisitions has mainly taken place through the acquisition of smaller to medium-sized businesses. However, in the search for suitable acquisition candidates, the company often also examines larger businesses. What matters is that an acquisition strengthens the market position of the BECHTLE Group in terms of the regional coverage, customers and/or services. Therefore, the objectives are the supplementation of our IT-specific expertise and the intensive processing of strategically important markets or customer groups for the purpose of gaining market shares.

By 2020, we want our IT system house & managed services segment to be present throughout Germany, Austria and Switzerland as the leading IT partner of the industry and of the public sector.



In the IT e-commerce segment, BECHTLE pursues a consistent internationalisation approach on the basis of a multi-brand strategy. The company is already represented in a total of 14 European countries. By 2020, the group will further expand its leading position in e-commerce in Europe. By means of the GITA, BECHTLE will push ahead the internationalisation beyond Europe. In 2016, we gained two additional partners in Latin America.

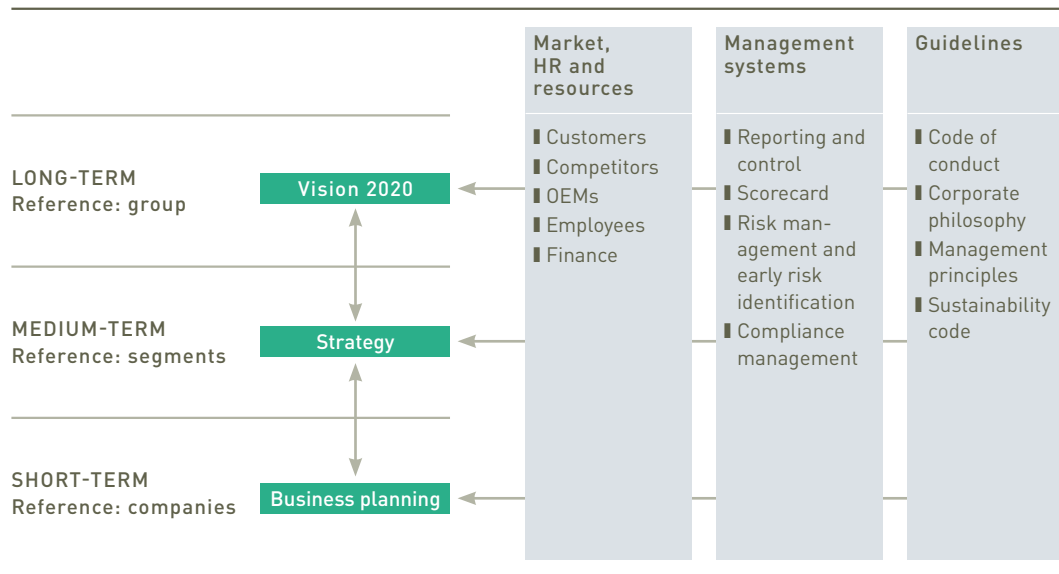


See  
Group Structure,  
page 44

In view of the shortage of specialists and executives in the entire IT industry, training and staff development are critical success factors for the implementation of the strategy and the pursuit of the long-term growth targets. The objective is to provide innovative, solution-oriented and efficient concepts for the customer IT by way of duly qualified personnel, thereby ensuring competitive positioning in an environment subject to constant change.

As we endeavour to achieve the goals formulated in the Vision 2020, every fiscal year represents an intermediate step. Excellent fiscal years such as the reporting period bring us much closer to the Vision 2020, and thus enable us to compensate for potentially weaker phases in the future.

### 13. CORPORATE GOVERNANCE OF BECHTLE AG



The basic values of BECHTLE AG, which are rooted in the corporate philosophy, are a central part of the corporate culture. Together with the internal management principles, the sustainability code and the code of conduct, these values support the long-term strategic objectives. This formulated content provides all employees with instructions on how to reach their goals and furnish orientation in the management process with respect to efficient, sustainable corporate governance and control.



Our basic values  
provide orientation

## Systems and Instruments

The Executive Board of BECHTLE AG is responsible for the overall planning and realisation of the group's long-term targets. The main objective of the company development is to effectively increase the enterprise value through profitable growth.

The short and medium-term planning for the management of the operational units and the resulting measures are derived from the long-term corporate planning. However, they are also geared to the development of competitors and of the market environment. For the employees of the BECHTLE Group, the top priority is to achieve growth and higher returns through satisfied customers and to attain market leadership at the company's location.

Revenue, revenue growth, gross and contribution margin, earnings before taxes (EBT) and the EBT margin are relevant key performance indicators. Individual profit sharing schemes are applied to enhance the employees' commitment to agreed targets.

At annual strategy conferences, the Executive Board presents measures and milestones by means of which BECHTLE strives to reach its long-term goals. The short-term management takes place by means of the annual focus planning, a strategy paper of the individual companies and individual planning meetings with the Managing Directors. Within the scope of the focus planning, the decision-makers make an initial estimate of the development of key items of the income statement, such as the revenue, contribution margin, distribution costs and administrative expenses, EBT and employment situation. The focus planning is done in the planning and reporting system "DeltaMaster" and determines the benchmark for the detailed planning for the upcoming fiscal year. This content is validated and backed by HR, service and sales plans coordinated between group controlling and the management. The ERP system automatically provides the data for this. The result of the individual process steps is fed into the IT system "Planos", which was especially developed for this purpose, within the scope of the overall operational planning. For reasons of data security and data protection of personal information, the "DeltaMaster" and "Planos" applications are operated separately on the system side. All individual planning elements collectively form the basis for the annual planning of the BECHTLE Group.



Intelligent BI systems  
support governance  
processes

The operational targets and duties derived from the individual meetings are communicated by the Managing Directors and Executive Vice Presidents in the respective individual companies and divisions of both segments, and form the basis for the individual performance targets of the employees. The development during the year is continuously analysed with the help of database-supported management instruments such as "DeltaMaster Compass". This in-house developed management tool for reporting, benchmarking and analysis provides the governance process with IT-based assistance. In this way, the management can promptly initiate suitable measures in the event of any deviations from the plan. The assessment takes place in the form of a benchmark test with the help of the BECHTLE scorecard, which transforms various performance criteria into a performance ranking that is transparent for all companies and divisions. Additionally, the operational development of all IT e-commerce companies is recorded and analysed in a special software tool called European Sales Cockpit (ESC).

To regularly assess the business performance and to compare the locations with each other, the group provides the operational units with detailed weekly and monthly reports with standardised profitability ratios for incoming orders, revenues and contribution margins using "DeltaMaster". The information is automatically supplied by an SQL-based data warehouse that is directly fed by the ERP systems SAP and Navision Financials. Moreover, some of the subsidiaries have their own management system for the operational control of their sales activities. This system comprises effectiveness indicators as well as order- and customer-related parameters that enable direct assessment of the business performance. Apart from the experience of the sales staff with respect to the customers' demand behaviour and investment affinity, the development of the purchase prices and of incoming orders is regarded as a mission-specific early indicator for the due assessment of the business performance.

Within the scope of the management of the companies, cash-flow-based data such as the working capital, cash-to-cash-cycle time, DSO and DPO are used in addition to the direct business indicators. The key factors affecting the cash flow are available to every Managing Director or Executive Vice President in "DeltaMaster Compass" in the form of a cash-flow cockpit with the respective internal benchmarks. This allows the responsible people to respond to potential mistakes at an early stage.

Besides central management information systems such as "DeltaMaster", "Planos", "Compass" and "Esc", BECHTLE AG uses two ERP systems, Navision Financials and SAP, for the resource-oriented management of its business processes. All accounting and central logistics management processes are integrated in SAP. The optimum mapping of business processes and the standardisation of the utilised management instruments are key criteria for the design of the implemented IT. In this way, it is ensured that the leadership structure and the employed systems remain freely scalable to accommodate further growth of the company.

Monthly and quarterly financial statements that are made available to the executives for their respective fields of responsibility enable a comparison of the economic situation with past periods as well as with plan values in order to identify negative developments at an early stage. The ERP system Navision Financials serves as an enterprise resource planning and sales information system at almost all locations. The two interlinked systems Navision and SAP collect information pertaining to the sales success – such as the status of the sales process phases, the coordination of tasks in the sales team, billing and shipping of the goods and the status of the receivables – and deliver relevant figures (such as the customer contact frequency, order total, contribution margin per sales rep and DSO).

At group level, the consolidated data for all operational units from the various reporting systems are used for the coordination of investment and financing decisions, early identification of target/actual variances and initiation of suitable measures.

However, many mission-critical indicators cannot be quantified or can only be quantified indirectly. This includes factors such as the brand reputation, customer satisfaction, staff qualification, experience, motivation and leadership qualities, as well as the corporate culture, which can only be described qualitatively, if at all.



*"With our analysis tools, I can see all important indicators at a glance."*

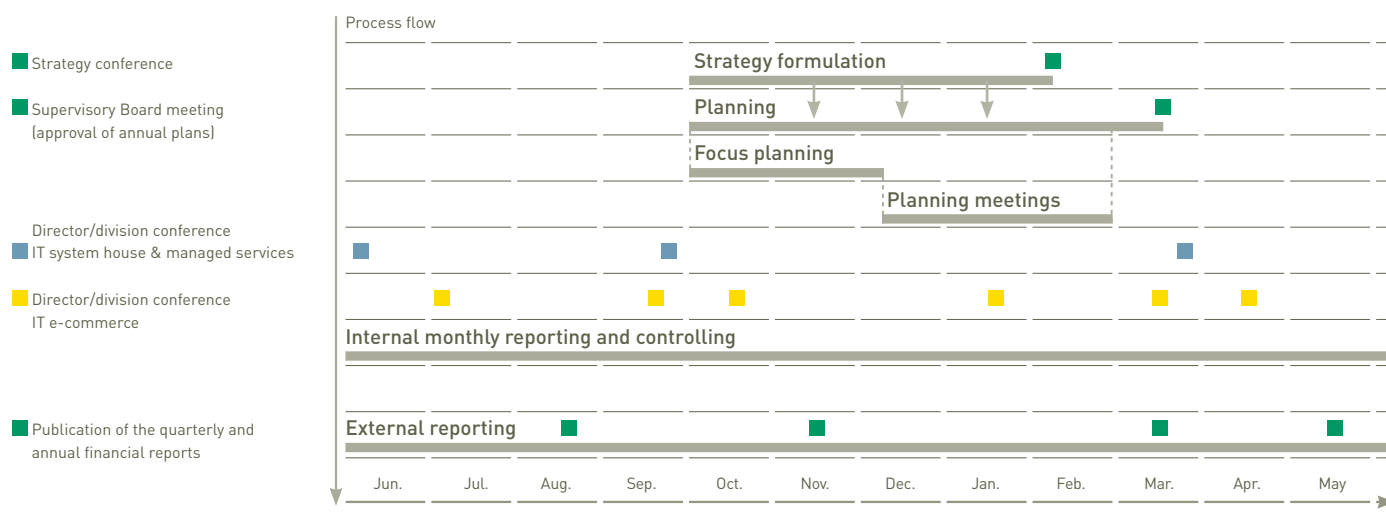
**Marc Budde**  
Managing Director,  
Hannover system house



ERP systems for  
resource-oriented  
management  
and mapping of  
business processes



## 14. PLANNING AND REPORTING PROCESS OF BECHTLE AG



See  
Competitive Position,  
page 56

To get a better picture of the reputation in the market, BECHTLE'S management takes advantage of customer surveys or studies and assessments of professional media, industry associations and market research institutions. Among other things, the results of these studies are used within the scope of the strategic planning in order to ascertain the company's image in relation to competitors. The customer satisfaction factor is analysed in both company segments at regular intervals. The results serve as indicators for the quality of the customer loyalty and are used internally to coordinate sales activities.



Training, employee  
motivation and staff  
development for successful  
customer retention

Combined with target-oriented staff training, these analyses will help BECHTLE to continue to provide customers with comprehensive, flexible and competent consulting services in the future. Personnel-related data, such as fluctuation and qualification details, are also used as internal key performance indicators. The aim is to systematically develop the employees in all fields of qualification and to increase the motivation in order to improve employee loyalty. BECHTLE'S one-digit fluctuation rate is below the industry average.



Non-financial  
performance indicators  
can be reviewed

In addition to the largely operations-oriented management systems presented above, the Executive Board makes use of other systems in its business policy and strategy-related decisions, such as the systems used for quality management, environmental management, compliance, risk management and early identification and the internal control system (ICS). Apart from the target/actual comparison of the purely financial management indicators, these systems also enable a review of the company's non-financial performance indicators (☀️). Continuous monitoring, management and further development of the strategic goals in connection with organisational and system-based protective measures ensure improved coordination and consistent alignment of the activities of all areas in the group for the purpose of ensuring sustainable development of the company. The sustainability report, which was prepared for the first time in the reporting period, and the processes thus initiated in the enterprise, will doubtlessly set further impulses in this area in the future.



See  
Sustainability,  
page 57 ff

## EMPLOYEES

With the more than 600 new colleagues that joined the company in the fiscal year 2015, Bechtle now has more than 7,000 employees. Especially the service-oriented system house business underwent significant growth in the number of employees. Dedicated and competent employees play a key role in the success of the business and will also serve as the basis for further growth in the future. Therefore, Bechtle continues to invest in training. Bechtle looks back on 30 years of training young people, who can now choose from various training professions and integrated degree programmes. With its extensive open seminar offer and tailor-made staff development programmes for senior and junior executives, Bechtle gives all colleagues the opportunity to upgrade their qualifications. Moreover, Bechtle regularly gains new qualified employees through intensive recruiting measures.

### Development of the Employee Numbers

As of 31 December 2015, the BECHTLE Group had 7,205 employees. Compared to the prior year, with a total of 6,572 employees, the total workforce grew by 633, an increase of 9.6 per cent. On average, 6,924 employees worked for BECHTLE during the reporting period (prior year: 6,421 employees), an increase of 7.8 per cent. The increase in the number of employees is the result of acquisitions and, most importantly, new recruitment.

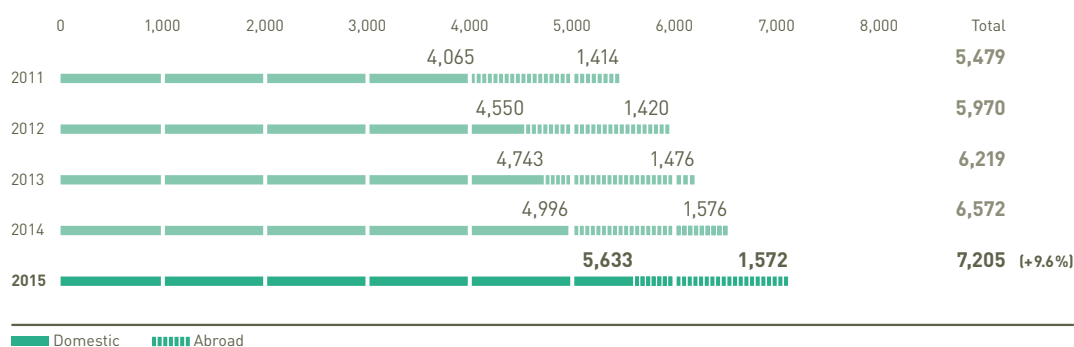
In Germany, the number of employees increased by 637 or 12.8 per cent to 5,633 at the end of the year (prior year: 4,996 employees). The number of employees active abroad amounted to 1,572, a figure almost identical to that of the prior year (1,576 employees). Thus, more than three quarters of all employees work in Germany.



See Notes,  
Employees,  
page 219 f

#### 15. EMPLOYEES BY REGIONS

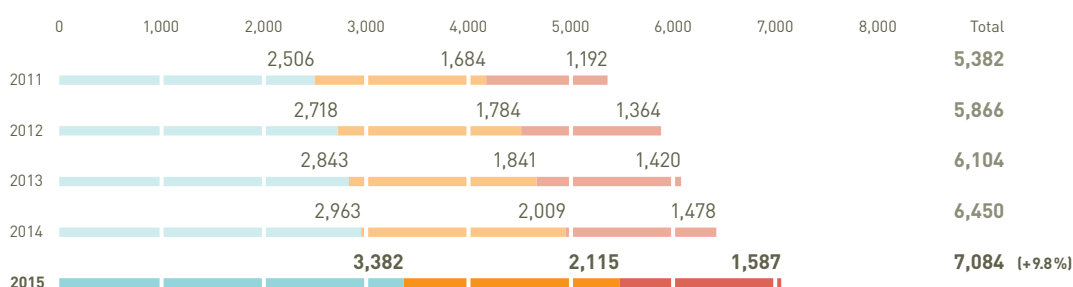
as of 31 December



Split by functional areas, we recorded the highest growth in the field of services. In the entire group, 3,382 employees worked in this area in 2015 as of the balance sheet date, 419 more than in the prior year. The administration workforce increased by 109 to 1,587, and the sales team by 106 to 2,115.

#### 16. EMPLOYEES BY AREAS

as of 31 December



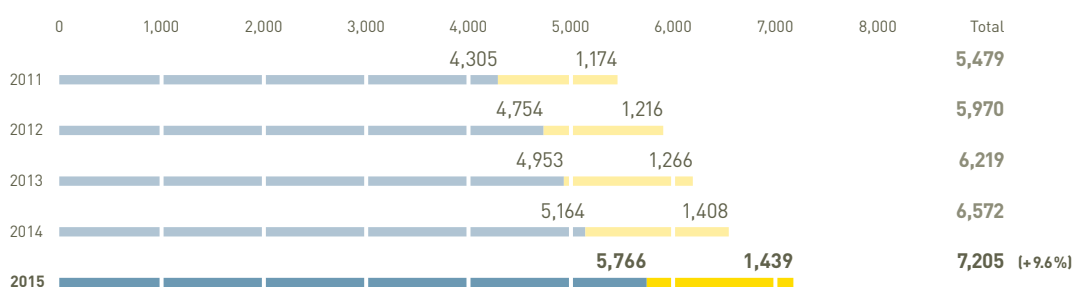
Services Sales Administration

For internal costing reasons, the staff information by areas does not take employees on parental leave into consideration.

In line with the situation in the functional areas, the growth at business segment level was especially high in the service-oriented IT system house & managed services segment. Here, the headcount went up 11.7 per cent to 5,766, compared to 5,164 in the prior year. The number of employees in the IT e-commerce segment amounted to 1,439 (prior year: 1,408), an increase of 2.2 per cent.

#### 17. EMPLOYEES BY SEGMENTS

as of 31 December



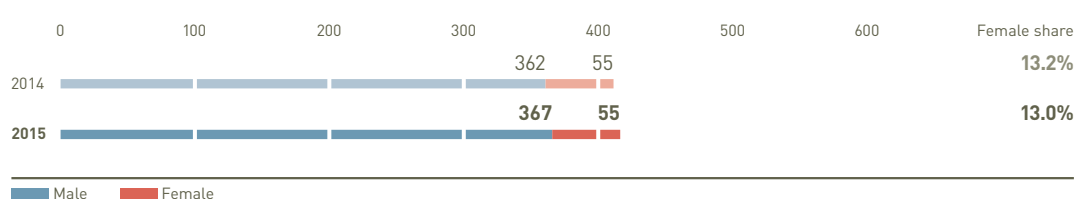
IT SH & MS IT e-commerce

As an IT enterprise active throughout Europe, BECHTLE already has a balanced proportion of various cultures and nationalities and of men and women. We are convinced that the diversity of the employees promotes team performance, making an effective contribution to the business success. Currently, women account for approximately 26 per cent of all employees. Among the executives, 13 per cent of all employees are female; among the trainees, the proportion of females amounts to 21 per cent. At 48 per cent, the central divisions account for the highest share of women, followed by 39 per cent in the e-commerce segment. At 19 per cent, the system house segment has the lowest proportion of women.

In the services segment, which has always been rather male-dominated, BECHTLE recorded a disproportionately high increase in the number of employees in the reporting period. The proportion of women in the overall headcount is thus slightly below the prior-year figure. In the field of training, there were also more male applicants in the reporting period, resulting in slight decline in the proportion of women in this area. We do not expect these developments to be of a permanent nature.

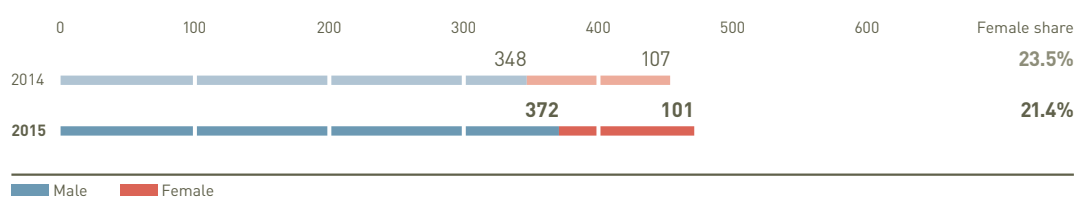
#### 18. EXECUTIVES: SHARE FEMALE/MALE

as of 31 December



#### 19. TRAINEES: SHARE FEMALE/MALE

as of 31 December



## Personnel Expenses and Salary Model

In 2015, expenses for wages and salaries including social contributions underwent a below-average increase of 8.8 per cent to €423.0 million (prior year: €388.8 million). Thus, the personnel expense ratio receded from 15.1 per cent to 14.9 per cent. Accordingly, the personnel intensity also declined to 61.1 per cent (prior year: 62.2 per cent) in relation to the gross profit.

#### 20. PERSONNEL EXPENSES

		2015	2014	2013	2012	2011
Personnel and social expenses	€m	423.0	388.8	348.8	326.3	294.6
Personnel and social expenses per employee <sup>1</sup>	€k	62.2	61.7	58.5	57.5	58.3
Personnel expense ratio	%	14.9	15.1	15.3	15.6	14.8

<sup>1</sup> Without employees on parental leave

The salary model of most of the BECHTLE employees consists of fixed and variable components. The amount of the variable compensation depends on the target achievement level in the particular field of responsibility or on the performance of the group. For sales staff, the variable component is calculated according to the amount of the contribution margin achieved, while the revenue serves as the indicator for employees in the service sector. In the administration, the variable component is calculated according to the earnings before taxes. As a matter of principle, the performance-related compensation of Managing Directors is calculated on the basis of the achievement of the earnings and revenue targets defined at the beginning of the year.



## Training



bechtle-azubit.de

BECHTLE continuously puts a lot of emphasis on training young people, thereby securing its supply of qualified junior personnel. We consider training as an investment in the future for the purpose of actively forestalling a shortage of qualified staff. Over time, we have become a renowned training company for various administrative and technical professions. In collaboration with cooperative universities, we also offer integrated degree programmes in various economic and technical subjects.



473 people  
in training

As of the end of the reporting period, BECHTLE had 473 young trainees (prior year: 455), including 58 abroad. At 21 per cent, the proportion of female trainees is far above the industry average. Technical training professions (203 trainees) slightly outweigh administrative training professions (190 trainees). Moreover, 38 young people studied on an economic degree programme and 42 on a technical degree programme of the cooperative university. The training ratio in Germany dropped slightly to 7.5 per cent (prior year: 8.2 per cent). This was due to the disproportionately high increase in the number of employees in Germany. At the headquarters in Neckarsulm, the training ratio was 9.7 per cent (prior year: 9.3 per cent).

By providing needs-oriented training, BECHTLE makes an important contribution towards securing its own future. Our goal is to raise the training ratio in Germany to about 12 per cent in the medium run. To reach this ambitious goal, BECHTLE invests in innovative training marketing. With the training initiative AZUBIT – which consists of various components that supplement each other – we convince high-school students of our future-oriented, hands-on training concept, in which trainees can quickly assume responsibility and contribute their own ideas. Numerous high-school students also benefit from the wide offer of high-school internships in various departments of group headquarters. The cooperation with schools provides another opportunity for drawing the attention of young people to BECHTLE as an attractive training company. By means of applicant training, school class visits to our group headquarters and presentations in school classes, we give high-school students an authentic glimpse into the training at BECHTLE and establish personal contact with the young people. Furthermore, BECHTLE makes use of numerous recruiting events to present itself as a training company.



*"As one of Bechtle's 473 trainees, you also benefit from the interchange between trainees."*

**Patrick Sven Da Costa Araujo**  
Trainee in information technology,  
Stuttgart system house

To facilitate the first steps in the company and day-to-day business, all trainees participate in the MIKADO programme for trainees. During the two-day introductory event, novices get to know BECHTLE and especially group HQ with its service units. During their training, a tried-and-tested mentoring model, regular meetings and cross-locational seminars give the young people the opportunity to engage in interchange and network. The fact that upon graduation, we are able to offer virtually all trainees and students on integrated degree programmes employment contracts is a visible sign of our successful investments in training. We are also happy that in the year under review, the local chambers of industry and commerce again invited several of our trainees to regional and state-wide award ceremonies in recognition of their outstanding performance.

The BECHTLE Academy, which was established by the company back in 1999, complements the individual training at the group locations, offering all employees a comprehensive programme ranging from ongoing training measures to the acquisition of special skills to interdisciplinary seminars. The monthly introductory events for new employees are also supervised by the BECHTLE Academy. In terms of the organisation,

the activities of the academy are integrated in staff development, whose main task consists of supporting the achievement of the targeted growth of the BECHTLE Group by means of suitable strategic staff development measures. In the reporting period 2015, the BECHTLE Academy conducted 293 events with a total of 3,886 participants, thereby making a significant contribution to the qualification of BECHTLE'S workforce. Owing to the continuous expansion and increased acceptance of the iLEARN course offer, the number of classroom seminars was reduced compared to the prior year (355 events with 4,379 participants).

To further improve the quality of the training offers, and thus the competence of the employees, the sales-oriented training portal iLEARN – which we had already introduced in 2009 for the IT e-commerce segment – is now offered throughout the group. The iLEARN training offer, which is designed both for newcomers and experienced employees, currently comprises about 260 individual courses in the fields of products and solutions, sales, processes, systems, instruction, soft skills and tests in up to ten languages for all 14 countries in which BECHTLE has employees. Currently, more than 6,700 group employees benefit from iLEARN. The objective of iLEARN is to ensure uniform, state-of-the-art knowledge at all locations, thereby further expanding our competitiveness. Moreover, it helps us to achieve flexibility in terms of the place and time and increases the satisfaction of the participants, who are able to learn at their own speed. Moreover, we reduce emissions and costs due to business trips for training purposes. In 2009, the web-based training portal was certified according to DIN EN ISO 9001. Information about the entire further education offer in the form of classroom and iLEARN training is available to all employees via a portal solution.

In 2013, staff development introduced the junior management programme, which conveys action and decision-making skills for executives at the middle management level. 28 young employees participated in this programme in 2015. In the reporting period, 13 participants attended the general management programme, a programme for the development of junior executives which has existed since 2011. Both programmes serve to establish a talent pool in order to be able to increasingly man strategically important executive positions with excellent managers from our own ranks.

For the past five years, BECHTLE has offered ambitious newcomers with a knack for IT an attractive trainee programme that focuses on “Sales (industry)”, “Sales (public sector division)” and “IT system engineering/IT consulting”. Once again, the programme was successful in 2015. Following an intensive quality audit by Absolventa GmbH in collaboration with Ludwig Maximilian University (LMU) in Munich, it was again awarded the “Career-promoting & fair trainee programme” label. In 2015, eight participants completed the programme.



[bechtle.com/career](http://bechtle.com/career)

Compared to other companies in the industry, BECHTLE boasts a high certification density. By means of vendor-certified employees, BECHTLE always guarantees a high level of consulting quality and solution competence for its customers. In 2015, too, employee certification measures constituted a central part of the HR work.

Last year, the largest recruiting survey in the German-speaking countries examined the recruiting qualities of 500 employers in Germany, 500 in Austria and 500 in Switzerland for the fourth time. For the second time in a row, BECHTLE AG was awarded the “Best Recruiter” label in gold as the best enterprise in its industry. This award corroborates the recruitment strategy of our company.

## CORPORATE GOVERNANCE REPORT

Bechtle's business operations and thinking have always been guided by a responsible corporate policy focused on sustainability. Thus, the codification of such concepts was nothing new for Bechtle, but rather a confirmation of what has always been practiced in our company. The needs and demands of the employees, the requirements of the shareholders and the expectations with regard to corporate responsibility are guiding factors that determine the company's long-term focus.



[bechtle.com/investors/  
corporate-governance](https://bechtle.com/investors/corporate-governance)

In this section, the Executive Board and Supervisory Board jointly report on corporate governance at BECHTLE AG according to Section 3.10 of the German Corporate Governance Code (DCGK). BECHTLE AG publishes the declaration on corporate governance pursuant to Section 289 a of the German Commercial Code (HGB) on the Internet.

### Shareholders and Annual General Meeting



[bechtle.com/agm](https://bechtle.com/agm)

All shares of BECHTLE AG are no-par bearer shares and grant the same voting rights. To enable shareholders to safeguard their interests at the Annual General Meeting, the Executive Board appoints a proxy that the shareholders can authorise to exercise their voting rights. BECHTLE ensures that the proxy can be reached even during the Annual General Meeting. Electronic proxy authorisation is possible. The agenda as well as the reports and documents required for the Annual General Meeting are made available on the Internet for review and download. The Articles of Incorporation of BECHTLE AG do not provide for postal votes.

BECHTLE AG endeavours to organise the Annual General Meeting as efficiently as possible and not to extend it unduly. In this context, the company follows the provisions of the German Corporate Governance Code (DCGK), according to which an ordinary annual general meeting should end after no more than four to six hours. In recent years, all Annual General Meetings of BECHTLE AG remained within this limit.

As previously, the Annual General Meeting of BECHTLE AG will not be broadcast over the Internet. In the opinion of the Executive Board and of the Supervisory Board, the organisational costs of an Internet broadcast would surpass its benefits for the company and its shareholders.

## Collaboration between the Executive Board and the Supervisory Board

The Supervisory Board is involved in all major corporate decisions and assists the Executive Board by providing advice whenever necessary. The Executive Board regularly, duly and comprehensively informs the Supervisory Board of all material issues of business development, business planning, strategy, risk management, potential risks and opportunities of the business performance and compliance-related subjects. The information and reporting obligations are specified in detail in the Rules of Procedure of the Executive Board. The Executive Board informs the Supervisory Board without delay about any extraordinary events that are of importance to the assessment of the situation, development or management of the company. The Supervisory Board and especially the Chairman of the Supervisory Board also obtain information about the company's situation and important business transactions in discussions with the Executive Board and Managing Directors outside the scope of the regular Supervisory Board meetings. Thus, the Supervisory Board has a useful information base for accompanying operations with valuable suggestions and recommendations. As a matter of principle, the Executive Board forwards its documents to the members of the Supervisory Board in coordination with the Chairman of the Supervisory Board in good time before Supervisory Board meetings, in order to enable the members to duly prepare for the meetings. According to the Rules of Procedure of the Supervisory Board, important business transactions are subject to the approval of the Supervisory Board.



See Report of the  
Supervisory Board,  
page 11 ff

## Executive Board

The staffing and responsibilities of the Executive Board are the same as in the prior year. The Executive Board consists of three members. Dr. Thomas Olemotz is the Chairman of the Executive Board.



[bechtle.com/executive-supervisory-boards](https://bechtle.com/executive-supervisory-boards)

Apart from the distribution of tasks, the Rules of Procedure of the Executive Board govern the collaboration within the Executive Board, majority requirements for resolutions and the cooperation with the Supervisory Board. An age limit of 65 has been determined for members of the Executive Board.

For BECHTLE AG, the qualifications and suitability of candidates are the decisive criteria for the appointment of members of the Executive Board and other executives, regardless of their gender. BECHTLE AG believes that this principle of purely qualification-oriented neutrality serves the company's welfare most effectively. Therefore, the Supervisory Board has not endeavoured to comply with the due consideration of women as recommended in section 5.1.2 (1) sentence 2 of the previous version of the German Corporate Governance Code (DCGK).

Under the "Act on the Equal Participation of Women and Men in Executive Positions in the Private Economy and in the Public Sector" of 24 April 2015, the affected companies are under the obligation to determine targets for the proportion of women on the Executive Board and at the two lower executive levels. The Supervisory Board of BECHTLE AG has examined the subject of determining a target quota for the Executive



Board. The board firmly believes that bonding the members of the Executive Board to the company and keeping them in the company on a long-term basis serves the company's interests. Therefore, changing the staffing of the Executive Board solely for the purpose of increasing the proportion of women has been and remains out of question. BECHTLE AG always endeavours to operate as efficiently as possible in all parts of the enterprise and at all hierarchy levels. Therefore, increasing the number of members of the Executive Board in order to secure the proportion of women is not a viable option either. Currently, the proportion of women on the Executive Board is 0 per cent. From the current perspective, we consider a change of this proportion to be unrealistic in the medium term. Therefore, the Supervisory Board has determined a target quota of 0 per cent for the proportion of women on the Executive Board by 30 June 2017.

In accordance with the law, the Executive Board of BECHTLE AG has defined the two executive levels under the Executive Board. For the staffing of the two executive levels under the Executive Board, the qualification is the top priority. Moreover, the objective is to bond employees to BECHTLE on a long-term basis. The first executive level under the Executive Board comprises the Executive Vice Presidents. Currently, the proportion of women at this level is 0 per cent. For the said reasons, it is unlikely that this quota will change in the coming years. Therefore, the Executive Board has determined a target quota of 0 per cent for the proportion of women at the first executive level under the Executive Board by 30 June 2017.

The second executive level under the Executive Board comprises the decision-makers in managerial positions as well as other executives that report directly to a Member of the Executive Board. As of 31 July 2015, the proportion of women at this level amounted to 4.48 per cent. The Executive Board has determined a target quota of 5 per cent for the second executive level. The deadline for reaching this target quota is 30 June 2017.

The target quotas determined by the Supervisory Board and Executive Board illustrate two aspects:

- the long-term focus of all entrepreneurial and strategic decisions at BECHTLE AG;
- the absolute priority of the company interests in all decisions.

Irrespective of statutory requirements, BECHTLE always pays attention to diversity and especially to the due consideration of women when staffing executive teams. BECHTLE's proportion of women in executive and management positions below the two executive levels mentioned in law is much higher. For the executive positions as a whole (first two levels under the Executive Board and other levels with executive and management positions), the proportion of women amounts to 13 per cent, an excellent figure compared to the rest of the industry (IT industry: 4 per cent).

## Executive Board Compensation

In the reporting period, the total compensation of the members of the Executive Board consisted of a fixed basic salary and a performance-related variable compensation that comprises a short-term component and a long-term component with a three-year horizon. The criteria for the assessment of the variable compensation include EBT, revenue growth, the EBT margin and, for the long-term compensation component, a minimum return on equity. Apart from this, the Supervisory Board may, at its own discretion, grant the Executive Board a special bonus. As in the past, the company did not make any pension commitments to members of the Executive Board in the reporting period.

Until the fiscal year 2014, BECHTLE AG made use of the opt-out option specified in Section 286 (5) of the German Commercial Code (HGB). Thus, BECHTLE AG was exempted from the requirement for individualised disclosure of the Executive Board compensation (Section 4.2.4 of the German Corporate Governance Code (DCGK)) for the annual and consolidated financial statements. Thus, BECHTLE AG did not comply with the recommendation of Section 4.2.5 (3) and (4) of the German Corporate Governance Code (DCGK), according to which the executive board compensation is to be disclosed in individualised form in the compensation report on the basis of model tables for fiscal years that begin after 31 December 2013. In view of the relatively small number of three members of the Executive Board, the company was of the opinion that the disclosure of the total Executive Board compensation and the itemisation by fixed and variable components provided adequate transparency. Starting from the fiscal year 2015, BECHTLE AG presents the compensation of the Executive Board in individualised form, making use of the standard DCGK tables. These disclosures are made in the Notes.

BECHTLE AG largely complies with Section 4.2.3 (2) sentence 6 of the German Corporate Governance Code (DCGK), according to which the amounts of the executive board compensation as a whole and of its variable compensation components should be capped. With respect to the fixed compensation and the greater part of the variable compensation components, the employment contracts of the current members of the Executive Board of BECHTLE AG specify limits. So far, only the fringe benefits and part of the variable compensation components (and thus of the compensation as a whole) are not subject to any contractual limits. In view of the fact that the Executive Board compensation is already capped with respect to its material components, the company believes that full application of the recommendation in Section 4.2.3 (2) sentence 6 of the German Corporate Governance Code (DCGK) would not provide any tangible added value, neither for BECHTLE AG nor for its shareholders. Therefore, the recommendation will continue to be complied with only partially.

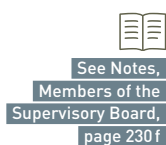
Depending on their position, the members of the Executive Board were assigned vehicles appropriate to their position for business and private use as fringe benefits in addition to the Executive Board compensation.

The German Corporate Governance Code (DCGK) recommends limiting the severance of an executive board member in the event of premature termination of his activity to the compensation for two years (severance cap) and not to compensate more than the residual term of the contract (Section 4.2.3 (4) of the German Corporate Governance Code (DCGK)). In the employment contracts of two members of the Executive Board, Michael Guschlbauer and Jürgen Schäfer, the Supervisory Board has provided for severance caps in line

with section 4.2.3 (4) of the German Corporate Governance Code (DCGK). The existing contract of Dr. Thomas Olemotz, Chairman of the Executive Board, does not contain such a cap. Back then, the Supervisory Board had not considered a formal cap to be appropriate. However, the Supervisory Board plans to agree severance caps in future renewals of or amendments to the existing employment contract with the Chairman of the Executive Board or when concluding new Executive Board employment contracts. Until such time, the Chairman of the Executive Board will be subject to the statutory regulations in the event of premature termination of the employment contract. In the event of premature termination due to a change of control, the employment contract of the Chairman of the Executive Board caps the severance at an amount that corresponds to the compensation for three years.

In the past, the Supervisory Board of BECHTLE AG agreed terms of office of less than five years for members of the Executive Board appointed for the first time. The company intends to continue to use this approach.

## Supervisory Board



In line with the Articles of Incorporation, the Supervisory Board of BECHTLE AG consists of twelve members. In accordance with the German Co-determination Act (MitbestG), it consists of equal numbers of shareholder representatives and employee representatives. The Supervisory Board currently includes three female members, various members have a special international background, and the overwhelming majority of the shareholder representatives are independent. Some of the employee representatives are normal employees of the company.

According to the "Act on the Equal Participation of Women and Men in Executive Positions in the Private Economy and in the Public Sector", BECHTLE AG is under the obligation to maintain a gender quota of at least 30 per cent in the Supervisory Board. This quota is applicable to posts to be filled from 1 January 2016, i.e. in the case of BECHTLE AG, at the latest by the next scheduled election at the Annual General Meeting 2018. Currently, the proportion of women on BECHTLE'S Supervisory Board is 25 per cent. BECHTLE'S Supervisory Board intends to fulfil the quota required by law even before the next scheduled Supervisory Board election.

In the reporting period, the composition of the Supervisory Board and its committees did not undergo any changes.

Contrary to the recommendation of section 5.2 (2) of the German Corporate Governance Code (DCGK), the Chairman of the Supervisory Board of BECHTLE AG also serves as Chairman of the audit committee. He engages in intensive exchange with the Executive Board and is particularly closely acquainted with the goings-on in the company. Thus, the company does not consider a separation of the executive positions of the Supervisory Board and of the audit committee to be necessary.

A nomination committee has not been formed. In view of the staffing of the Supervisory Board, the Supervisory Board does not consider such a committee to be necessary at present.

The Supervisory Board endeavours to fulfil its duties with due care. Every three years, the Supervisory Board has the efficiency of its activity comprehensively audited on the basis of the guideline of Deutsche Schutzvereinigung für Wertpapierbesitz e.V. An audit conducted in the reporting period confirmed the efficiency of the Supervisory Board's work. Should the Supervisory Board come to the conclusion that the efficiency has deteriorated, the audit will be conducted on an annual basis.

Under consideration of Section 5.4.1 (2) of the German Corporate Governance Code (DCGK), the Supervisory Board has put down goals concerning its composition in writing. The Supervisory Board thus intends to ensure that at least two members of the Supervisory Board fulfil the criterion of internationality to a special degree. However, the Supervisory Board does not see any necessity to fix the number of independent members of the Supervisory Board. Currently, most of the members of the Supervisory Board fulfil the criterion of "independence", as they do not have any personal or business relationship with the company, its organs, a controlling shareholder or a company affiliated with a controlling shareholder and do not exercise any advisory or organ function for customers, suppliers, creditors or other business partners of BECHTLE AG. Nevertheless, the Supervisory Board will continue to propose representatives of business partners as members of the Supervisory Board if their specific skills are more beneficial to the company than potential conflicts of interests could be detrimental. Furthermore, the Supervisory Board does not see any need for the definition of specific goals for the handling of potential conflicts of interests. In terms of diversity, the Supervisory Board has not determined any goals. In the past, the Supervisory Board had not determined any target figure for the due consideration of women. Moreover, the Supervisory Board has not determined any standard limit for the affiliation with the Supervisory Board. In this area too – as in the case of the staffing of the Executive Board and executive positions and in its dealings with all employees – BECHTLE AG aims at a long-term cooperation. In the past, BECHTLE AG often benefited from the long-standing expertise of experienced members of the Supervisory Board. This is to be the case in the future as well.

Presently, the goals set by the Supervisory Board have already been fulfilled. They will be taken into consideration in future election proposals.

The Rules of Procedure of the Supervisory Board provide for an age limit of 70 for election to the Supervisory Board.

## Supervisory Board Compensation

The regulations concerning the Supervisory Board compensation did not change in the reporting period. These regulations were adopted by the Annual General Meeting of 16 June 2010 and are explained in Article 11 of the Articles of Incorporation of BECHTLE AG. The compensation structure takes the responsibility and scope of activity of the individual members into account. The chairmanship, vice-chairmanship and committee activities, as well as committee chairmanship, are taken into consideration. Success-oriented compensation is not planned. BECHTLE AG presents the compensation of members of the Supervisory Board in individualised form. These disclosures are made in the Notes.



*"Long-standing expertise is not to be underestimated."*

**Jochen Rummel**  
Head of Project and  
Service Management,  
Neckarsulm system house



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Members of the Supervisory Board have not been granted any loans, and no liability has been assumed on their behalf. The same applies to members of the Executive Board. During the reporting period, the company did not have any share option programmes or similar securities-oriented incentive systems.

## D&O Insurance

The Executive Board and the Supervisory Board observe the generally accepted corporate governance principles. Should they culpably violate their duty to exercise due care, BECHTLE AG may assert damage claims against them. To cover this risk, the company has taken out directors & officers liability insurance for the members of the Executive Board and of the Supervisory Board. A deductible of 10 per cent has been agreed for the Executive Board in line with the statutory provisions, but not for the Supervisory Board. BECHTLE AG does not believe that a deductible would contribute to an improved sense of responsibility and motivation of the Supervisory Board.

## Conflicts of Interest

The members of the Executive Board and of the Supervisory Board are committed to the interests of the company. In their decisions within the scope of their activity, they are not permitted to pursue personal interests or use business opportunities to which the company is entitled for themselves. In the past fiscal year, the members of the Supervisory Board and Executive Board did not experience any conflicts of interest, e.g. due to a consulting or board function for customers, suppliers, creditors or business partners. Detailed information on the existing mandates of the board members on supervisory boards and similar supervisory bodies of other companies is presented in the Notes to the Consolidated Financial Statements.



See Notes  
pages 212 and 230 f

## Transparency

BECHTLE puts great emphasis on open, trusting communication with shareholders and other stakeholders and therefore engages in fair, timely and reliable dialogue with all stakeholders. For the Executive Board and the Supervisory Board, openness and transparency are key principles of conduct. All information relevant to the capital market is published simultaneously in German and English via an extensive distribution list and made available on the company's website. Important dates, financial reports, press releases and presentations are also made available on the company's website. Moreover, BECHTLE offers its shareholders the possibility of learning the latest details about the performance of the BECHTLE share and important analyst and press opinions by means of a weekly report.



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## Shareholding of Board Members

The shareholding of members of the Executive Board and Supervisory Board of BECHTLE AG is as follows:

### 21. NUMBER OF BECHTLE AG SHARES – EXECUTIVE BOARD

		shares
Name	31.12.2015	31.12.2014
Dr. Thomas Olemotz	0	0
Michael Guschlbauer	0	0
Jürgen Schäfer	4,000	4,000

### 22. NUMBER OF BECHTLE AG SHARES – SUPERVISORY BOARD

		shares
Name	31.12.2015	31.12.2014
<b>Shareholder representatives</b>		
Kurt Dobitsch	0	0
Prof. Dr. Thomas Hess	0	0
Dr. Walter Jaeger	0	0
Dr. Matthias Metz	0	0
Karin Schick	7,353,287 <sup>1</sup>	7,353,287 <sup>1</sup>
Dr. Jochen Wolf	0	0
<b>Employee representatives</b>		
Uli Drautz	0	0
Daniela Eberle	0	0
Barbara Greyer	0	0
Martin Meyer	0	0
Volker Strohfeld	2	2
Michael Unser	0	0

<sup>1</sup> 960,272 shares for Schick GmbH, 340,115 for Amaury Krief

## Accounting and Auditing of Annual Financial Statements

BECHTLE prepares the consolidated financial statements and the interim financial reports according to the applicable rules of the International Financial Reporting Standards (IFRS) as applied in the EU. The annual financial statements are prepared according to the regulations of the German Commercial Code (HGB).

The annual and consolidated financial statements were audited by the audit firm Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Heilbronn, Germany, which the General Meeting had appointed as auditor for the fiscal year 2015.

Before the election proposal was submitted by the Supervisory Board, the audit firm Ernst & Young GmbH issued a declaration of independence pursuant to Section 7.2.1 (1) of the German Corporate Governance Code (DCGK). According to this declaration, there are no business, personal, financial or other relationships between the audit firm, its organs and audit managers, on the one hand, and the BECHTLE Group and its organ members, on the other hand, that could cast doubt on the auditor's independence. The audit firm was not involved in the accounting or preparation of the annual or consolidated financial statements.

The auditor participates in the Supervisory Board discussions on the annual and consolidated financial statements, will attend the balance sheet meeting on 14 March 2016 and reports the results of its audit. Moreover, the auditor provides additional information and answers questions of the Supervisory Board concerning the audit.

## SHARE

The trading year 2015 had two faces. On the one hand, the extremely expansive monetary policy of the central banks made the prices skyrocket especially in the first half of the year, resulting in new record marks for the leading German indices. On the other hand, however, the ongoing dispute over whether Greece should remain in the euro area, the turbulence on the Chinese stock exchanges, the oil price slump, the VW scandal, the crisis spots in the Middle East and the increase in the global IS terror caused tension on the stock markets. All of this resulted in major price fluctuations. Despite the turbulence, the Bechtle share was able to follow up on the successful prior year, recording a value increase of more than 34 per cent.

### Stock Market

At the beginning of the year, the extremely low interest rates of the central banks initially made the prices on the German stock markets skyrocket. In March, the DAX passed the 12,000 point mark for the first time, reaching a new all-time high of 12,375 in mid-April. At the beginning of the second half of the year, the tension among investors increased considerably. In late August, ongoing economic worries and the stock exchange crash in China made the prices slump. However, the stock exchanges recovered again in autumn and the prices went up again, some even reaching new record levels. As of the end of the year, the DAX recorded an increase of 10.0 per cent. The MDAX even went up 22.5 per cent and the SDAX 25.5 per cent. The TecDAX recorded the highest growth of 32.5 per cent.

### Share Performance

The BECHTLE share was able to keep up the positive performance of the prior year, starting the new trading year on 2 January 2015 with a closing price of €65.67 and posted €64.49, the lowest level of the entire year, on 6 January. In early February, the upward movement carried the price of our share to its first high of €75.97. Following a volatile phase in spring, the price of share evened out at a level of around €67.

The second half of the year started with a significant price leap. On 10 August, the BECHTLE share surpassed the mark of €80 for the first time. While our share was unable to escape the general market climate in late August and suffered price losses like the rest of the market, it soon recovered. The share price went up steadily and reached a new all-time high of €92.64 on 7 December. Based on the closing price of €88.06 on 30 December 2015, the BECHTLE share closed the trading year with a remarkable gain of 34.1 per cent.



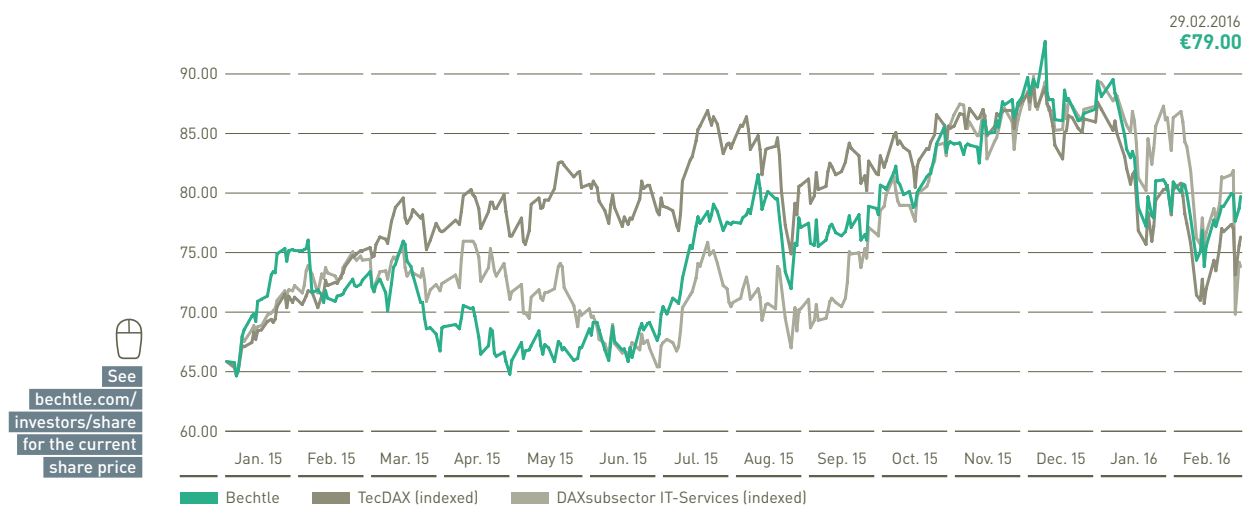
*"In 2015, our share skyrocketed: plus 34.1 per cent."*

**Vanessa Kreutzer**  
Team coordinator,  
Bechtle ÖA direct



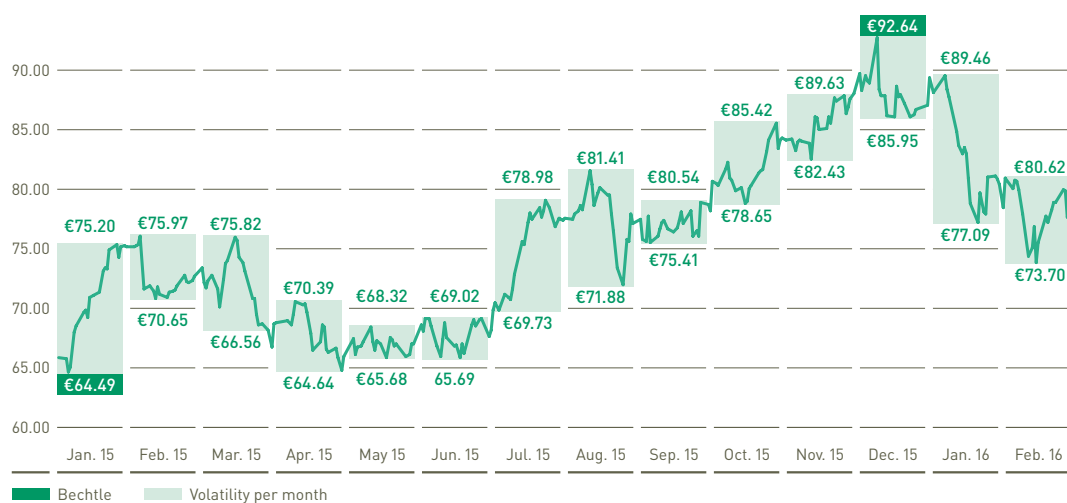
## 23. THE BECHTLE SHARE – PERFORMANCE FROM JANUARY 2015 TO FEBRUARY 2016

€



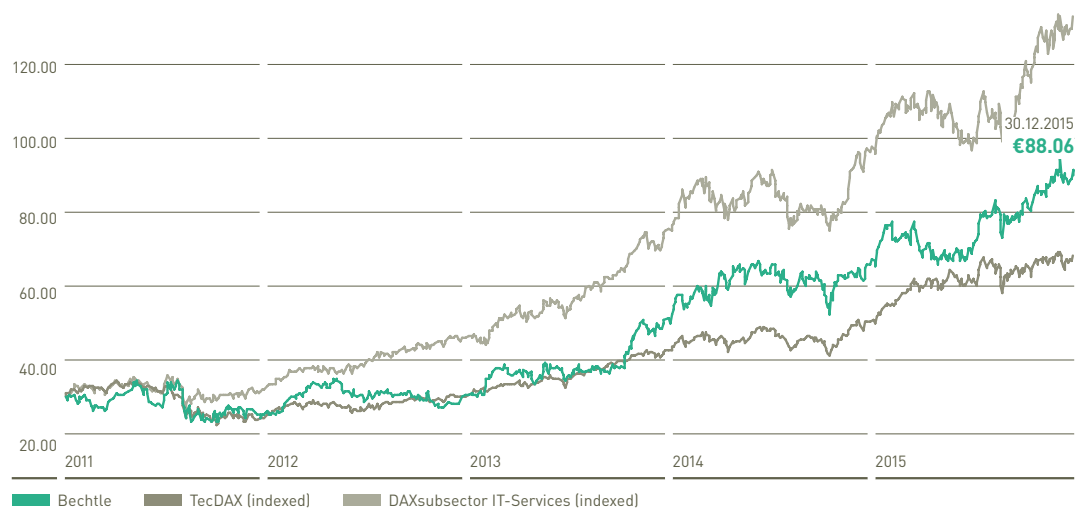
## 24. THE BECHTLE SHARE – HIGHS AND LOWS FROM JANUARY 2015 TO FEBRUARY 2016

€



## 25. THE BECHTLE SHARE – PERFORMANCE FROM 2011 TO 2015

€



The market cap progressed on par with the prices. At the end of the year, the market cap was €1,849.3 million, €463.7 million more than at the end of 2014 (€1,385.6 million). In the ranking of Deutsche Börse as of 31 December 2015, BECHTLE occupied 12th place in terms of market cap in the TecDAX, one place better compared to the prior year.

The stock turnover also developed well. The average daily stock exchange turnover amounted to €3,452.4 thousand, considerably more than in the prior year (€2,452.9 thousand). The trading volume also increased as far as the number of shares was concerned. On average, 46,580 BECHTLE shares were traded per day (prior year: 41,281). In the December ranking of Deutsche Börse, BECHTLE reached 17th place in the TecDAX in terms of stock exchange turnover. In the prior year, the company had been in 18th place.

## 26. TRADING DATA OF THE BECHTLE SHARE

		2015	2014	2013	2012	2011
Annual opening price	€	65.67	49.33	30.93	26.42	30.39
Annual closing price	€	88.06	65.98	49.47	30.65	26.20
High	€	92.64	65.98	50.95	35.10	34.35
Low	€	64.49	49.33	30.07	25.50	23.48
Performance – relative	%	+34.1	+33.8	+59.9	+16.0	–13.8
Market cap – total <sup>1</sup>	€m	1,849.3	1,385.6	1,038.9	643.7	550.2
Avg. turnover/trading day <sup>2</sup>	shares	46,580	41,281	34,201	42,143	51,873
Avg. turnover/trading day <sup>2</sup>	€	3,452,399	2,452,888	1,364,142	1,281,620	1,460,183

Xetra closing price data

<sup>1</sup> As of the end of the year

<sup>2</sup> All German stock exchanges

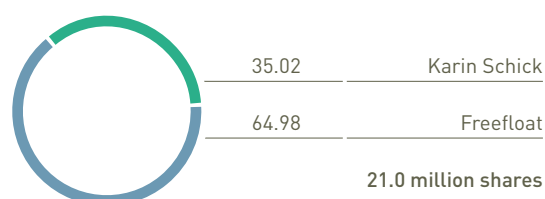
## Shareholder Structure

Karin Schick, still the company's largest shareholder, holds an interest of 35.02 per cent. This figure comprises the shares of Schick GmbH, of which Karin Schick is a partner, and shares belonging to Karin Schick's underage son. As of the end of the reporting period, the free float still amounted to 64.98 per cent. These shares are held by a wide spectrum of private and institutional investors in Germany and abroad.

Flossbach von Storch AG, headquartered in Köln, remains the second-largest shareholder. According to the voting right notification of 15 December 2015, this company holds almost 10 per cent of the shares.

## 27. SHAREHOLDER STRUCTURE

%



## Dividend

Since its IPO in 2000, BECHTLE has been pursuing a shareholder-friendly dividend policy focused on continuity. In the TecDAX, the company is one of the few companies that have continued to distribute profits to shareholders year after year without interruption since their IPO. Following the outstanding results achieved in 2015 and in view of the company's excellent liquidity position, the Executive Board and the Supervisory Board have agreed to propose a dividend of €1.40 per share for the fiscal year 2015 to the General Meeting. In the prior year, BECHTLE AG paid out a dividend of €1.20 per share. Subject to the approval of the General Meeting, the payout proposal represents an increase of the dividend by 16.7 per cent or €0.20.

As of 31 December 2015, the number of shares with dividend entitlement was 21,000,000. Thus, the sum to be distributed for the fiscal year 2015 amounts to €29.4 million. This means a dividend payout ratio of 31.7 per cent of the consolidated earnings after taxes (prior year: 33.1 per cent). In relation to the annual closing price of our share, the dividend yield amounts to 1.6 per cent (prior year: 1.8 per cent).

## Earnings per Share



See  
Earnings Position,  
page 93  
and Notes, Chapter III,  
Earnings per Share,  
page 167

The improvement of the operating earnings was accompanied by a corresponding rise in the earnings per share (EPS). With an unchanged number of voting rights of 21.0 million shares and earnings after taxes of €92.9 million, EPS amounted to €4.42, 21.9 per cent or €0.79 more than in the prior year (€3.63).

### 28. SHARE PERFORMANCE INDICATORS

		2015	2014	2013	2012	2011
Shares with dividend entitlement <sup>1</sup>	shares	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Earnings per share	€	4.42	3.63	3.02	2.68	2.99
Amount distributed	€m	29.4 <sup>2</sup>	25.2	23.1	21.0	21.0
Dividend payout ratio	%	31.7 <sup>2</sup>	33.1	36.4	37.1	33.5
Cash dividend per share	€	1.40 <sup>2</sup>	1.20	1.10	1.00	1.00
Dividend yield <sup>1</sup>	%	1.6 <sup>2</sup>	1.8	2.2	3.3	3.8
Price/earnings ratio <sup>1</sup>		19.9	18.2	16.4	11.4	8.8

<sup>1</sup> As of the end of the year

<sup>2</sup> Subject to approval of the General Meeting



For further  
key figures, see  
Multi-year Overview,  
page 234

## Annual General Meeting

On 16 June 2015, the Executive Board and the Supervisory Board welcomed about 700 shareholders and guests to the 15th Annual General Meeting of BECHTLE AG at the "Harmonie" concert and congress centre in Heilbronn. The attendees represented 74.54 per cent of the company's entire issued capital. The voting results, which document the great trust placed in the management, contributed to the success of the event. Most of the agenda items that were addressed were adopted with an overwhelming majority.

## Communication with the Capital Market

The way that analysts view a company has a major impact on the shareholder and investor opinion. In 2015, a total of ten institutions reported on BECHTLE in detailed surveys and ad-hoc analyses: Baader Bank, Bankhaus Lampe, Commerzbank, Deutsche Bank, dz Bank, fairesearch, Hauck & Aufhäuser, Landesbank Baden-Württemberg, Metzler and M.M.Warburg. The coverage of the company by Baader Bank started in August 2015. BECHTLE's regular constructive dialogue with all institutions is enhanced by analyst visits to the headquarters, various conferences and joint road shows.



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In 2015, contacts with existing and potential investors again took place on numerous occasions. In individual discussions, road shows and investor conferences, BECHTLE provided information about the company's economic situation, business strategy and outlook. Furthermore, many investors made use of the opportunity to inform themselves about BECHTLE during a visit to group headquarters in Neckarsulm.

Personal contact with private investors is an important element of the investor relations activities. Apart from the Annual General Meeting, BECHTLE's agenda in the fiscal year ended included the introduction of the group to private shareholders within the scope of the Shareholder Days, which were held for the eleventh time. On two dates in September and October, numerous interested people visited the company headquarters in Neckarsulm for information on the company's business and strategy orientation. By means of a presentation and a tour of the headquarters, BECHTLE AG gives its shareholders a deeper insight into the company, thereby enhancing the relationship with its shareholders.

The website of BECHTLE AG is an important and intensively used information platform for communication with shareholders and the capital market. The website is continuously developed by the company, and the contents are updated on a regular basis. Additionally, the financial market communication makes use of the various social media channels of BECHTLE AG. Thus, we regularly keep our investors up to date with relevant information via Facebook and Twitter.



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BechtleAG](https://facebook.com/BechtleAG)

[twitter.com/  
Bechtle\\_AG](https://twitter.com/Bechtle_AG)



## TAKEOVER-RELATED DISCLOSURES

The disclosures required pursuant to Section 315 (4) of the German Commercial Code (HGB) are presented below:

As of 31 December 2015, the company's issued capital amounted to €21,000,000, divided into 21,000,000 no-par bearer shares (ordinary shares). The pro-rata amount of the issued capital that is allocated to each share is €1.00. All shares have voting rights and are entitled to dividends. The rights and obligations associated with the ordinary shares are as specified in German Stock Corporation Act (AktG).

The Executive Board is not aware of any restrictions relating to voting rights or the transfer of shares.



[bechtle.com/  
shareholder-structure](http://bechtle.com/shareholder-structure)

The company is aware of the following direct or indirect capital interests exceeding 10 per cent of the voting rights as of the balance sheet date:

Karin Schick, Gaildorf, Germany: 35.02 per cent, thereof 28.82 per cent directly and 6.19 per cent indirectly.

No changes occurred until 29 February 2016, the reporting date.

There are no shares with special rights granting powers of control.

There are no employee share ownership plans or similar schemes under which employees hold interests in the capital without directly exercising their control rights.

The appointment and dismissal of members of the Executive Board is governed by Sections 84 f of the German Stock Corporation Act (AktG) and Section 31 of the German Co-determination Act (MitbestG). The regulations of the Articles of Incorporation do not deviate from these statutory provisions. In accordance with Article 6.1 of the Articles of Incorporation, the Executive Board consists of one or several persons. The number of Executive Board members is determined by the Supervisory Board. According to Article 6.4 of the Articles of Incorporation, the Supervisory Board may appoint a member of the Executive Board as the Chairman or Spokesman of the Executive Board.



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The conditions for amendments to the Articles of Incorporation are outlined in Sections 179 to 181 of the German Stock Corporation Act (AktG). Amendments to the Articles of Incorporation require a resolution of the General Meeting (Section 179 (1) sentence 1 of the German Stock Corporation Act (AktG)). According to Article 17.2 of the Articles of Incorporation, the simple majority of the issued capital represented during the resolution process is sufficient unless the change of the purpose of the company is involved (which, pursuant to Section 179 (2) sentence 1 and 2 of the German Stock Corporation Act (AktG), requires a majority of at least three quarters of the issued capital represented during the resolution process). The General Meeting of BECHTLE AG has delegated the authority to make amendments that merely concern the wording of the Articles of Incorporation to the Supervisory Board (see Article 10.4 of the Articles of Incorporation).

Pursuant to Sections 202 ff of the German Stock Corporation Act (AktG), the Executive Board is authorised, subject to the approval of the Supervisory Board, to increase the company's issued capital by a total of up to €10,500,000 by issuing up to 10,500,000 new bearer shares against cash contributions and/or contributions in kind until 4 June 2019 (authorised capital according to Article 4.3 of the Articles of Incorporation). Detailed information on this subject is available in the Notes.



See Notes,  
Issued Capital,  
page 176

The purchase of treasury shares is only permissible according to the provisions of Section 71 (1) of the German Stock Corporation Act (AktG). Based on the resolution of the Annual General Meeting of 16 June 2015, the Executive Board is authorised to purchase treasury shares pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG). The authorisation came into force on 16 June 2015 and is valid until 15 June 2020. Treasury shares must be purchased via the stock exchange or within the framework of a public purchase bid or via a public invitation to the shareholders to submit offers for sale. The price the company pays per share shall, in the case of purchase via the stock exchange, not exceed or fall by more than 10 per cent under the price of the company's share on the Xetra trading of the Frankfurt stock exchange (or a similar successor system), which is determined by the opening auction on the trading day, or, in the case of a public purchase bid or a public invitation to the shareholders to submit offers for sale, shall not exceed or fall under the average closing prices of the company's share on the five stock exchange trading days prior to the decision on the publication of the public purchase bid or the publication of the invitation to submit offers for sale by more than 10 per cent (without transaction costs). The scope of the authorisation is limited to a maximum of 10 per cent of the issued capital. Other shares of the company that it has already purchased and still possesses or that are attributable to it pursuant to Sections 71 ff of the German Stock Corporation Act, shall be taken into consideration. The redemption authorisation has been granted for any purpose permitted by law.

The company has no significant agreements that would apply in the event of a change of control due to a takeover bid.

The employment contract with the Chairman of the Executive Board contains a clause that limits the severance to be granted in the case of premature termination of the employment due to a change of control to the compensation for three years. The company has not made any other compensation agreements with members of the Executive Board or employees for the case of a takeover bid.

## FRAMEWORK CONDITIONS

### MACROECONOMY



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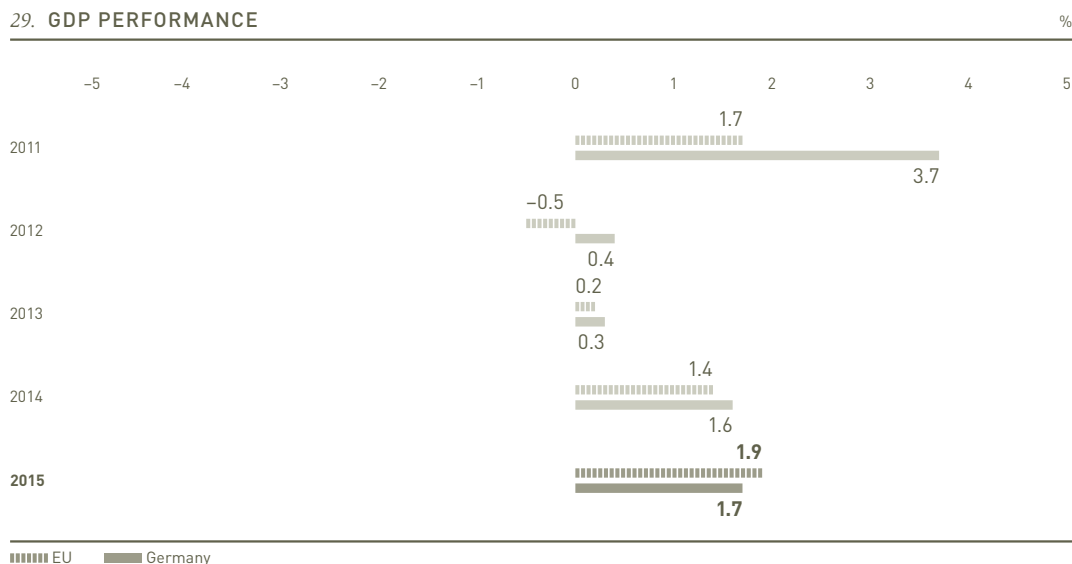
In the reporting period, the dynamics of the economic growth in the EU increased significantly. According to the figures published by the European Commission, the growth of the gross domestic product (GDP) throughout the EU in 2015 amounted to 1.9 per cent. In the prior year, the growth had amounted to 1.4 per cent. In the BECHTLE markets in the EU, growth was achieved by all countries, though to different extents. In terms of GDP growth, Austria (0.7 per cent) and Italy (0.8 per cent) were at the bottom of the scale. The Czech Republic (4.5 per cent) and the EU champion Ireland (6.9 per cent) were at the top of the scale. In the EU, investments in equipment – an indicator that is relevant to BECHTLE – underwent 2015 above-average growth of 4.4 per cent. Compared to the growth of 4.1 per cent in the prior year, the dynamics increased.



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In 2015, the German economy succeeded in maintaining the high level of the prior year. As reported by the German Federal Statistical Office, GDP went up 1.7 per cent in the reporting period (prior year: 1.6 per cent), and investments in equipment 3.6 per cent (prior year: 3.7 per cent). In Germany, the growth of government investments amounted to 2.7 per cent, compared to 1.7 per cent in the prior year. The economic development in Switzerland slackened. According to an estimate by the Swiss expert group for federal economic forecasts, Switzerland's GDP growth in 2015 merely amounted to 0.8 per cent, compared to 1.8 per cent in the prior year. The strong Swiss franc is the main reason for the restrained performance.

#### 29. GDP PERFORMANCE



## INDUSTRY

With an above-average increase, the IT market was again one of the growth drivers of 2015. The market research institute EITO reports a figure of 3.6 per cent for the growth of the IT market in the EU, compared to 2.6 per cent in the prior year. All three sub-segments contributed to this development. Service revenue climbed 2.5 per cent, and software 4.9 per cent. The hardware segment exhibited a surprising performance: While the forecasts at the beginning of the reporting period projected a decline in hardware revenues, an increase of 5.3 per cent was recorded. Though PC sales declined, this was compensated by growth in all other product groups. In 2015, hardware revenues diverged greatly in the countries in which BECHTLE is present, from minus 3.1 per cent in Switzerland to plus 17.7 per cent in Ireland. The differences were not quite as conspicuous in the software segment. The bandwidth ranged from 1.2 per cent in Italy to 6.7 per cent in the UK.



eito.com

The development in Austria largely corresponded to the figures for the EU. The IT market as a whole grew 3.7 per cent. Hardware revenues increased at a higher rate of 7.2 per cent. Services grew 2.4 per cent, and software 4.1 per cent. In Switzerland, the performance fell short of expectations. Though the IT market as a whole grew 2.8 per cent, hardware revenues declined for the third year in a row, amounting to minus 3.1 per cent. Services increased 2.7 per cent, and software 6.4 per cent.

In 2015, the German IT market was very balanced. The growth was 3.8 per cent, compared to 4.0 per cent in the prior year. Especially thanks to two-digit growth rates in the product groups servers, storage and printers, the hardware business climbed 3.7 per cent. Software increased 5.4 per cent, and service revenue 3.0 per cent.

## OVERALL ASSESSMENT

In the reporting period, the macroeconomic situation was positive. GDP in Germany remained at a good level, and GDP in the EU also reached this level. The IT industry, too, recorded high growth rates. Compared to GDP, the overall IT market grew at an above-average rate. The hardware market was especially noteworthy, assuming the role of the growth driver in 2015 despite previous forecasts to the contrary.

Thanks to its broad marketing positioning and high competence in all relevant solution areas, BECHTLE AG efficiently made use of the economic framework conditions. The revenue went up at a disproportionately high rate in all regions and in both segments. BECHTLE outperformed both the market in general and many competitors. Thus, BECHTLE AG once again significantly expanded its market share in the reporting period.

Apart from the macroeconomic development and the economic trend in the industry, the BECHTLE markets did not witness any significant events outside the company in 2015 that had a noteworthy effect on the business performance.

## EARNINGS, ASSETS AND FINANCIAL POSITION

### EARNINGS POSITION

In the fiscal year 2015, Bechtle AG again recorded impressive growth. The revenue increase amounted to almost 10 per cent, and earnings went up a remarkable 20.5 per cent. This success reflects the positive impact of the investments in new employees and staff development as well as the comprehensive portfolio of the Bechtle Group, with its focus on technology themes in high demand. Accordingly, the growth was backed by both segments and all country markets. Throughout the group, the EBT margin reached 4.6 per cent, close to the 5 per cent target of our Vision 2020.

### Order Position

Most of the contractual relationships for the sale of IT products and services that BECHTLE enters into are of a short-term nature. The IT e-commerce segment is characterised almost entirely by the conclusion of pure trading deals with very short order and delivery times, though project transactions in the IT system house & managed services segment may involve periods of up to one year. However, framework and operating agreements in the fields of managed services and cloud computing usually have much longer terms. Though framework agreements do not outline fixed purchase quantities, they determine the terms and conditions for future deliveries and services. They are only included in the order backlog and in the order position to the extent that concrete purchase orders have already been received from the customer.

Incoming orders during a fiscal year largely correspond to the revenue in this period. In the reporting period, this figure amounted to €2.84 billion, almost 10 per cent more than in the prior year (€2.58 billion). The IT system house & managed services segment underwent an increase of close to 11 per cent to €1.92 billion (prior year: €1.73 billion). At €0.92 billion, the incoming orders in the IT e-commerce segment were about 8 per cent higher than in the prior year (€0.85 billion).

As of the end of the year, the group's order backlog was worth approximately €350 million, compared to €288 million in the prior year. Of this amount, the IT system house & managed services segment accounted for €296 million (prior year: €241 million), and the IT e-commerce segment for €54 million (prior year: €46 million). The order backlog in the IT system house & managed services segment is approximately two months. In the trading segment, the order backlog is about three weeks, as direct and fast delivery of the goods is the main priority.



## Revenue Performance

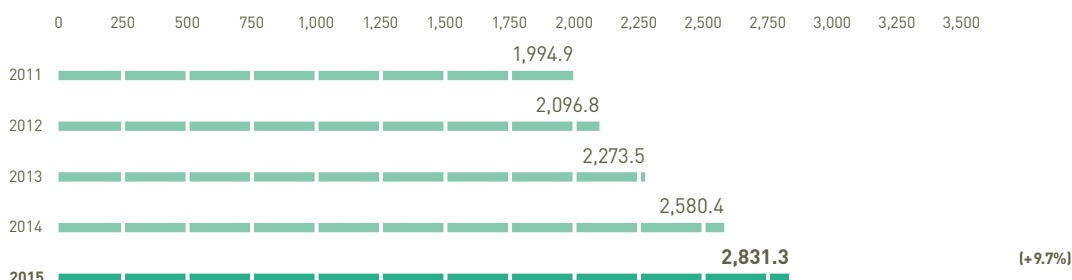
In the fiscal year 2015, BECHTLE increased its revenue from €2,580.4 million to €2,831.3 million. BECHTLE generated most of the 9.7-per-cent growth organically. BECHTLE thus reached the top end of the forecast, which had provided for a significant revenue increase.



See Notes,  
Revenues,  
page 164

### 30. REVENUE

€m



As in the prior year, the foreign companies in the IT e-commerce segment were the main growth drivers. These companies grew 12.4 per cent. Here, growth impulses came from all country markets and all brands of the BECHTLE Group. The revenue in the domestic system house business also underwent a dynamic increase. Here, the growth amounted to 11.1 per cent. Owing to BECHTLE'S high competence in relevant technology fields, the company further increased the service share in this segment.

Growth rates varied throughout the year. After a good start into the year with an increase of 6.1 per cent, BECHTLE achieved two-digit growth rates of 13.6 per cent in the second quarter and 11.0 per cent in the third quarter. In the final quarter, the company reached a high single-digit figure of 8.4 per cent, thus even surpassing the excellent performance of the prior year.

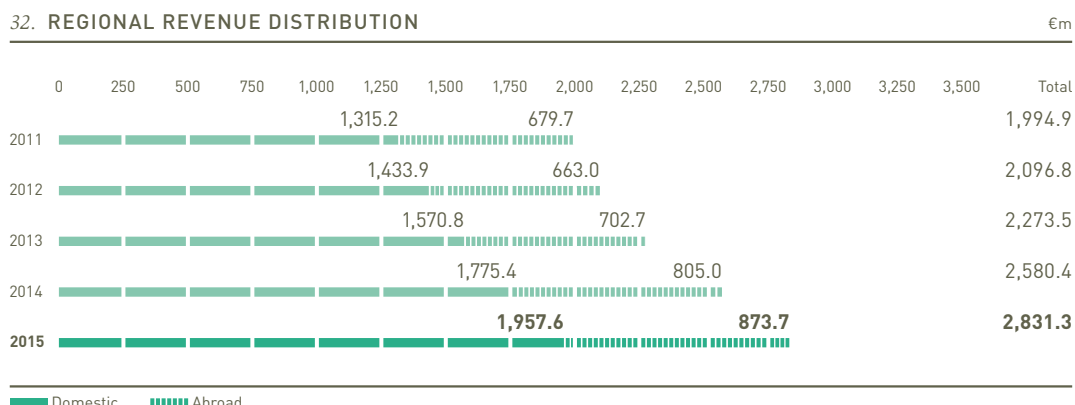
### 31. REVENUE PERFORMANCE

€m

	Q1		Q2		Q3		Q4	
	2015	2014	2015	2014	2015	2014	2015	2014
Group revenue	622.5	586.7	686.1	603.7	686.2	618.3	836.6	771.8
% of total annual revenue	22.0	22.7	24.2	23.4	24.2	24.0	29.5	29.9

At 7.8 per cent, the average headcount increased at a lower rate than the revenue. In the reporting period, BECHTLE thus further increased the productivity. Based on a number of 6,376 full-time employees (prior year: 5,872), the revenue per full-time and part-time employee amounted to €444 thousand, compared to €439 thousand in the prior year.

### 32. REGIONAL REVENUE DISTRIBUTION



Germany recorded an above-average revenue increase of 10.3 per cent. Thus, Germany remains BECHTLE'S most important market. The share in the total revenue increased slightly from 68.8 per cent to 69.1 per cent. In absolute terms, the domestic revenue totalled €1,957.6 million, just short of two billion (prior year: €1,775.4 million). The revenue of €873.7 million that was generated abroad (prior year: €805.0 million) represented a share of 30.9 per cent (prior year: 31.2 per cent).

## Cost and Earnings Performance



See Notes,  
Expense Structure,  
page 165

**Cost of sales.** In the reporting period, gross earnings went up by an above-average 12.0 per cent to €429.4 million (prior year: €383.2 million). Compared to the revenue, the cost of sales developed at a disproportionately low rate of 9.3 per cent. While material costs increased at 9.6 per cent, a rate only slightly below that of the total revenue, the increase in personnel expenses for the employees in the field of services, whose personnel expenses are included in the cost of sales, remained at a significantly lower rate of 6.7 per cent. The gross margin thus increased to 15.2 per cent (prior year: 14.9 per cent).

### 33. COST OF SALES/GROSS EARNINGS

		2015	2014	2013	2012	2011
Cost of sales	€m	2,401.9	2,197.2	1,933.1	1,778.1	1,697.2
Gross earnings	€m	429.4	383.2	340.4	318.7	297.7
Gross margin	%	15.2	14.9	15.0	15.2	14.9

**Distribution costs and administrative expenses.** In 2015, distribution costs increased 9.8 per cent to €182.8 million (prior year: €166.6 million), a rate similar to that of the revenue. Accordingly, the distribution cost ratio remained stable at 6.5 per cent. Administrative expenses increased 11.6 per cent from €124.0 million to €138.4 million. The ratio increased slightly from 4.8 per cent in the prior year to 4.9 per cent in the period under review. This was due to the above-average increase in personnel expenses included in the administrative expenses.



See Employees,  
page 67

Other operating income climbed from €15.8 million to €21.3 million. The sale of Gate in Switzerland had a major effect. In total, this one-time effect amounted to approximately €3 million.

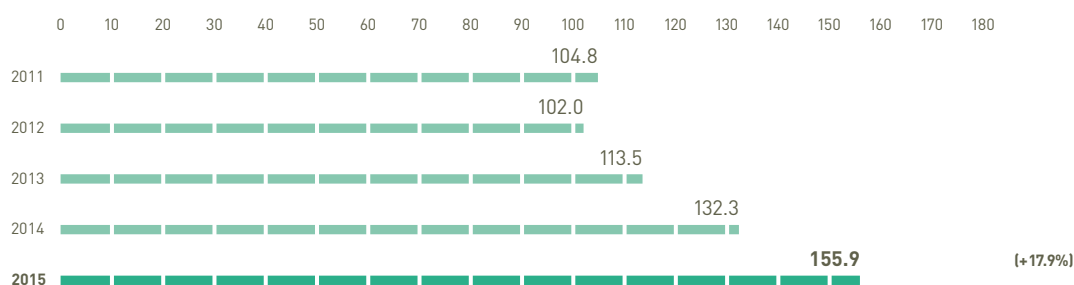
#### 34. DISTRIBUTION COSTS/ADMINISTRATIVE EXPENSES

		2015	2014	2013	2012	2011
Distribution costs	€m	182.8	166.6	151.5	145.4	127.1
Distribution costs ratio	%	6.5	6.5	6.7	6.9	6.4
Administrative expenses	€m	138.4	124.0	110.5	104.3	93.7
Administrative expenses ratio	%	4.9	4.8	4.9	5.0	4.7

**Earnings situation.** In the reporting period, earnings before interest, taxes, depreciation and amortisation (EBITDA) climbed 17.9 per cent to €155.9 million (prior year: €132.3 million). The increase is mainly attributable to the disproportionately low increase of 8.8 per cent in personnel expenses and the above-average increase in the contribution margin. The EBITDA margin improved from 5.1 per cent to 5.5 per cent.

#### 35. EBITDA

€m



In 2015, depreciation and amortisation amounted to €26.4 million, 11.3 per cent more than in the prior year (€23.8 million). Software and property, plant and equipment accounted for the bulk of the figure, totalling €21.4 million (prior year: €19.5 million). Property, plant and equipment mostly consisted of purchased assets such as the buildings at the headquarters in Neckarsulm, the company's own IT, tenant installations and office equipment. Moreover, assets used by customers under long-term maintenance agreements were depreciated. Customer bases and customer service agreements accounted for amortisation amounting to €4.2 million (prior year: €3.5 million).



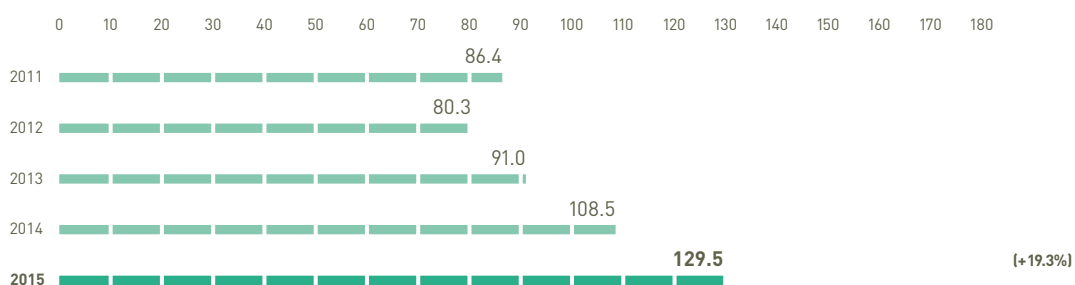
See Measurement,  
page 100

At 0.9 per cent, the depreciation and amortisation rate remained at the prior-year level and was rather insignificant compared to the other expense items. For 2015, the goodwill impairment test again did not reveal any need for impairment.

Earnings before interest and taxes (EBIT) improved by 19.3 per cent to €129.5 million (prior year: €108.5 million). The EBIT margin climbed from 4.2 per cent to 4.6 per cent.

### 36. EBIT

€m

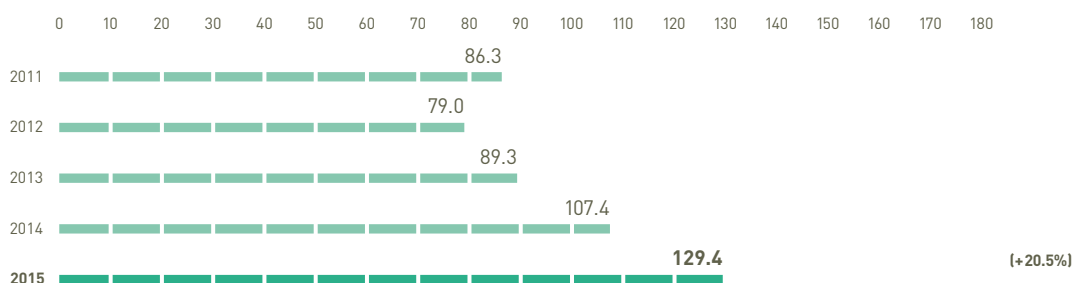


While the financial income improved, financial expenses dropped, resulting in largely balanced financial earnings of minus €0.1 million (prior year: minus €1.1 million).

In the fiscal year 2015, earnings before taxes (EBT) totalled €129.4 million, 20.5 per cent more than in the prior year (€107.4 million). After the significant earnings increase in the first three quarters, the final quarter boosted the dynamics even more: In the period from October to December, BECHTLE generated €47.1 million or 36.4 per cent of the annual EBT.

### 37. EBT

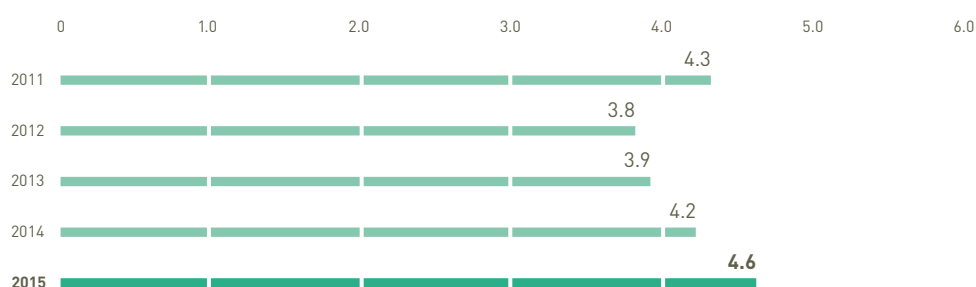
€m



In the reporting period, the EBT margin was 4.6 per cent, compared to 4.2 per cent in the fiscal year 2014. Thus, measured by EBT, BECHTLE remains the most profitable among the large system houses and is approaching the target margin of 5 per cent, which is specified in the Vision 2020.

### 38. EBT MARGIN

%



In the reporting period, income tax expenses increased 17.1 per cent to €36.5 million (prior year: €31.2 million). The tax rate receded from 29.0 per cent to 28.2 per cent. Among other things, this was caused by reduced tax rates in Spain and the United Kingdom as well as tax-exempted sales proceeds of two Swiss companies.

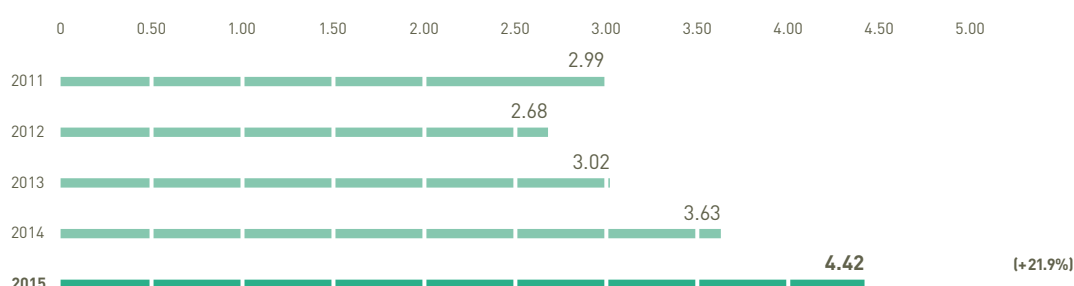


See Notes,  
Income Taxes,  
page 166 f

Earnings after tax amounted to €92.9 million, 21.9 per cent more than in the prior year (€76.2 million). Accordingly, earnings per share (EPS) climbed from €3.63 to €4.42.

### 39. EPS

€



The effects of inflation on the earnings position are rather low, as inflation-related purchase price increases can also be passed on to the customers. Concerning the exchange rate risk on the earnings position, please refer to the Risk Report.



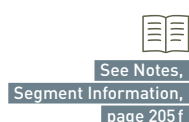
See Foreign Currencies,  
page 124





The separate financial statements of BECHTLE AG form the basis for the appropriation of retained earnings and thus for the distribution of dividends. The reported annual profit was €61.8 million (prior year: €49.2 million). After adding €30.9 million to the reserves (prior year: €24.0 million), the net profit for 2015 amounted to €30.9 million. The Executive Board proposes to the Supervisory Board to distribute from the net profit a dividend of €1.40 per share to the shareholders. Compared to the prior year, the dividend is 16.7 per cent higher, and the dividend payout ratio amounts to 31.7 per cent.

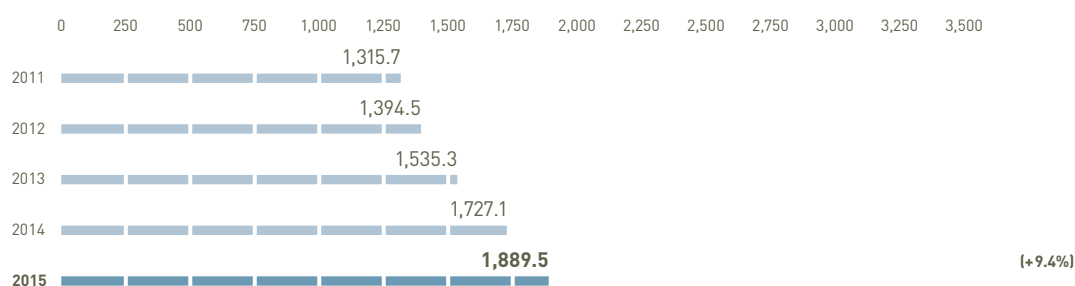
## Segment Report



**IT system house & managed services.** In the service segment, BECHTLE generated revenue of €1,889.5 million in 2015 (prior year: €1,727.1 million), an increase of 9.4 per cent. In total, the IT system house & managed services segment accounted for 66.7 per cent of the group revenue (prior year: 66.9 per cent).

### 40. SEGMENT REVENUE IT SYSTEM HOUSE & MANAGED SERVICES

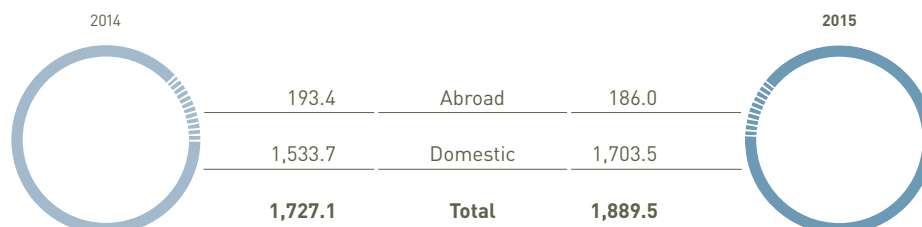
€m



With an increase of 11.1 per cent, the domestic system houses were the growth drivers. In this area, the comprehensive service offers of the BECHTLE system houses delivered a tangible demand impulse. Outside Germany, the sale of two companies in Switzerland had a noticeable effect. Adjusted for this deconsolidation effect, the growth of the foreign system houses amounted to 2.4 per cent. Owing to the decision of the Swiss National Bank to discontinue the minimum euro exchange rate in January 2015, the market environment in Switzerland remained difficult and tense throughout the year.

## 41. REVENUE DISTRIBUTION IN THE IT SYSTEM HOUSE &amp; MANAGED SERVICES SEGMENT

€m

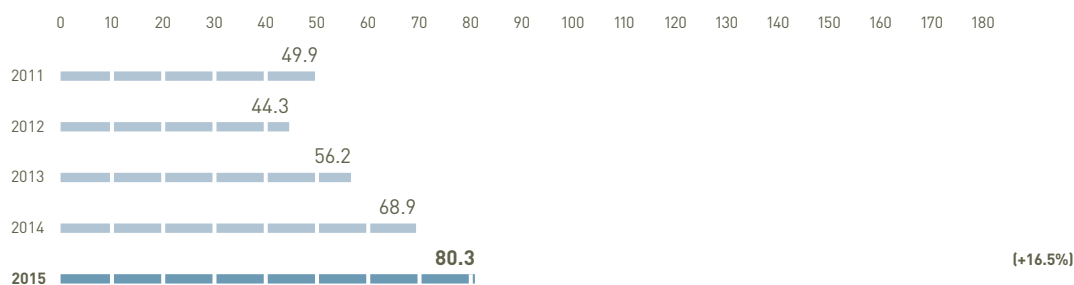


The productivity in the IT system house & managed services segment increased as a result of the below-average headcount increase compared to the revenue growth. Based on an average number of 5,055 full-time employees (prior year: 4,647 employees), the revenue per employee amounted to €374 thousand (prior year: €372 thousand).

In 2015, EBIT in the IT system house & managed services segment climbed 16.5 per cent to €80.3 million (prior year: €68.9 million). This was mainly because the increase in personnel expenses was below average. Accordingly, the EBIT margin went up to 4.2 per cent (prior year: 4.0 per cent).

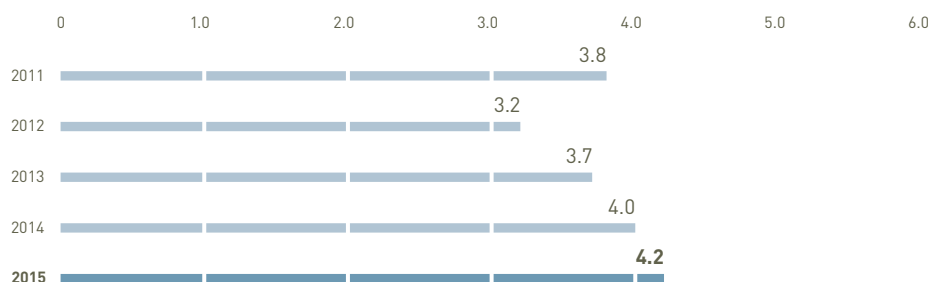
## 42. EBIT IN THE IT SYSTEM HOUSE &amp; MANAGED SERVICES SEGMENT

€m



## 43. EBIT MARGIN IN THE IT SYSTEM HOUSE &amp; MANAGED SERVICES SEGMENT

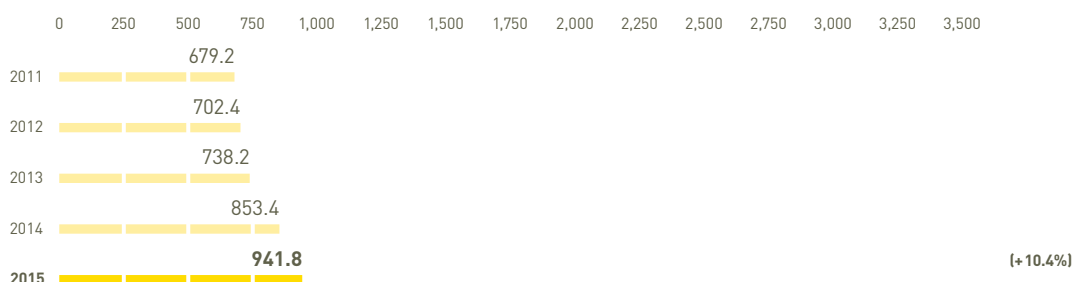
%



**IT e-commerce.** In the reporting period, the IT e-commerce segment stepped up its revenue by a two-digit rate of 10.4 per cent to €941.8 million (prior year: €853.4 million). This development shows that the investments in new personnel, which had been made in the prior year, have paid. The share of this segment in the total revenue went up from 33.1 per cent to 33.3 per cent.

#### 44. SEGMENT REVENUE IT E-COMMERCE

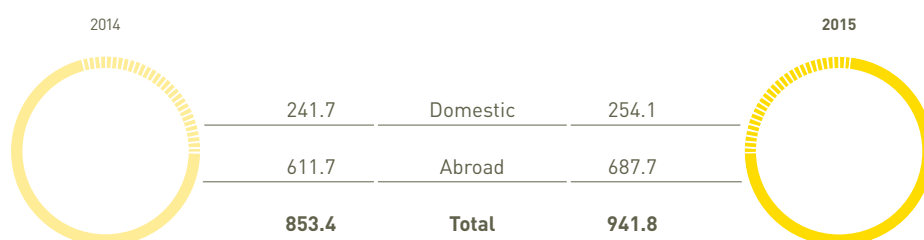
€m



As in the prior year, the foreign IT e-commerce companies were the growth drivers. In the reporting period, these companies generated revenue of €687.7 million, 12.4 per cent more than in the prior year (€611.7 million). All national subsidiaries and all brands contributed to the growth. The domestic trading companies grew 5.1 per cent to €254.1 million (prior year: €241.7 million).

#### 45. REVENUE DISTRIBUTION IN THE IT E-COMMERCE SEGMENT

€m

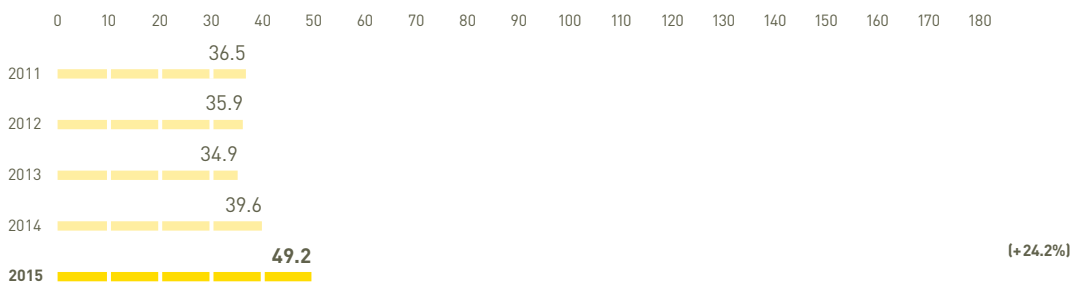


The revenue per employee underwent a significant increase in the reporting period. It went up to €713 thousand (prior year: €697 thousand) for an average of 1,321 (prior year: 1,225) full-time employees.

EBIT in the IT e-commerce segment recorded an impressive surge of 24.2 per cent to €49.2 million (prior year: €39.6 million). This was mainly due to the good product mix, which resulted in a higher contribution margin.

## 46. EBIT IN THE IT E-COMMERCE SEGMENT

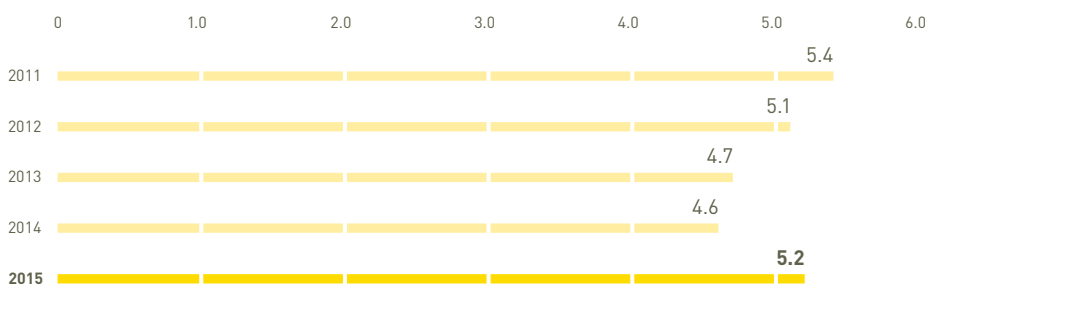
€m



Accordingly, the EBIT margin climbed from 4.6 per cent to 5.2 per cent, again surpassing the target margin of 5 per cent.

## 47. EBIT MARGIN IN THE IT E-COMMERCE SEGMENT

%



## ASSETS POSITION

Bechtle's balance sheet has always been characterised by sound and strong performance indicators. This was also the case in 2015. For example, the equity ratio was 53.9 per cent, and the liquidity was more than €200 million. However, this soundness is not an end in itself, but gives Bechtle the independence needed for long-term development and the reliability that is so crucial for customers and employees. Moreover, the return on equity of 17.2 per cent shows that even a conservative balance sheet structure can deliver attractive returns.

Mainly owing to the greater business volume and the growth in retained earnings, the balance sheet total of the BECHTLE Group went up in the reporting period. As of the closing date 31 December 2015, this figure amounted to €1,150.4 million, 13.2 per cent more than in the prior year.



Concerning the assets position of the segments, see Notes, page 206

## 48. CONDENSED BALANCE SHEET

€m

	2015	2014	2013	2012	2011
<b>Assets</b>					
Non-current assets	344.4	321.9	299.2	296.1	279.5
Current assets	806.0	694.7	611.1	547.9	521.8
<b>Equity and liabilities</b>					
Equity	620.7	554.0	501.6	459.6	421.6
Non-current liabilities	119.2	95.9	90.8	96.6	94.0
Current liabilities	410.6	366.7	318.0	287.8	285.7
<b>Balance sheet total</b>	<b>1,150.4</b>	<b>1,016.6</b>	<b>910.3</b>	<b>844.0</b>	<b>801.3</b>

On the assets side, non-current assets amounted to €344.4 million, 7.0 per cent more than in the prior year. This item was affected by the increased goodwill due to acquisitions and the other intangible assets. On the other hand, time deposits and securities fell due to the reclassification as current assets because of the shorter terms to maturity. Property, plant and equipment also declined due to the sale of two companies in Switzerland. As there were no major investment projects in the reporting period, and numerous replacement investments had already been performed in the prior year, the expenses for investments amounted to €21.8 million, i.e. less than in the prior year (€24.1 million). The investment ratio was 17.1 per cent (prior year: 19.8 per cent).

The capitalisation ratio dropped further, reaching 29.9 per cent as of 31 December 2015 (prior year: 31.7 per cent). In the reporting period, the coverage of the non-current assets by the equity increased from 172.1 per cent to 180.2 per cent.

Current assets went up €111.4 million or 16.0 per cent to €806.0 million. This item was affected primarily by the significant increase of €58.0 million in cash and cash equivalents. Trade receivables also increased €18.3 million due to the high business volume towards the end of the year. The DSO (days sale outstanding) increased to 39.9 days (prior year: 38.3 days), especially due to the higher amount of trade receivables. As of 31 December 2015, inventories increased €19.3 million, especially due to the great influx of orders towards the end of December and the high share of large projects. As a result, the ratio of inventories to revenue went up from 5.1 per cent to 5.3 per cent. However, this figure still indicates that BECHTLE ties up only a small amount of capital in the form of stock on hand. Moreover, most of the inventories are linked directly to projects and are pre-financed on behalf of the customer. Other current assets increased by €13.3 million. Among other things, this reflects the higher vendor and supplier refunds and bonuses.



The liquidity of the BECHTLE Group including short and long-term time deposits and securities amounted to €206.7 million (prior year: €156.0 million). In addition to the total liquidity, BECHTLE has a liquidity reserve of €34.9 million in the form of unused cash and guarantee credit lines.

Inflation and currency changes did not have any material impact on the amount of the assets. The inflation rates in the reporting period remained at a low level in the key markets, and the balance sheet items are mostly held in euros. In 2015, the net assets increased €4.1 million (prior year: plus €0.7 million) due to currency translation differences recognised outside profit or loss and the hedging of net investments in foreign operations, particularly due to the stronger Swiss franc.

In the business of BECHTLE AG, which does not involve a great deal of property, plant and equipment, ROCE (return on capital employed) is usually largely affected by the development of current assets and liabilities, on the one hand, and the earnings performance, on the other. During the reporting period, ROCE amounted to 23.7 per cent, compared to 22.3 per cent in the prior year. The improvement was caused by the earnings increase of 19.3 per cent compared to the increase of only 12.3 per cent in the average capital employed.

#### 49. ROCE/CAPITAL EMPLOYED

		2015	2014	2013	2012	2011
ROCE	%	23.7	22.3	20.6	19.6	25.2
Capital employed	€m	546.4	486.4	442.1	410.0	342.2

Year on year, the working capital merely underwent a minor increase of 1.2 per cent. In relation to the balance sheet total, the figure declined from 28.7 per cent to 25.6 per cent. This item was affected by the merely below-average increase in trade receivables and the much greater increase in trade payables.

#### 50. WORKING CAPITAL

		2015	2014	2013	2012	2011
Working capital	€m	294.9	291.3	234.6	211.6	189.9
In % of the balance sheet total		25.6	28.7	25.8	25.1	23.7

On the liabilities side, current liabilities increased €43.9 million or 12.0 per cent to €410.6 million. For reasons related to the reporting date, trade payables underwent the greatest increase of €25.4 million. Due to the greater business volume and the higher number of managed service contracts, deferred income went up €11.2 million. Other liabilities went up to €8.4 million. This increase was mainly caused by personnel liabilities, as the positive business performance resulted in higher performance-related compensation components of the employees. Due to maturities, current financial liabilities dropped €3.1 million.



*"With cash and cash equivalents of more than €200 million, there won't be any financial imbalance."*

**Tatjana Kotur**

Trainee in office management,  
Bechtle AG

As of the reporting date, non-current liabilities amounted to €119.2 million, 24.3 per cent or €23.3 million more than in the prior year (€95.9 million). Financial liabilities underwent the greatest increase of €8.9 million. This item was affected by loans raised to finance acquisitions. Other liabilities increased €4.6 million due to acquisition-related earn-out agreements. The share of non-current liabilities in the balance sheet total increased from 9.4 per cent to 10.4 per cent.



*"A reliable bank: our equity ratio of almost 54 per cent."*

**Jürgen Aulita**

Head of Long-Term Delegation,  
Stuttgart system house

In the reporting period, the equity grew 12.0 per cent to €620.7 million. The increase was the result of the €66.7 million growth in retained earnings. Due to the balance sheet extension, the equity ratio declined slightly from 54.5 per cent to 53.9 per cent in the reporting period. By contrast, the return on equity climbed from 15.6 per cent to 17.2 per cent.

#### 51. RETURN ON EQUITY AND RETURN ON ASSETS

	2015	2014	2013	2012	2011
Return on equity	17.2	15.6	14.2	13.7	17.3
Return on assets	9.5	8.9	8.2	7.9	9.8

%

The debt ratio increased from 83.5 per cent to 85.4 per cent as of 31 December 2015. The net debt improved. Thanks to the outstanding liquidity situation, the net debt amounted to a negative value of €140.6 million (prior year: minus €95.8 million). Thus, BECHTLE is effectively debt-free.

As a result of the improved earnings, the return on assets, a key performance indicator that reflects the return on the total assets employed, climbed from 8.9 per cent to 9.5 per cent in the reporting period.

## Measurement



See Notes,  
page 162



Value in use  
of the goodwill,  
see Notes,  
page 168

In almost all cases, the fair value of the current assets and liabilities and the short-term and long-term securities correspond to the carrying amount. Within the scope of the non-current assets, the intangible assets with a limited useful life, the property, plant and equipment as well as the trade receivables, the income tax receivables, the other assets as well as the time deposits and deferred taxes are measured at amortised cost. The carrying amounts of the goodwill and of the brands presented under other intangible assets are reviewed for impairment by means of annual impairment tests on the basis of the value in use. As the values in use significantly exceeded the carrying amounts, no impairment was applied to these assets. Non-current liabilities are carried at amortised cost. The fair value of assets and debts measured at cost is partly lower/higher than the carrying amount.

## Intangible Assets

The assets of a company consist not only of quantifiable elements, but also of elements that can only be described in qualitative terms. The employees of BECHTLE AG are doubtlessly among the most important assets. The group reports on this subject in a separate chapter.



Qualitative assets:  
Employees and close supplier  
relationships

Moreover, the supplier relationships in both business segments are highly significant to the company's success. BECHTLE collaborates with more than 300 vendors and more than 1,000 distributors throughout Europe. Based on a close supplier relationship, BECHTLE is able to offer its customers a comprehensive spectrum with transparent market prices and quick availability. Usually, ordered goods are delivered directly from the vendor or distributor to the customer within 24 hours through fulfilment solutions.



See  
Business Activity,  
page 51f

Thanks to the close partnership with the vendors – partly via in-house product managers for the most important vendors – BECHTLE receives information about new product developments at an early stage and is therefore always able to offer customers optimum solutions.

Especially in the consulting-intensive service business, good customer relationships are the key to success. Respectability, reliability and continuity are indispensable preconditions for customer relationships, particularly in dealings with medium-sized customers. BECHTLE has been active in the IT market for more than 30 years and has concentrated on medium-sized customers as the core segment from the outset. Therefore, the company not only has an established customer base, but is also able to use its long-standing experience to quickly establish a successful business relationship with new customers.

Thanks to the broad market acceptance and the high market penetration, the ARP, BECHTLE, BECHTLE DIRECT and COMSOFT DIRECT brands, which belong to the BECHTLE Group, represent an intangible asset for the company. The positive image of the brands among customers, vendors and employees, which has been built up over many years, is therefore very important for the group's business success.



Broad market acceptance  
and market penetration

## FINANCIAL POSITION

A company's strength is evident, not only from its revenue and earnings growth, but also from its ability to generate the funds required for this growth. With an operating cash flow of €115.9 million, Bechtle reinforces the financial basis for future growth and secures the necessary flexibility and speed for growing above average and for gaining important market shares in the future. After all, the expansion of the portfolio – up to financial services – is an opportunity that only a financially strong company such as Bechtle can take.

### Financial Management Principles and Objectives

The objective of BECHTLE'S financial policy is to keep the group's financial power at a high level, thereby retaining the company's financial independence by securing adequate liquidity. At the same time, risks are to be avoided as far as possible or hedged effectively. For example, the Rules of Procedure of the Executive Board prohibit all kinds of speculative forward transactions. This applies especially to currencies, goods and securities as well as the respective forward transactions, unless they serve the hedging of the business operations.



See Notes,  
page 155 ff  
and page 194 ff

As a matter of principle, BECHTLE uses derivative financial instruments exclusively for hedging its operating activities. In the reporting period, these were currency futures, currency options, interest swaps and currency swaps. The hedging of the euro, the group currency, represents a key aspect of the financial management. The company uses instruments that protect the equity in euros and that do not have any effect on profit or loss in the income statement, as well as instruments that hedge cash flows in foreign currencies, thereby largely minimising the currency risk in the income statement. Hedging measures are taken for Swiss francs, as asset items and cash flows outside the euro area are largely held and generated in this currency. However, in certain cases and for specific projects, purchase prices in other foreign currencies or prices that depend on the exchange rate are also hedged with derivatives.

For the investment of excess liquidity, quick availability is more important than maximum yield, e.g. in order to be able to access available cash and cash equivalents in the event of acquisitions or major project pre-financing measures. Thus, purely financial goals – such as the optimisation of the financial income – are subordinate to the acquisition strategy and the company growth. This financial flexibility forms the basis for success in a highly consolidating market. The liquidity situation is centrally managed and monitored by the treasury.

Investment business is only conducted with investment-grade debtors. For time deposits within the European Union, investments with corresponding deposit guarantee are preferred. As such a guarantee only exists to a limited extent in Switzerland, investments in this country are only made at banks with an excellent credit rating.

## Cash Flow Statement

In 2015, the cash inflow from operating activities doubled, reaching €115.9 million (prior year: €56.0 million). The cash flow was mainly affected by the higher earnings before taxes and the development of the net assets. For reasons related to the reporting date, the high increase of trade payables, which totalled €22.1 million (prior year: €4.8 million) as well as the lower increase of trade receivables, which amounted to €10.2 million (prior year: €58.1 million), resulted in a noticeable improvement.



See Assets Position,  
page 98

The cash outflow from investing activities amounted to €34.5 million, compared to €25.9 million in the prior year. This item was affected especially by the payments for acquisitions, which went up €17.2 million to €20.7 million. The cash received from the sale of time deposits and securities dropped from €17.6 million to €11.8 million. The background: Because of the different terms to maturity, fewer investments became due in the reporting period. On the other hand, cash paid for the acquisition of time deposits and securities amounted to €4.5 million, compared to €17.0 million in the prior year.



See Notes,  
page 207 ff

In 2015, the negative cash flow from financing activities declined from €30.0 million to €25.7 million. This was mainly due to the increase in the inflow from the assumption of financial liabilities to €17.1 million (prior year: €7.7 million). The outflow for the repayment of financial liabilities increased to €14.6 million (prior year: €11.7 million). At €25.2 million, the dividend payout was higher than in the prior year (€23.1 million).

The free cash flow climbed from €29.3 million to €78.6 million. This was mainly due to the increase of the cash flow from operating activities. On the other hand, the increase in payments for acquisitions by €13.8 million to €17.3 million had a negative effect.

### 52. CASH FLOW

€m

	2015	2014	2013	2012	2011
Cash flow from					
operating activities	115.9	56.0	73.1	56.7	55.8
investing activities	-34.5	-25.9	-10.2	-56.0	-45.3
financing activities	-25.7	-30.0	-35.0	-17.3	-2.2
Cash and cash equivalents	164.8	106.7	105.8	78.2	94.6
Free cash flow	78.6	29.3	43.1	19.5	12.2





See Notes,  
page 189 f

The main terms of the financial liabilities are explained in the Notes to the Consolidated Financial Statements. Due to the secondary importance of financial income to the BECHTLE Group, a change in the interest rate would not have any major impact on the financial position.



See Notes,  
Operating Leases,  
page 217

At BECHTLE AG, off-balance-sheet financing instruments primarily concern operating leases. Details are presented in the Notes to the Consolidated Financial Statements.

The Executive Board of BECHTLE AG does not see any signs of liquidity bottlenecks for the group. There are sufficient financial resources for further organic growth and acquisitions.

## STRATEGIC FINANCING MEASURES

In 2015, the current business and necessary replacement investments were financed with cash and cash equivalents and the operating cash flow. The funds required for the acquisitions in the fiscal year were covered partially by cash and cash equivalents and partially by loans raised.

The company has a relatively high equity ratio of 53.9 per cent. This reflects a financing strategy that is based on the policy of maintaining maximum independence from outside creditors. Nevertheless, the financing strategy provides for continuous monitoring and, if necessary, optimisation of the capital structure. Therefore, despite the excellent liquidity position of BECHTLE AG, two loans were raised for acquisition financing purposes in the fiscal year ended. Thus, current and non-current financial liabilities increased from €60.2 million to €66.0 million. As of the reporting date 31 December 2015, they accounted for 5.7 per cent (prior year: 5.9 per cent) of the group's balance sheet total. The debt ratio amounted to 85.4 per cent (prior year: 83.5 per cent). Apart from improving the leverage and optimising the capital structure, a stable equity ratio also forms the basis for a higher borrowing potential and financial flexibility, especially in order to make use of acquisition opportunities that arise at short notice. Apart from non-current time deposits and securities worth €17.0 million, BECHTLE therefore keeps €189.7 million, i.e. the major part of its funds, in the form of cash as well as current time deposits and securities.

As a matter of principle, BECHTLE pursues the goal of having sufficient access to various financing sources at all times.

## OVERALL ASSESSMENT

The Executive Board of BECHTLE AG considers the company's economic position as of the reporting date to be excellent. The figures achieved in 2015 deliver impressive evidence of the economic strength of BECHTLE AG. All forecasts published in the fiscal year 2015 were fulfilled.

## 53. COMPARISON OF THE ACTUAL AND PROJECTED BUSINESS PERFORMANCE

	Forecast AR 2014	Forecast Q3 2015	Actual 2015	Comparison
Revenue	Significant increase over 2014	High one-digit to low two-digit growth over 2014	Growth: 9.7%	Fulfilled
Cost of sales	Parallels the revenue	–	Growth: 9.3%	Fulfilled
Distribution cost ratio	< 7%	–	6.5%	Fulfilled
Administrative expense ratio	< 5%	–	4.9%	Fulfilled
EBT	Significant increase over 2014	High one-digit to low two-digit growth over 2014	Growth: 20.5%	Fulfilled
EBT margin	Slight increase	–	From 4.2% to 4.6%	Fulfilled
Dividend	Dividend payout ratio of about one third of the EAT	–	Dividend payout ratio: 31.7%	Fulfilled

## OPPORTUNITIES AND RISK REPORT

Entrepreneurial activity is all about taking opportunities and being exposed to risks. Therefore, Bechtle's opportunity and risk management focuses both on minimising or transferring risks and on identifying and successfully using opportunities. The main task of the opportunity and risk management is to balance these aspects, thereby supporting Bechtle's long-term profitable development.

### OPPORTUNITY AND RISK MANAGEMENT

#### Basic Understanding

As intended, the risk management and opportunity management in the BECHTLE Group are tightly interwoven. Accordingly, there is no equivalent opportunity management alongside the risk management system. Rather, the opportunities, which are usually implicitly associated with risks, are recorded and evaluated within the framework of the risk management system. Thus, all statements made below concerning the risk management largely apply to the opportunity management as well. However, opportunities that are not linked to any risk are also identified. The leaner opportunity management of BECHTLE AG that has been established for this purpose is mainly derived from the strategy of the business segments and their goals. The direct responsibility for the early and continuous identification, assessment and control of opportunities is borne primarily by the group's Executive Board and the operational management in the individual business segments and holding companies, i.e. the Executive Vice Presidents and Managing Directors. Similar to the risk management, these tasks are an integral part of the corporate planning and control system. The management of BECHTLE AG puts a lot of emphasis on detailed evaluations and comprehensive scenarios concerning the company's market and competitive position and critical success factors for the company's performance. From this, the potential for concrete opportunities is derived for the individual business segments and discussed at planning meetings between the Executive Board and the executives with operating responsibility, and suitable measures and targets are agreed in order to exploit this potential.



See  
Objectives and Strategy,  
page 60f

At BECHTLE AG, "risk management" is defined as the entirety of all organisational arrangements and measures to identify and manage these risks. The main objective of the risk management is the due identification of risks, their assessment and the initiation of suitable risk control measures in order to avert or minimise possible harmful consequences of the occurrence of the risk for the company. The assessment ranges from minor risks to material and existential risks. Efficient risk management ensures that personnel and resources are deployed in such a way that the attainment of company goals is supported in the best way possible.

The management is convinced that the risk management should not try to avoid all risks. To successfully exploit opportunities, which are inherently linked to risks, a company must deliberately take risks in the course of its business activity. However, it is important to limit risks to an acceptable degree, to control them in the best way possible and to maintain a healthy balance with the accompanying opportunities. This degree is governed by the risk policy/strategy that is tuned to the company's overriding basic orientation. At BECHTLE AG, the risk strategy is based on the corporate culture, the corporate guidelines and the company's strategic goals, which govern everyday operations and serve as an orientation aid for all decisions in various ways. The key elements of these basic cultural definitions are rooted in BECHTLE's corporate philosophy, the BECHTLE code of conduct, the BECHTLE sustainability code, the BECHTLE management principles and the BECHTLE social media policy.

The profitable growth that is always targeted is inevitably accompanied by business risks and necessitates the determined use of arising opportunities. The risk policy of BECHTLE AG must take this into account. At the same time, the risk policy contributes to the verification and review of the probability of occurrence of long-term goals and of the respective yearly plan.

## Organisation

In line with the organisational structure of the BECHTLE Group, the risk management clearly distinguishes between duties and responsibilities of the group holding/intermediate holdings and of the operational subsidiaries and individual management areas. The group controlling has established a reporting system that enables early identification of developments that threaten the company's success. Apart from the provision of various analysis tools for the operational units, the insights gained from periodic analyses and statistics support an effective risk management in the individual areas. The managing directors and business unit leaders thus bear a substantial part of the responsibility for the active risk management. This basic principle also corresponds to the decentralised business model and the management philosophy of BECHTLE AG. The risk management organisation did not undergo any material changes compared to the prior year.

The risk management organisation of BECHTLE AG mainly performs two functions:

**■ Process-independent monitoring.** This comprises the review of the operability of all processes. The internal audit department is an important part of the process-independent monitoring. It audits business operations retroactively for compliance and suitability. The activities of the internal audit department are based on the provisions of Section 91 (2) of the German Stock Corporation Act (AktG). At BECHTLE AG, the internal audit department continuously performs tasks in connection with the review of the month-end closing and occasions related to the group accounting. The suitability of the early risk identification system set up by the Executive Board, and the effectiveness of individual risk control measures and of the accounting-related internal control system, (ICS) are reviewed by the auditors within the scope of the audit of the annual financial statements and during the year by the company management.



*"To use opportunities or to avoid risks: a question of balance"*

**Ayyüce Karaman**

Trainee in office management,  
Bechtle AG



See chart  
Holding Structure,  
page 40



See  
Systems and Instruments,  
page 62 ff

■ **Early warning and monitoring system.** The structure of the systems is geared towards strategic and operational threats and ensures the operability of the risk management and other corporate processes. Early warning systems help the company identify risks and opportunities in good time. In connection with the identification of latent risks, special attention is paid to early indicators. The monitoring comprises the continuous review of the effectiveness, adequacy and efficiency of the measures, and of the needed control structures with respect to identified risks.



See  
Collaboration between  
the Executive Board and  
the Supervisory Board,  
page 71

Within the scope of the risk management, effective communication across all hierarchy levels is vital for the interlinking with the business operations. Therefore, board and team work is an important instrument for the organisation and control of the needed information flow. At the top management level of BECHTLE AG, this is done at Supervisory Board and Executive Board meetings and risk management sessions. At the management level, especially meetings of the Executive Vice Presidents, conferences of the Managing Directors, strategy conferences as well as planning and individual meetings with the Executive Board are held in order to meet this need.

## Group Accounting



idw.de

According to Section 315 (2) no. 5 of the German Commercial Code (HGB), the group management report of capital market-oriented companies must describe the key properties of the internal control and risk management system (ICS) with respect to the group accounting process, which also includes the accounting processes of the companies included in the consolidated financial statements. In this connection, BECHTLE uses the definition of the Institute of Public Auditors in Germany (IDW). According to this definition, an ICS consists of the principles, procedures and measures that the management introduces in the company for the organisational implementation of the decisions of the management. The duties and goals of the ICS are as follows:

- To ensure the effectiveness and efficiency of the business activity. This also includes the protection of tangible and intangible assets as well as the prevention and discovery of financial losses that may be caused by employees or third parties;
- To ensure the correctness and reliability of the internal and external accounting; and
- To comply with legal regulations relevant to the company.

Further explanations concerning the structures introduced in our company and concerning the key features of the ICS, which can significantly affect especially the accounting, are made on the basis of this fundamental definition.

The principles, the structural and process organisation and the processes of the accounting-related ICS are outlined in policies and organisational instructions that are continually adjusted to the latest external and



internal developments. The controls defined throughout the group are outlined in a group accounting manual. The requirements in the guidelines and organisational instructions are based on statutory standards as well as on voluntarily defined corporate standards.

The following features of the ICS can profoundly affect the accounting:

- Coordinated planning, reporting, controlling and early warning systems and processes exist for the holistic analysis and management of earnings-relevant risk factors and risks endangering the going concern. The risk management of the accounting process is integrated in this general risk management system.
- The functions in all areas of the accounting and consolidation process (e.g. financial accounting, payroll accounting, taxes, controlling, group reporting and treasury) are clearly mapped.
- The completeness and correctness of the accounting data are regularly audited on the basis of samples and plausibility as well as by means of manual reviews.
- Important accounting-relevant processes are subject to regular analytical audits.
- The double-verification principle is applied in all material accounting-relevant processes.
- The due IT-based processing of accounting-related facts and data is ensured especially through deployment of a uniform ERP system for processing all accounting-relevant data.
- The internal audit department is part of the ICS. It performs its duties by reviewing the month-end closing and as the need arises in group accounting.

In relation to the financial accounting, the points described above ensure that business transactions and facts are fully and duly identified, processed and reflected in the accounts, thereby ensuring correct financial accounting.



## Risk Identification and Assessment

To pinpoint all risks relevant to BECHTLE AG as comprehensively as possible, the company uses risk assessment forms. These forms structure various risk types in the form of a checklist. The content of this list can be adjusted and supplemented by the executives involved in the risk identification and assessment in order to take any peculiarities of individual business areas into consideration.

The risk assessment form, whose purpose is to summarise possible risks as comprehensively as possible, serves as the basis for the risk assessment: Each risk is assessed for probability of occurrence and expected damage amount (risk potential), evaluated according to the gross method and positioned in a risk matrix indicating the significance (A, B and C risks). The assessment reveals how probable the occurrence of the risk is for the underlying risk potential. The result is an additive presentation of all identified risks in the form of a "risk map", both for BECHTLE AG as a group and for each of its business segments.

## Risk Control

The company responds to identified risks on a case-specific basis and with different strategies.

- Risk avoidance: Refraining from activities involving risks may mean that opportunities cannot be used either.
- Risk limitation: Minimisation of the probability of occurrence.
- Risk reduction: Reduction of the average probability of occurrence.
- Risk compensation: The risk is borne by the company and economically compensated by an offsetting transaction.
- Risk transfer: Transfer of the risk to another (insurance) company.
- Acceptance of the risk: No countermeasures taken.

## Risk Reporting and Documentation

At least once a year, the management of BECHTLE AG holds risk management sessions whose contents are subject to ongoing review and further development. In addition to the risk management session of BECHTLE AG, separate sessions at which the risks are explicitly discussed and continuously reassessed with the responsible individuals are held for each segment and executive division. The members of the Executive Board attend each of these sessions. The responsible Executive Vice Presidents and individual employees entrusted with controlling and risk management responsibilities also participate in the meetings. Thus, all areas and responsibilities that are important for the company's success are involved in the risk management process. At quarterly intervals, this group also receives a status query in which the previous assessment of risks is reviewed and any new risks are queried. In addition to the standard reporting and assessment of risks at these sessions, there is an arrangement for timely ad-hoc reporting of critical issues to the Executive Board, and subsequently to the responsible bodies (audit committee, Supervisory Board) and other individuals involved in the risk management process.

## OPPORTUNITIES

### Market and Competition

As an enterprise that operates on the IT market, BECHTLE AG – like virtually all market players – depends on the sector performance and on the macroeconomic development. Of course, a positive economic development presents opportunities for further successful company growth. However, even in the event of macroeconomic or sector-specific stagnation or decline, BECHTLE can benefit from the consolidation of the competitor landscape and expand its relative market share under its own steam. Therefore, the group intensively conducts strategic market and competition analyses, deriving concrete growth options for its future development. Naturally, the examination also focuses on industry and technology trends that have a direct impact on the company's profitable growth.

The IT market is characterised by a high rate of innovation and short product cycles. Due to the advancing technologisation, the significance of information technology is on the rise. IT is increasingly becoming an integrated component of production processes and thus a key success factor of most enterprises. At the same time, due to the complexity of IT, many enterprises need competent partners for the successful and secure operation of their IT infrastructures, especially for high-quality services such as managed services. Therefore, even markets that are considered to be saturated, such as the countries in Western and Central Europe, continue to have a large and further increasing growth potential. BECHTLE's product and service portfolio covers all current and presently foreseeable needs of industrial customers. Thanks to the group's structural and strategic positioning, the preconditions for exploiting the resulting growth potential are thus on hand.

For a number of years, the system house market – especially in German-speaking regions – has been undergoing a period of intense consolidation, which BECHTLE is actively exploiting. Thanks to its solid financial resources and good reputation, the company has been able to perform more than 60 acquisitions since its IPO, thereby continually strengthening its market position. In view of the progressive thinning of the industry and the BECHTLE Group's persistently excellent assets position and funding, the company will have further opportunity to continue to fortify its competitive position, e.g. by means of acquisitions or by expanding the product service spectrum. In the reporting period, BECHTLE again made use of this opportunity, acquiring three companies and founding one.

The BECHTLE Group occupies a leading competitive position in Germany and Europe. The group's size creates opportunities on the customer side, as its comprehensive product portfolio gives it a leading edge especially over smaller competitors, and via the extremely high perception among our vendor partners. Despite its size, BECHTLE's decentralised structure enables it to act quickly and flexibly to leverage any weaknesses of its competitors for the purpose of increasing the regional market exploitation. In this way, the group combines the size and financial power of an international business with the agility and customer proximity of a local medium-sized enterprise.



See

Competitive Position,  
page 56



*"Bechtle boasts a leading competitive position."*

**Karsten Preuß**  
Team coordinator,  
Bechtle ÖA direct



See Forecast Report,  
page 131

In the coming years, BECHTLE wants to continue to grow in the IT e-commerce segment, especially at the locations that already exist. Another important factor is the further internationalisation of the business on the basis of our Global IT Alliance, which was established in 2014.

## Customers



See chart  
Industry Segmentation,  
page 55

In the IT system house & managed services segment, BECHTLE serves the German-speaking markets with a dense network of system houses. Due to the widely diversified customer structure, the effect of industry-specific economic trends and special investment-related framework conditions on the company is relatively small. Moreover, BECHTLE's long-standing presence in this segment represents a high market-entry barrier for potential competitors. The strong competitive position in the medium-sized business segment enables BECHTLE to expand its market leadership in this area and push ahead its business with large customers.



Strong  
customer bases

BECHTLE also markets its services in the public sector division, in which the company has consistently expanded its activities in recent years. Apart from the basic opportunity associated with the expansion of the customer portfolio and the achievable higher business volume, further opportunities are associated with the specialisation in the needs of public-sector clients and the consideration of the special aspects of the contract award practice in this segment, as the investment behaviour of this customer group is less susceptible to economic trends and is often even anti-cyclical.

Apart from BECHTLE DIRECT, which focuses on enterprise customers, BECHTLE ÖA DIRECT serves as a platform for public-sector clients. In this field, too, the anti-cyclical investment behaviour of public-sector clients and the above-average growth rates that BECHTLE achieved in this customer segment in recent years provide the opportunities already addressed above.



See Business Activity  
IT E-Commerce  
page 51 ff

In the IT e-commerce segment, we are active with the ARP, BECHTLE DIRECT and COMSOFT DIRECT brands in 14 European countries. Among other things, BECHTLE regards the broader customer approach that is possible due to the international alliances as an opportunity for future growth. Moreover, systematic customer bonding through the use of bios® shops plays an important role.

## Manufacturers and Distributors



[bechtle.com/portfolio-en/  
our-suppliers](https://bechtle.com/portfolio-en/our-suppliers)

BECHTLE AG maintains close partnerships with all major suppliers and manufacturers of the IT industry. Intensive collaboration with partner companies enables us to offer technologically suitable solutions for the growing bandwidth of customer requirements. BECHTLE is improving its own growth opportunities especially by means of a more extensive range of individual service solutions for enterprise customers and

public-sector clients. Moreover, BECHTLE AG is one of the largest partners of Cisco, Citrix, Fujitsu, HP, IBM and VMware. In its partnerships with key suppliers and manufacturers, the overwhelming majority of the group's certifications have the highest partner status.

To support the collaboration with strategic vendors, BECHTLE has additionally appointed Vendor Integrated Product Managers (VIPM), who promote the interests of the vendors and of BECHTLE alike. This concept provides various opportunities, e.g. due to the fact that information about the vendors can be forwarded to the responsible procurement, sales and service staff in the company without delay in a centralised and target-oriented manner. This enables BECHTLE to ensure that its customer offer reflects the state of the art at all times. In this way, the quality of the sales activities increases and customers benefit immediately from innovative product promotions of the vendors. In return, the vendors promptly receive largely unfiltered user feedback about existing products and requirements for future products.

Additional synergies are achieved through the standardisation of logistics processes and synchronisation of the ERP systems between BECHTLE and the partners. This not only makes for a wider product offering and increasing availability of the goods, but also increases the attractiveness of BECHTLE for other distributors and vendors. Moreover, it gives BECHTLE the opportunity to further increase its efficiency, thereby optimising its costs.



*"Everybody benefits from our intensive collaboration with vendors: the vendors themselves, we at Bechtle, and of course the customer."*

**Florence Paa**  
Event Management,  
Bechtle AG

## Service Spectrum

Enterprise customers primarily expect their IT providers to deliver complete solutions from one source. With its combination of trading and services and – within the field of services – with its blend of project, managed services and financing business, BECHTLE is well prepared to benefit from this trend. Furthermore, BECHTLE has duly positioned itself by means of acquisitions, strategic alliances and competence centres especially tuned to the needs and trends of the market, and has fortified its position with qualified staff.

In connection with the procurement and operation of IT, many companies usually pay attention to several features, such as competitiveness, efficiency gain, modernisation and cost optimisation. To meet these diverse demands, BECHTLE analyses the customer's existing corporate processes in order to offer solutions and IT management models on this basis, e.g. outsourcing or cloud computing. BECHTLE's wide portfolio enables the elaboration of solutions custom-tailored to the specific needs of every customer. As a one-stop provider, BECHTLE has great advantages over smaller or niche providers. Furthermore, due to the high and further increasing relevance of IT to all corporate processes, on the one hand, and heightened security concerns, on the other, customers place great emphasis on the reliability of the company when choosing an IT partner. In addition to its 32 years of experience and high level of solution competence, BECHTLE's success is due to its strong and sound financial position. These factors directly influence the choice of ser-



See Service Spectrum  
and Processes  
page 47 ff



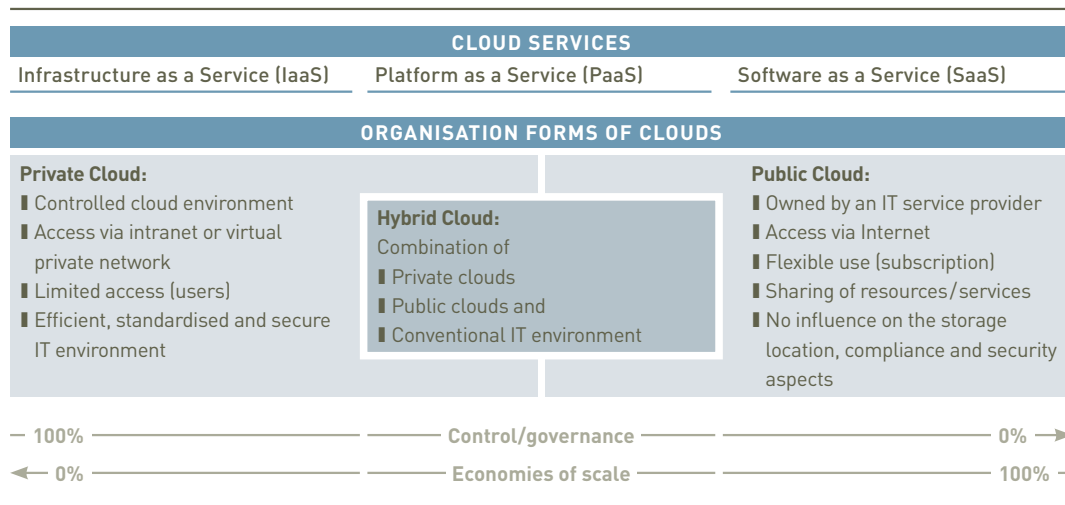
vice providers, the prices and the question of how and from whom external services are procured. In view of its status as an economically stable, reliable partner with an excellent reputation, BECHTLE can therefore gain access to attractive growth opportunities. Especially the customer relationships in the so-called operation business can benefit from this. These relationships are usually of a long-term nature, which facilitates the business performance planning. Moreover, the operation business can yield higher margins than the conventional trading or project business.



[bechtle.com/  
cloud-computing-en](http://bechtle.com/cloud-computing-en)

Cloud computing is an area with great growth potential. While cloud computing has become commonplace in large corporations, many medium-sized customers are still hesitant. In cloud computing, processing performance, storage, applications and IT services are obtained in real time via data networks. In this context, the price of the individual services is determined by the actual usage. The mission of the service providers on the IT market is to establish cloud computing in medium-sized companies as well. System houses can do this by offering their own cloud services or by serving as intermediate dealers that form a link between the large cloud providers and the user companies.

#### 54. LAYERS AND ORGANISATION FORMS OF CLOUD SERVICES



BECHTLE is active in the cloud computing market both in cooperation with renowned partners and with its own range of solutions. In this connection, the BECHTLE system houses offer an extensive portfolio of virtualisation and server technologies, infrastructure solutions and security-relevant applications, thereby creating the needed customer-specific conditions for procurement and operation of IT from the “cloud”. BECHTLE in Friedrichshafen and the system house Dübendorf in Switzerland offer their own data centre services in order to satisfy the demand of cloud customers for domestic hosting. The offer is supplemented with consulting and integration services for cloud computing, as the specific services often need to be integrated and networked with existing systems.

The subject of Industry 4.0 also offers the BECHTLE Group opportunities. The steadily increasing complexity of industrial IT landscapes within the framework of Industry 4.0 makes the assistance of a competent IT partner indispensable.

## Company Organisation

By consistently aligning the company structure with the strategy, an important precondition has been established for exploiting the opportunities resulting from the market developments described. The extensive geographic presence, with more than 65 locations in Germany and Switzerland and locations in Austria, enables us to address local medium-sized businesses on-site via the regional system houses and – from the perspective of the group as a whole – to attract businesses and corporations that operate on a nationwide scale and that prefer a large IT service provider as a reliable partner. Despite the great significance of decentralised responsibility and decision-making structures, the BECHTLE Group benefits from economies of scale in the field of centralised administrative tasks and the combination of purchasing and logistics processes under BECHTLE AG. Additionally, competence centres, specialised product management teams and segment heads bundle expertise that is made available centrally to all locations.

In selected business fields, the group has centrally pooled the competencies and experience for the particular market segment. This organised interaction between central support and a decentralised market approach by the system houses yields improved opportunities for growth in the respective market; for example, this is the case in the public-sector division, in software & application solutions and in the organisation of managed services.

## Human Resources

BECHTLE attaches great importance to long-term bonding of employees to the company, high motivation and a positive corporate culture. The applied management style is a key condition for a good atmosphere in the company. The company's management takes the lead in living the basic values rooted in the corporate philosophy and creates an open atmosphere of mutual trust. This includes short communication routes and open exchange between the divisions, locations and hierarchy levels. This is important in order to make existing expertise usable and to duly take both the strategic and the operational viewpoint into consideration when making decisions.

The shortage of experts is another challenge that BECHTLE is faced with. However, the limited availability of qualified staff could also represent opportunities, for example if the company can train a sufficient number of experts internally and bind employees to the company on a long-term basis. In the medium term, BECHTLE's goal is to increase the training ratio in Germany to approximately 12 per cent. Furthermore, BECHTLE intensively invests in the training of its staff members. The BECHTLE Academy, which was established in 1999, constitutes an important element in the mounting competition for future employees. The staff development department complements the activities of the BECHTLE Academy. At the same time, the academy represents a proven organisational platform for the systematic implementation of staff development measures. These measures are constantly expanded and supplemented.



See  
Management Structure,  
page 41f



See  
Competence Centres,  
page 50



*"Bechtle's employer branding is superb. And will get even better."*

**Insa Zeller**  
Head of Human Resources,  
Bechtle AG



See  
Forecast Report,  
page 138



See  
Employees,  
page 68f

## RISKS

The management believes that some of the risks described below could have a negative effect on the company's earnings, assets and financial position, its reputation and its valuation on the capital markets. Nevertheless, this list does not include all risks the BECHTLE Group is exposed to. Risks that are not yet known or risks that are currently considered to be of little significance could also impair the company's performance. Risks are often associated with opportunities, and the management must examine the individual case and decide whether to take a risk or avoid the risk and thus also miss an opportunity.

### Risk Assessment

To take suitable risk management measures, especially for risks that could endanger the going concern, identified risks are assessed on the basis of their estimated probability of occurrence and the loss amount expected upon occurrence with respect to the earnings, assets and financial position of the BECHTLE Group, and subsequently classified as "high", "medium" or "low" by means of a matrix. To ensure uniform understanding, the definitions used for the measurement are described below.

#### 55. RISK POTENTIAL PROBABILITY OF OCCURRENCE

Probability of occurrence	Description
High	Highly probable
Medium	Probable
Low	Improbable

#### 56. RISK POTENTIAL LOSS AMOUNT

Expected loss amount in the event of occurrence of the risk	Definition of the loss amount
High	Substantial detrimental effects on the earnings, assets and financial position
Medium	Some detrimental effects on the earnings, assets and financial position
Low	Low detrimental effects on the earnings, assets and financial position

#### 57. RISK MATRIX

		Expected loss amount		
		Low	Medium	High
Probability of occurrence	High	Medium risk	High risk	High risk
	Medium	Low risk	Medium risk	High risk
	Low	Low risk	Low risk	Medium risk

## Macroeconomy and Industry

Among other things, the willingness of customers to invest depends on the macroeconomic development in the individual national markets, in Europe and around the globe. Additionally, the trust that companies put in a positive economic development plays a major role. BECHTLE AG generates about two thirds of its revenue in Germany and the remaining third in markets abroad. Thus, the development of the European economy as a whole and of the German economy in particular has a key impact on the growth of BECHTLE.

In the reporting period, all countries in which BECHTLE is represented experienced positive economic growth. The figures ranged between 0.6 and 2.0 per cent in Western Europe and were much higher in some countries in Eastern Europe, in the United Kingdom and in Spain. The forecasts range from 1.3 to 4.5 per cent for 2016 and from 1.4 to 3.5 per cent for 2017. A weaker or, even worse, a declining economic trend could involve risks for the earnings, assets and financial position of the BECHTLE Group.

BECHTLE operates in a highly competitive and technologically short-lived market. Both the IT trading segment and the IT service segment are characterised by competition in terms of pricing, product quality and service quality. We are confronted with continually high price and margin pressure, partially weakening demand and growth cycles that are highly susceptible to economic trends. Furthermore, the IT market has been undergoing a period of consolidation for several years, which may culminate in stronger individual competitors and changed market shares. The company's earnings position largely depends on the extent to which BECHTLE can exploit the industry consolidation as well as its own strength to achieve above-average growth, as well as on the effectiveness and, most importantly, on the efficiency with which the group succeeds in fulfilling the customers' growing need for smarter IT solutions. This is clearly an area with opportunities for the company.

In view of the current situation, we consider the probability of occurrence of the macroeconomic and industry performance risks to be high. We cannot fully exclude the possibility of some negative effects on our business activity, our earnings, assets and financial position as well as deviations from our revenue and earnings targets. We consider this risk to be high.

To further reinforce the market position of BECHTLE AG in Europe, the company enters new national markets in the IT e-commerce segment or, within the scope of a multi-brand strategy, establishes subsidiaries in countries in which BECHTLE companies already exist. In this context, BECHTLE is confronted with political, economic and legal risks in the respective target countries. Furthermore, the establishment of new trading companies requires concerted efforts in the field of sales, which may not always be successful. The revenue and earnings could be impaired by start-up costs for the establishment and personnel, as well as investments in country-specific sales and marketing activities. Moreover, there is a risk that the selected measures could later be found to lack sustainability or fail to gain the expected market acceptance. BECHTLE AG endeavours to limit such risks and risks resulting from the legal, economic or company-specific framework conditions by means of extensive analyses and audits before entering a market, uniform investment controlling for all e-commerce companies and successive know-how transfer from previous market



*"In e-commerce, we are growing internationally."*

**Lisa Wehner**  
Sales back office,  
Stuttgart system house

launches. Moreover, the market entry strategy provides for the hiring of suitable professionals and executives who have detailed knowledge of the local market and of the other framework conditions. Therefore, executive positions in new subsidiaries are usually staffed with local managers who are first subjected to an intensive training programme in Germany. All in all, these measures create a situation in which – from the perspective of the company – the opportunities of founding a new company clearly outweigh its risks.

At present, we consider the occurrence of expansion risks to be improbable. Significant detrimental effects on the earnings, assets and financial position, as well as deviations from revenue and earnings, targets cannot be excluded. We classify this risk as a medium risk.

## Business Activity



See  
Personnel Expenses,  
page 67

**Cost structure.** The cost structure of the BECHTLE Group is characterised by a high proportion of personnel expenses whose adjustment lags behind any changes in the capacity utilisation. In phases of a weaker economy or curbed investment affinity of customers, the company can only reduce functional costs to a certain extent in the medium term without significantly modifying the employment situation, e.g. by means of short-time work or by making use of the natural fluctuation. All measures affecting the personnel expenses must always take the existing or possible future personnel risk (lack of qualified staff) into consideration. Therefore, BECHTLE wants to bond employees to the company on a long-term basis and be attractive for new applicants as a reliable employer. The often rather short-term risk of lower earnings is countered by the long-term opportunity of successful employer branding and bonding of qualified staff.

We consider the occurrence of the risk from the development of personnel expenses and of the salary level to be probable and cannot exclude the possibility of some detrimental effects on the earnings, assets and financial situation and the business activity of the BECHTLE Group. We classify this risk as a medium risk. We also classify the HR procurement risk as a medium risk, as the occurrence of this risk is probable and some negative effects on the earnings, assets and financial position as well as deviations from revenue and earnings targets cannot be excluded.

**Procurement.** The BECHTLE Group meets the risks in the supply markets with selective supplier management and a vendor-oriented organisation of Vendor Integrated Product Managers (VIPM), which ensures close interaction of the group logistics processes with vendors and distributors. However, the effectiveness of these measures is limited with respect to the development of the international supply markets. For



example, should the price slump in the industry be above average due to the aggravated competitive situation, and continue over an extended period, this could affect the group's profitability.

BECHTLE buys its products from all renowned IT vendors and distributors. Across Europe, the company cooperates with about 300 vendors and more than 1,000 distributors. Should a partner be unable to supply goods, BECHTLE can always offer comparable alternative products at short notice. In terms of its economic situation and existence, the group does not depend on any single supplier. In the event of supply bottlenecks, we counter this availability risk by means of active supplier management and adapted stock levels. The latter is possible even at short notice, especially due to the group's comfortable financial position.

We believe that risks from unilateral dependencies have a low probability of occurrence and cannot exclude the possibility of some detrimental effects on the earnings, assets and financial position as well as the business activity and deviations from earnings and revenue targets. We classify this risk as a low risk.

The development in the IT market is characterised by growing competitive pressure as well as price and margin pressure. Contrary to the trend that has been going on for many years, some vendors have been able to enforce price increases for certain product groups in recent years. In the reporting period, the prices of many products also went up due to the weak euro. BECHTLE is not always able to pass on such price increases to customers to the full extent. Therefore, especially long-term contracts and projects pose a risk to the group's earnings position. However, the experience gained over the years shows that in most cases, the pricing policy of the vendors does not affect BECHTLE'S business activity too much.

We classify the risks from the pricing policy of the vendors as low risks. We consider the occurrence of this risk to be improbable. We cannot exclude the possibility of some detrimental effects on our business activity, earnings, assets and financial position and deviations from our revenue and earnings targets.

Moreover, due to the margin pressure on the vendor side, vendors may step up their conditions for paying bonuses, reduce bonuses in general or increasingly pay in kind (e.g. in the form of free training for employees). Depending on the degree of the change, such a development could affect the earnings position of BECHTLE AG.

We consider the occurrence of this risk to be probable. We cannot exclude the possibility of critical effects on our business activity, earnings, assets and financial position and deviations from our revenue and earnings targets. We classify the risks from the bonuses granted by the vendors as high risks.



*"In the field of procurement, we collaborate with more than 1,300 partners."*

**Stephan Ostfalk**  
Account Manager, Bechtle direct

BECHTLE AG endeavours to reduce the stocks that need to be kept to the absolute minimum. Larger warehouses only exist in Neckarsulm (for Germany) and in Rotkreuz (for Switzerland). About two thirds of the stocks are products tied to specific projects, i.e. stocks that BECHTLE holds in connection with customer orders. Thus, the overall price change risk that BECHTLE is exposed to is rather limited. In relation to the yearly revenue volume, the untied stock – which is therefore exposed to the risk of devaluation – is rather low.

Nevertheless, we consider the occurrence of this risk to be highly probable and cannot exclude the possibility of substantial detrimental effects on the earnings, assets and financial position as well as deviations from revenue and earnings targets. We consider this risk to be high.



*"A fast pace in IT? We've been mastering this challenge for more than 30 years."*

**Philipp Do Castelo**

Student (integrated degree programme) Business IT, Karlsruhe system house



See

Service Spectrum  
and Processes,  
page 47 ff

**Service range.** The IT world is characterised by a high pace of technological progress, which results in constant change. As a player in this market, BECHTLE must always be ready and able to identify new trends and adapt the portfolio accordingly if necessary. At the same time, it must regularly be checked whether existing processes, workflows, products and services are still up to date. In its history of over 30 years, BECHTLE has shown that it is capable of keeping up with the high pace of the IT market and adapting to the market circumstances and customer needs at all times. Nevertheless, there is a risk of BECHTLE noticing important new trends too late and hence being unable to offer customers a state-of-the-art product portfolio. However, this risk is largely minimised by the close interaction of BECHTLE with all major vendors. Thus, BECHTLE learns of important technological innovations at a very early stage. The close contact that the sales team maintains with industry and public-sector clients also allows BECHTLE to adjust its portfolio as soon as customer demand arises.

Among other things, BECHTLE counters market risks by strengthening business areas with above-average growth potential, such as managed services, software & application solutions or mobility. With its outsourcing services, the managed services business field not only offers attractive growth perspectives, it also reduces BECHTLE'S susceptibility to short-term economic trends by means of longer contract terms. Through the development of the software & application solutions division, we have also entered niche markets with good growth potential in the CAD and SharePoint environment. The use of mobile devices is spreading rapidly. This gives rise to questions concerning the secure integration of mobile devices in existing networks and concerning the protection of data on these devices from abuse. In its mobile device management portfolio, BECHTLE offers customers intelligent solutions for this purpose. The BECHTLE Group constantly expands its solution portfolio in order to use the business synergies of the various customer segments as effectively as possible as a one-stop IT provider. However, it is also important not to lose sight of the traditional business. BECHTLE still generates a large portion of the revenue in the trading and project business. To minimise risks, BECHTLE will continue to operate on the market as a one-stop provider.

We consider the occurrence of this risk to be improbable. We cannot fully exclude the possibility of deviations from our revenue and earnings targets, and some negative effects on our business activity as well as on our earnings, assets and financial position. We consider this risk to be low.

In the IT e-commerce segment, the online shops of the ARP and BECHTLE DIRECT brands play an important role. Apart from telephone marketing by personal sales contacts, the online shops serve as the central sales instrument. The design, functionality, technology and pricing requirements for webshops are subject to constant change. Thus, the shops must be continually matched with the latest requirements for modern online procurement systems and market conditions, and be duly expanded. Failure of BECHTLE to set up the shops in a user-friendly, timely manner could entail the risk of customers placing their purchase orders somewhere else. For many years, BECHTLE has addressed this risk by means of its own web management team. The members of this team are responsible not only for the ongoing hassle-free operation of the shops, but, together with the people in charge, also for the specification of the functional requirements and the continuous implementation of the defined further developments. External service providers are engaged whenever necessary.

The occurrence of this risk is currently considered to be not improbable. The possibility of detrimental effects on the business activity, earnings, assets and financial position, as well as deviations from earnings and revenue targets, cannot be fully excluded. This risk is classified as a medium risk.

BECHTLE generates a large portion of its revenue from the sale of hardware and software. In this field, there is a risk that vendors could develop their own direct sales, establish direct business relationships with BECHTLE customers and thus compete with BECHTLE. Especially large companies are already supplied directly by vendors. However, due to its dense network of IT system houses, BECHTLE has an advantage especially in the medium-sized business segment, both in terms of customer approach and customer bonding and with respect to the delivery and performance of services. By consistently focusing on efficient sales teams, BECHTLE is determined to maintain its leading edge in the medium-sized business segment, thereby reducing the risk of vendors penetrating BECHTLE's customer base via direct sales.

We consider the occurrence of this risk to be improbable and cannot fully exclude the possibility of some negative effects on our business activity, earnings, assets and financial position and deviations from earnings and revenue targets. This risk is classified as a low risk.

In the field of managed services, long-term contracts account for the lion's share of the business. Due to the long-term commitment and generally fixed conditions, the calculation is enormously important for such projects. Moreover, such contracts contain performance requirements with regard to the project flow and observance of deadlines. Especially in the initial phase, there is a risk that the requirements cannot be fulfilled and contractually agreed penalties must be paid or the fulfilment would result in reduced earnings.

We consider the occurrence of such risks from long-term contracts to be inherently probable. We cannot exclude the possibility of substantial negative effects on our business activity, our earnings, assets and financial position as well as deviations from our revenue and earnings targets. This risk is classified as a high risk.



See Markets,  
page 55f

**Customers.** Although individual companies of the BECHTLE Group are somewhat dependent on a small number of customers, the group has a very large customer base of about 75,000 customers. Thus, our going concern does not depend on any single customer. Although there is a certain concentration of credit risks on individual key accounts, the occurrence of these risks would not endanger the group. What is more, the diversity of the industries that customers belong to spreads the risk of dependence on individual industry trends. BECHTLE meets the potential solvency risk of customers by means of careful examinations before establishing business relationships and by means of consistent receivables management.

We consider the occurrence of the risk of dependencies on individual (key) accounts to be improbable. We cannot fully exclude the possibility of moderate negative effects on our business activity, our earnings, assets and financial position as well as deviations from our revenue and earnings targets. This risk is classified as a low risk.



*"For our customers and for us,  
IT security is a must."*

**Susanne Burkhardt-Schwihe**  
Sales, Bechtle Internet &  
Security Services

**IT.** In modern enterprises, the use of IT has become indispensable. Numerous business processes are closely linked with IT systems and applications. This is also the case with BECHTLE. Accordingly, the use of IT involves risks in fields such as order processing with ERP, controlling and financial accounting. This could result in an availability risk for the smooth process of enquiry, ordering, delivery and billing if the operability of the necessary IT systems and applications is no longer guaranteed. Possible causes could be failures of hardware or network components or energy control systems, or operational errors in information and telecommunication technology.

The probability and extent of damage from viruses, Trojans and hackers is difficult to estimate. The intrusion of unauthorised parties into the IT system could result in a confidentiality risk. BECHTLE employs encryption and authentication technologies as well as firewalls to protect confidential information transmitted electronically. Despite high-level protective mechanisms and security standards, there is a danger that internal and confidential information could be used illegally.

For the BECHTLE Group, backups are a top priority. The central computing centre in Neckarsulm, which is responsible for ensuring the operability of all IT systems and applications in the group, has therefore developed a bundle of backup measures at various levels that prevent the failure of technical IT systems, or at least minimise its probability. As far as we can discern, BECHTLE is not exposed to any integrity risk from incorrect processing, loss of data or faulty storage of data.

BECHTLE protects the IT systems by means of firewalls and strict security regulations among other things. The availability of IT systems corresponds with the most up-to-date technology. Additionally, the central IT protects the operation by means of redundant data lines. At all locations, network access occurs via highly available network connections with additional separate backup lines. The stability and availability of the IT e-commerce systems is based on the latest redundant technology via multiple providers with mutual backup function. The major production systems are redundant and additionally equipped with a high availability assurance provided in the contract with the manufacturer. Moreover, the main systems are protected by an uninterruptible power supply and an emergency generator.

In our opinion, the occurrence of IT security risks is not improbable despite the measures in place, and we cannot fully exclude the possibility of substantial negative effects on our business activity, our earnings, assets and financial position, as well as deviations from our revenue and earnings targets. These risks are classified as high risks.

**Personnel.** Training, motivation and commitment of the employees are key success factors of the BECHTLE Group. Therefore, loss of expertise due to above-average fluctuation of qualified personnel and a lack of qualification and performance orientation on the part of the employees are the major personnel risks. Apart from creating a positive work environment, HR work therefore focuses on operational training and promotion of junior management staff by means of internal development programmes.



See Training,  
page 68 f

Furthermore, especially in the fast-growing business fields, there is a risk that the demand for qualified personnel cannot be met sufficiently. For this reason, BECHTLE is not only eager to sign qualified specialists and executive personnel for the company and integrate them successfully, but most importantly to bind them to the company permanently. Moreover, BECHTLE will continue to invest heavily in the training of young people. Therefore, the training ratio in Germany is to rise to about 12 per cent in the medium term. In addition, BECHTLE also endeavours to reinforce its reputation as a popular and reliable employer by means of employer branding in order to remain attractive for applicants in the future as well. The success of these measures is evident from the large number of qualified applications that BECHTLE regularly receives.

The occurrence of fluctuation risks is considered to be probable. In this field, some detrimental effects on the business activity as well as on our earnings, assets and financial position cannot be fully excluded. We classify this risk as a medium risk. We consider personnel development risks to be low. In the unlikely event of occurrence, some detrimental effects would have to be expected.

**Liability.** In the trading business, BECHTLE assumes the standard liability and provides a contractual warranty for supplied hardware and software according to its General Terms and Conditions. However, the risk of warranty claims being asserted by customers against us is low, as BECHTLE can usually forward the warranty claims to the vendors. Anyway, BECHTLE does not grant any product-specific manufacturer warranty. In case warranty extensions or expansions need to be assumed directly towards customers, BECHTLE has implemented corresponding contractual safeguards or has adequate provisions that it has recognised in its balance sheet. In the service and project business, especially in the case of managed services contracts, BECHTLE always endeavours to agree standard limitations of liability appropriate for the purpose of the contract in order to minimise liability risks. A process description that is binding throughout the group exists for the handling of liability risks. The set of rules provides the responsible parties with instructions concerning the key steps that are necessary and noteworthy for a balanced decision and economic execution of transactions with an increased liability risk under risk and opportunity considerations.





See  
D&O Insurance,  
page 76

D&O insurance pursuant to statutory regulations covers any liability claims resulting from mismanagement. The scope of the general insurance cover is checked regularly and adapted, if necessary. Thus, negative financial effects of insurable risks on the business are excluded or at least limited.

## Financial Instruments



For a quantification  
of the risks see Notes,  
page 197 ff

**Risk management.** Currency, interest rate and liquidity risks are subject to active management on the basis of guidelines that apply to the entire group. In this context, the specific requirements for the organisational separation of the operation and auditing of the functional divisions are observed.

Derivative financial instruments are used exclusively for the purpose of hedging operational underlying transactions and mission-critical financial transactions in the form of currency futures, currency options and currency and interest swaps.

The financial risk management is characterised by clear allocation of responsibilities, central rules for the fundamental limitation of financial risks, purposeful alignment of the employed instruments to the requirements of the business activity and separate monitoring by a centrally controlled treasury.



See Notes,  
Currency Risk,  
page 197 ff

**Foreign currencies.** Currency risks exist especially in areas in which receivables, debts, cash and planned transactions exist or will accrue in currencies other than the local currency of the parent company. The foreign currency risk is mainly limited to Swiss francs, as a considerable portion of the international business is generated in Switzerland. Except for Switzerland, the United Kingdom and the Eastern European countries of Poland, the Czech Republic and Hungary, procurement mainly takes place in euro countries and hence in euros. In some cases, goods are purchased in us dollars or other currencies in order to take advantage of better prices. The BECHTLE Group uses currency futures and options in order to hedge the currency risk. The hedging of generated cash flows and of assets held by foreign subsidiaries in foreign currencies is limited to Switzerland and the United Kingdom. In view of their current business volume, BECHTLE companies in Eastern European countries are excluded from this hedging. Currency futures are used in individual cases to hedge the currency risk associated with other currencies when purchasing goods or when customers pay in foreign currency. In the case of one-time amounts with usually short terms to maturity, these economic hedges are not accounted for as hedges. For projects that run over a longer period and generally have several associated hedges, the hedge accounting regulations of IAS 39 are applied. The open currency transactions and the respective receivables and liabilities are analysed on a monthly basis and tested for effectiveness.



See  
Financial Position,  
page 102 f

**Liquidity.** To ensure unlimited solvency, the company must have sufficient liquidity at all times. The liquidity situation is managed and monitored by the treasury as an integral part of group accounting. In view of the current financial position of the BECHTLE Group as of the end of the year with cash, cash equivalents, time deposits and securities worth €206.7 million (prior year: €156.0 million), unused cash and guarantee credit lines worth €34.9 million and a positive cash flow from operating activities amounting to €115.9 million (prior year: €56.0 million), the occurrence of a liquidity risk is unlikely. Moreover, BECHTLE AG has authorised capital of up to €10.5 million, which can be used to increase the equity capital base, if necessary.

The treasury department of BECHTLE AG ensures the liquidity supply for the group divisions and subsidiaries by means of cash pooling. Furthermore, it controls the interest rate risk and is responsible for the assessment, analysis and monitoring of positions subject to market risks.

**Receivables.** The solvency of our business customers plays an important role in the examination of the future risk situation. BECHTLE could be exposed to bad-debt losses because customers may be unable to meet their payment obligations in due time or in full due to inadequate financial means. Detailed monitoring of customer relationships including ongoing solvency checks and proactive receivables management help avoid risks from bad-debt losses and eliminate the need for taking out trade credit insurance.

Potential risks in connection with the investment in cash equivalents are limited by exclusively executing investments with banks with an excellent rating and within the scope of defined limits. Payment transactions, too, are only handled via banks whose rating is beyond doubt.

**Interest.** As a matter of principle, financial assets and debts with terms of more than one year involve an interest rate risk. The interest rate risks of the BECHTLE Group are centrally analysed, and the resulting measures are actively managed by the group's finance department. The procedure applied by the department is subject to regular auditing as determined by the management. The risk of interest rate fluctuations of loans with variable interest rates is eliminated by means of interest rate swaps. These interest rate swaps are accounted for as hedges.



See Assets Position,  
page 98 ff, and Notes,  
Interest Rate Risk,  
page 200

The occurrence of exchange rate, interest rate and liquidity risks and of risks from non-payment is considered to be improbable. The possibility of moderate detrimental effects on our business activity, the earnings, assets and financial position, as well as deviations from our revenue and earnings targets, cannot be fully excluded. All financial risks are classified as low risks.

## Others



See Locations,  
page 42 ff

**Acquisitions.** Since its IPO in 2000, BECHTLE AG has acquired more than 60 companies. Takeovers are an essential part of the corporate strategy, which is designed with long-term profitable growth in mind. BECHTLE intends to further strengthen and expand its market position by means of specific acquisitions. At the same time, however, the decision to purchase a company and integrate it in the group always involves an entrepreneurial risk. It is always possible that the expectations placed on the acquired company may not fully materialise. BECHTLE addresses this risk by conducting extensive due diligence audits in advance. The preparation, implementation and audit of acquisitions take place in line with defined competence arrangements and approval processes. Moreover, BECHTLE has many years of experience in integrating companies. We have established the structures and processes that are necessary for this and pursue a post-merger concept that meets the group's needs in connection with the integration of newly acquired companies in the best possible way. For BECHTLE, the opportunities that acquisitions offer clearly outweigh the risks.



*"Integrating new companies?  
No problem for us."*

**Nam Nguyen**  
Tender Management,  
Public sector division

**Environmental protection.** The group's portfolio is limited to the provision of IT services and sale of hardware and software. BECHTLE does not engage in any technological R&D or production activities. Therefore, the company is largely unaffected by environmental risks and risks resulting from changed environmental legislation.

**Taxes.** The group operates in 14 European countries and is therefore subject to different tax regulations. Changes in the tax legislation could result in higher tax expenses and higher tax payments. Furthermore, changed framework conditions could affect the tax receivables and liabilities as well as the company's deferred tax assets and liabilities. The group has a central tax department that ensures compliance with domestic tax laws and regulations. In other countries, external consultants are engaged. If this risk were to occur, it could affect the predicted earnings after taxes.

In view of the measures in place, the occurrence of this risk is improbable. The possibility of moderate detrimental effects on our business activity, the earnings, assets and financial position, as well as deviations from our revenue and earnings targets, cannot be fully excluded. We consider the risk to be low.

**Compliance.** The subject of compliance plays an important role in contracts with the public sector, but increasingly also in relationships with the private sector. Many customers expect the IT partner to be expressly committed to the observance of applicable laws and regulations and to assure compliance with

certain standards of respectable conduct. To fulfil these requirements and thus minimise the risk of potential misconduct towards business partners as far as possible, BECHTLE AG introduced a code of conduct several years ago. The purpose of this code of conduct is to ensure compliance with applicable national and international laws and regulations in all activities of the company and to define minimum standards for responsible actions. Along with the code of conduct, BECHTLE has also set up a compliance board consisting of the Executive Board of BECHTLE AG and a permanent representative of the legal department. The employees can contact the compliance board via a dedicated hotline and a special e-mail account. Reports or violations are reviewed and assessed by the compliance board, which takes suitable measures if necessary. In the reporting period, BECHTLE as a consistent further development of its own code of conduct elaborated and distributed a "code of conduct for suppliers of goods and services". This code contains the principles and minimum requirements from BECHTLE'S code of conduct that BECHTLE'S suppliers should also commit to. To limit or prevent potential misconduct of the employees in connection with the handling of confidential data within the scope of the public-sector orders as effectively as possible, BECHTLE AG and the responsible individuals in the company have undergone a security screening by the German Federal Ministry of Economics and Technology. Since then, BECHTLE AG has been party to a non-disclosure agreement with the German Federal Government. Thus, the company has established the basis for handling public-sector projects subject to non-disclosure in line with customer expectations.

In view of the measures in place, the occurrence of compliance risks from structures and processes is improbable. The possibility of moderate detrimental effects on our business activity, the earnings, assets and financial position, as well as deviations from our revenue and earnings targets, cannot be fully excluded. This risk is classified as a low risk.

**Legal environment.** Being active at an international level, the BECHTLE Group is subject to different national legislation. This may involve risks for legal transactions – e.g. in connection with the wording of contracts – which BECHTLE counters by engaging the central internal legal department or external legal advisors at an early stage whenever necessary.

At present, the company is not involved in any legal disputes that could have a noticeable negative effect on the consolidated income. BECHTLE AG will form provisions for legal disputes for all future legal disputes in connection with the group's business if liabilities are likely to result and the amount of the liabilities can be determined with reasonable certainty.

## OVERALL RISK ASSESSMENT

The evaluation of the group's overall risk situation by the Executive Board is based on an examination of all major compound and individual risks under consideration of the opportunities that arise. Compared to the prior year, there were no major changes in the overall risk position or in the risks described. The management is of the opinion that the presented risks are limited and manageable. The company boasts a sound financial basis, with a good equity ratio of 53.9 per cent (prior year: 54.5 per cent) and a comfortable liquidity situation.



Excellent credit rating



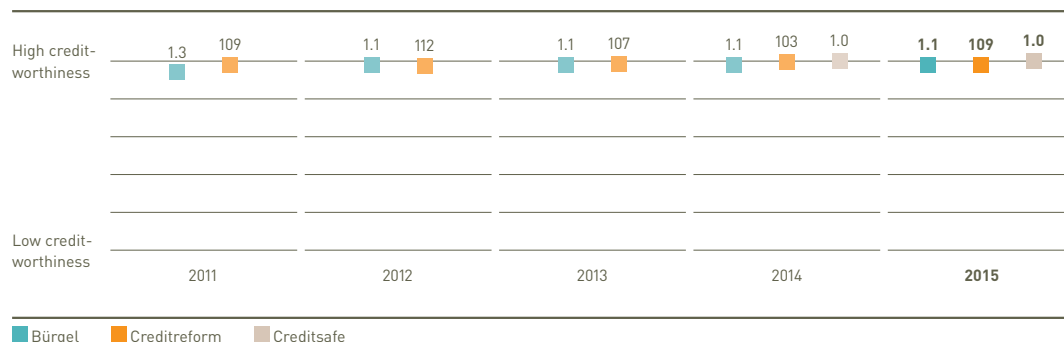
[buergel.de](http://buergel.de)

[creditreform.de](http://creditreform.de)

[www1.creditsafede.com](http://www1.creditsafede.com)

Third-party ratings are important indicators for the overall risk assessment. Apart from the company's own internal risk assessment, BECHTLE'S credit rating and aggregate credit risk are regularly appraised and monitored by banks and rating agencies. All institutions are of the opinion that BECHTLE'S probability of default is very low (as of January 2016). As in the prior year, the rating agency Bürgel gave BECHTLE a solvency index of 1.1 (1 means a very low and 5 a very high credit risk). The solvency index determined by Creditreform amounted to 109, after 103 in the prior year (100 means the lowest and 600 the highest credit risk). At Creditsafe, BECHTLE reached the top rating of 1.0, as in the prior year. Due to the sound capital structure and first-class funding of the company, BECHTLE has received excellent ratings for many years. There is no reason why this should change in the future.

### 58. CREDIT RATINGS BECHTLE AG



To date, the creditworthiness of BECHTLE AG has not been assessed by the rating agencies Standard & Poor's, Moody's Investors Service, Fitch Ratings or Dominion Bond Rating Service.

BECHTLE AG is aware of its own risk and opportunity profile for its business activities. In connection with daily updated analyses of the business performance based on operational indicators, the presented measures play a significant role in enabling BECHTLE to use the opportunities for further development of the company without losing sight of the risks involved.

Except for the risks described above, the Executive Board does not expect any other significant impairment of the company's revenue and profitability due to other risks. All in all, BECHTLE AG is not aware of any risks that could jeopardise the continued existence of the company, either alone or in combination with other risks. The Executive Board is convinced that it will be able to make use of future challenges and opportunities without taking undue risk.



*"Bechtle's future is not endangered."*

**Marc Lehmann**  
Project and Service Management,  
Stuttgart system house



## SUPPLEMENTARY REPORT

### IMPORTANT EVENTS AFTER THE BALANCE SHEET DATE

BECHTLE AG did not experience any special events after the balance sheet date 31 December 2015 that would have affected the company's earnings, assets and financial position.

## FORECAST REPORT

Bechtle is a fast-growing enterprise with a long-term strategic focus. To us, the plans for individual fiscal years represent intermediate steps towards our long-term goals. Our economic goals are specified in the Vision 2020, which was formulated back in 2008. The target figures documented here – 10,000 employees generate revenue of €5 billion with an EBT margin of 5 per cent – are clear guidelines for the company's business policy in the coming years.

### FRAMEWORK CONDITIONS

According to the forecast of the European Commission, the economy in the EU will grow 1.9 per cent in 2016, exactly as in the prior year. The outlook within the BECHTLE markets in the EU is also good. Belgium and France are to perform at the bottom of the scale, though this still means a growth of 1.3 per cent. As in 2015, Ireland will be the top performer, with 4.5 per cent. The forecast for investments in equipment is even more optimistic. Throughout the EU, this figure is to increase 4.8 per cent, thereby exceeding the dynamics of 2015. Government investments in the EU are expected to grow 1.3 per cent. In 2017, GDP in the EU is to grow by another 2.0 per cent. The European Commission expects investments in equipment to grow by as much as 5.6 per cent.

Following the difficulties experienced in 2015, the Swiss expert group for federal economic forecasts predicts an upturn for Switzerland in the current year. GDP growth is expected to amount to 1.5 per cent. However, investments in equipment are merely expected to develop at a below-average rate of 1.2 per cent. In 2017, the growth of GDP is to amount to 1.9 per cent, and that of investments in equipment to 2.0 per cent.

The economic development in Germany will pick up slightly in 2016. The European Commission predicts GDP growth of 1.8 per cent, compared to 1.7 per cent in the reporting period. Investments in equipment will go up 2.6 per cent, and government expenditure 3.1 per cent. For 2017, the European Commission again expects GDP in Germany to grow 1.8 per cent. Investments in equipment are again expected to increase at an above-average rate of 4.5 per cent, and government expenditure 2.5 per cent.

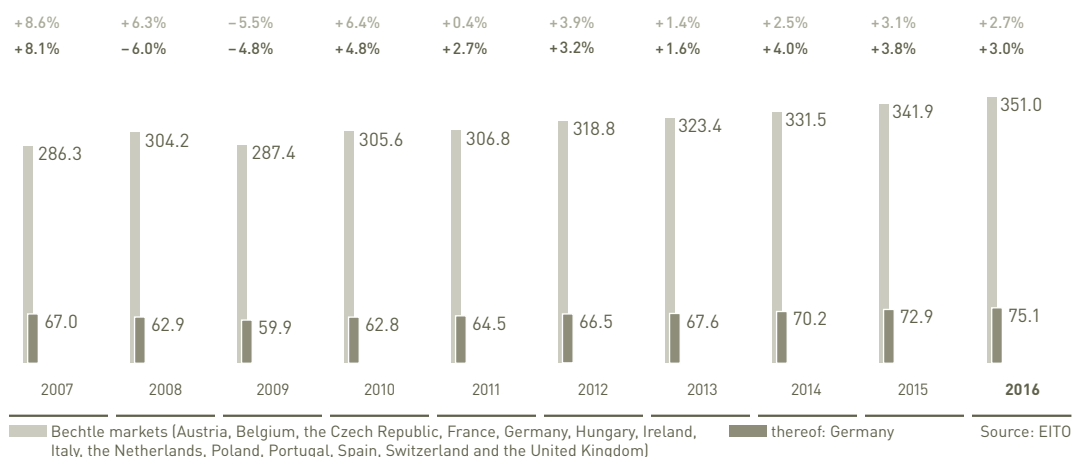
According to the figures of EITO, the IT market in the EU is to grow 2.4 per cent in 2016, after 3.6 per cent in the reporting period. Hardware revenues, which had been predicted to drop in 2015, but then surprisingly gained 5.3 per cent, are expected to decline 1.4 per cent in 2016. Services are to grow 2.7 per cent, and software 4.9 per cent. In the countries in which BECHTLE operates, hardware revenues are expected to diverge greatly. Germany is predicted to grow 0.2 per cent, Hungary 1.3 per cent, and Ireland a remarkable 5.5 per cent. Negative figures are projected for all other countries. The bottom end of the range includes Italy with

minus 4.4 per cent, the Czech Republic with minus 4.8 per cent, and Spain with minus 5.8 per cent. The growth forecasts for software do not diverge so much. They are all positive, from 1.4 per cent in Italy to 6.5 per cent in the UK. In Austria, the dynamics will recede slightly in 2016, though this will be due exclusively to an expected deterioration of the hardware market. For the IT market as a whole, a growth of 2.3 per cent is predicted, compared to 3.7 per cent in the prior year. At minus 0.6 per cent, hardware revenues are to experience negative growth. The growth figures predicted for services (2.6 per cent) and software (3.9 per cent) more or less correspond to those of the prior year. In Switzerland, the IT market growth expected for 2016 is approximately the same as in the prior year. Hardware revenues are to decline for the fourth year in a row, this time by 2.2 per cent. Services are to grow 3.0 per cent, and software 6.2 per cent.

In 2016, the German IT market is again expected to grow at a very high rate of 3.0 per cent, though not quite as dynamically as in the prior year (3.8 per cent). Here too, the cause is exclusively related to the hardware segment. The predicted growth for this segment is only 0.2 per cent. Especially the PC market is expected to continue to lose momentum, and a drop is also expected in the field of printer revenues. By contrast, other product groups are to grow, in some cases even significantly. For services and software, forecasts predict growth of 3.0 and 5.4 per cent, respectively, exactly as in the prior year.

#### 59. IT EXPENDITURE IN THE BECHTLE MARKETS 2007–2016

€b



With respect to the future economic situation predicted for the relevant national markets, the BECHTLE Group does not expect any major impact on the demand situation due to changes in legal framework conditions or the implementation of environmental policy measures. The exchange rate development does not play a major role in most countries, as they belong to the euro area and purchases are thus performed and billed in euros. In Switzerland, the strong Swiss franc resulted in a deterioration of the economic situation in the reporting period and thus in a weaker demand behaviour of IT customers. Though the development is expected to be slightly more positive in 2016, it is still clouded.

## GROUP PERFORMANCE

## Products and Markets

Due to the ongoing consolidation, the European IT market and especially the German market will remain dynamic. Especially smaller providers will continue to have difficulties offering their customers services in the needed breadth and depth. The associated concentration trends will heat up the competition and result in constant price pressure in the industry. BECHTLE AG will benefit from this development due to its financial strength, its competitive position, its decentralised structure and its close link to medium-sized industrial enterprises. Therefore, we are confident that we will be able to continue to expand our market share at a disproportionately high rate. In this connection, the product and service offering and the market presence are to continue to be expanded through selective acquisitions.

To take technological trends in the field of IT into account and to meet growing customer requirements, BECHTLE is busy developing and establishing a product and service portfolio that consistently focuses on customer benefits. With its wide geographic presence and large sales force that maintains regular customer contacts, BECHTLE is keenly aware of the needs and preferences of companies and public-sector clients. Generally, the expansion of the range of special IT solutions will play a key role in the IT system house & managed services segment in the years to come. In this context, we regard subjects such as mobility, security, storage, cloud computing and IT as a service as market drivers. Moreover, the digitalisation trend and Internet of Things will play a major role. BECHTLE boasts an excellent position in all of the said areas and is always able to offer customers solutions that satisfy the latest technological standards. The orientation of our portfolio is always aligned with our customers' demands. BECHTLE is determined to fulfil all customer needs – regardless of what the current trends are.

To a certain extent, the high innovation rate in the IT industry, which is driven by the technological progress, is unlikely to abate regardless of the macroeconomic situation. BECHTLE is therefore continuously intensifying its close collaboration with external partners, such as manufacturers and distributors, in the field of procurement and logistics. The interlinking with these partners throughout Europe is to be further improved, especially through our partner programmes. The goal is to develop collaboration synergies by means of uniform purchasing conditions, product specifications and marketing measures at an international level. Multinational enterprises thus benefit from the advantages of central logistics, and BECHTLE is able to guarantee the supply of identical products to customers at fixed conditions across national borders. Especially the close contact with vendors enables BECHTLE to offer customers state-of-the-art solutions and products at all times.

The BECHTLE Group strives to expand its market position in the IT e-commerce segment by establishing additional subsidiaries in Europe. However, no specific steps are planned in this area for the fiscal year 2016. Rather, we will focus on the further successful development of the existing companies. Additionally, we will concentrate on promoting the internationalisation by means of our Global IT Alliance. Thanks to our existing partnerships for the US market, Scandinavia, the Baltic states, Australia, New Zealand, Japan, China and South Africa as well as the new partners gained in Brazil and Mexico in the current year, we are represented in most of the relevant economic regions around the globe.



See Service Spectrum  
and Processes,  
page 47 ff



*"Our solutions are always  
state of the art."*

**Victoria Onyeocha**  
Marketing and Project  
Management,  
Bechtle Managed Services AG



See Locations,  
page 45

## Key Performance Indicators



*"What else would you expect?, Bechtle is clearly growing faster than the market."*

**Mertcan Kabaktepe**  
Trainee in IT systems  
management,  
Stuttgart system house

**Revenue.** Since 2010, BECHTLE AG has outperformed the IT market by significantly increasing its revenue at a compound annual growth rate (CAGR) of about 10 per cent. From 2005 to 2015, CAGR was approximately 9 per cent. In 2016, we again intend to grow faster than the IT market. Apart from increased sales activities and the resulting greater market penetration, our intercontinental partnerships are to contribute to this growth in the IT e-commerce segment. This goal will also be supported by a very broad, optimised service portfolio that is aligned with customer needs, continuous expansion of the activities in the software & application solutions and managed services divisions and, as a matter of principle, concentration on fast-growing technology themes in the system house segment. Therefore, we are confident that we will be able to increase our revenue noticeably in 2016 compared to the reporting period. In its Vision 2020, BECHTLE targets consolidated revenue of €5 billion, which means an average annual growth of about 12 per cent through organic development as well as acquisitions.

In the coming years, the regional distribution will not undergo any major shifts. Due to the advancing internationalisation of the business and the strong growth of the foreign IT e-commerce companies, the group is experiencing an increase in the revenue generated abroad. On the other hand, the growth on the traditional home market will continue as a result of the strong competitive position and the market share gains.

**Costs.** The development of the cost of sales will be more or less parallel to that of the revenue. Therefore, we anticipate a gross margin of about 15 per cent, as in 2015. For BECHTLE AG as a service provider, personnel expenses are of central importance. These expenses represent the largest cost items, accounting for approximately 80 per cent of the distribution costs and almost 70 per cent of the administrative expenses. Due to BECHTLE'S consulting-intensive business model and the shortage of qualified staff in some areas, flexible adjustment of the personnel expenses is not possible in some areas. To BECHTLE, continuity – as an employer and in its customer relationships – is far more important than short-term cost optimisation. In the field of sales, the expenses are also closely related to the revenue performance. Especially in e-commerce, further growth can only be achieved with larger sales teams. In view of the growth in the group, the management expects the absolute expenses for the two functional areas sales and administration to further increase throughout this year and next. However, as we endeavour to prevent above-average growth, the ratios of these two items will at least remain at the levels of the reporting period, i.e. at below 7 per cent and below 5 per cent of the revenue, respectively.

**Earnings.** Following the highly dynamic development in the two prior years, in which the earnings increased significantly by about 20 per cent, the Executive Board expects the dynamics to slacken in 2016. Nevertheless, our goal is to clearly surpass the prior-year earnings at group and segment level. In the IT system house & managed services segment, we want to step up the share of higher-margin services, thereby continually improving the EBT margin. In e-commerce, the main objective is to maintain the high level, which has been achieved especially through efficient processes and modern logistics. For both segments and thus for the

group as a whole, we are confident that the EBT margin in 2016 will develop at the prior-year level. No major earnings effects are expected from the currency translation of Swiss francs or other currencies relevant to BECHTLE, as exchange rate fluctuations are hedged. All in all, the Executive Board is confident that in future, BECHTLE AG will continue to be able to further expand its EBT margin, which is already above the industry average. Until 2020, the targeted margin for the group is about 5 per cent. For this, EBT would require CAGR of about 14 per cent. From 2010 to 2015, we achieved CAGR of almost 16 per cent.

BECHTLE AG plans to continue to share its entrepreneurial success with its shareholders in the form of an attractive dividend. The dividend policy is mainly aligned with the group's earnings and liquidity position and provides for a dividend payout ratio of about one third of the earnings after taxes. The current dividend proposal of €1.40 per share for the fiscal year 2015 represents a ratio of 31.7 per cent, a figure that fully reflects the corporate policy. Since its IPO, BECHTLE has paid out a dividend every year and has regularly increased it. So far, the dividend has never declined. This underscores the reliability of the shareholder-oriented distribution policy of BECHTLE AG. There are no plans for fundamental changes to the company's dividend policy.

## Assets and Financial Position

**Liquidity.** BECHTLE AG has a healthy balance sheet structure and outstanding liquidity. This financial strength is an important precondition that enables BECHTLE to continuously grow under its own steam and respond flexibly to market requirements. The high liquidity, in particular, provides a competitive advantage. The financial position and the stability of the IT partner is another key decision-making criterion from the customer perspective, especially in connection with the award of long-term projects. Therefore, BECHTLE will continue to attach special importance to cash management. The development of the key performance indicators is proof of the company's successful liquidity management and is to be kept up. In view of the outstanding balance sheet ratios, BECHTLE AG has a substantial "rating-neutral" borrowing potential, in addition to free liquidity of €206.7 million. Combined with the continued positive development of the operating cash flow, BECHTLE thus has the leeway needed for attaining its goals and financing the targeted above-average growth without any difficulties and even under its own steam.

**Financing.** In 2016, liabilities and the associated interest payments are not going to undergo any material changes, except in the case of acquisitions. In 2016, smaller acquisitions can at any time be financed from the current cash flow and available liquidity, as in the past, or by raising debt capital (as in the reporting period). BECHTLE has unused cash and guarantee credit lines worth €34.9 million. The takeover of larger companies could result in a more drastic cash outflow, though in such a case, financing with debt capital would be more likely, at least to a certain extent. The company could also resort to the equity financing options according to the adopted General Meeting resolutions. Until June 2019, the Executive Board is authorised to increase the issued capital by issuing up to 10.5 million shares against cash or in-kind contributions.



Provided that no major takeovers occur in 2016, the balance sheet structure will not undergo any significant changes compared to the reporting date 31 December 2015.



*"Room for further growth:  
Bechtle is expanding again  
in Neckarsulm."*

**Alexandra Leonelli**  
Sales back office,  
Stuttgart system house

**Investments.** The business of BECHTLE AG, which comprises IT product trading and IT services, does not require high investments. In recent years, BECHTLE'S investment ratio remained largely constant. The ratio was significantly higher in 2011. Among other things, this was because of the extension built at the headquarters in Neckarsulm and the new buildings in Freiburg and Karlsruhe. To a certain extent, these construction measures also affected the fiscal year 2012. Since 2013, there have not been any comparable investments. The logistics building at the headquarters in Neckarsulm is currently being extended. This measure is necessary in order to ensure BECHTLE'S further growth. The construction work, which comprises an investment volume of about €10 million, started in February 2016. The Executive Board therefore expects the investment ratio in the current year to be slightly above the usual level of about 20 per cent.

Acquisitions will remain an integral part of the growth strategy in all business fields. In IT e-commerce, however, the Executive Board relies mainly on organic growth, also by founding new companies, and on impulses from the Global IT Alliance. In the IT system house & managed services segment, though, selective acquisitions will supplement the regional positioning and competence profile of BECHTLE AG in a meaningful way.

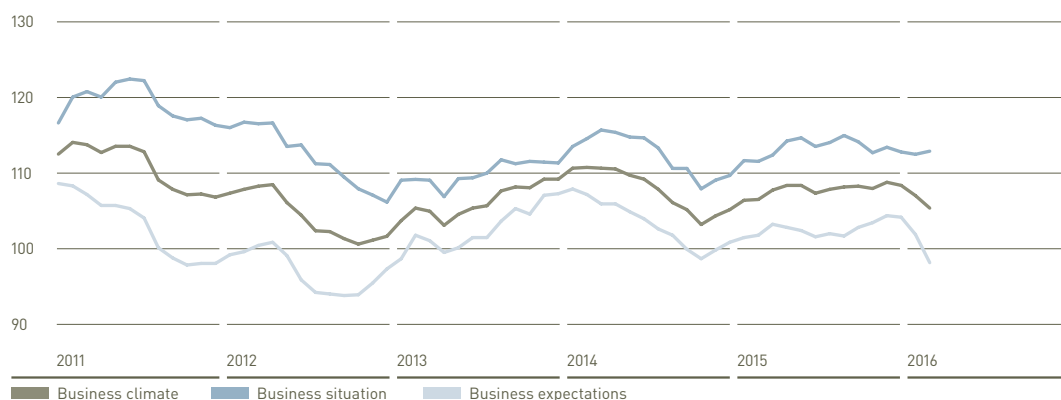
Staff development and training will continue to play an important role in the group. With an expanded range of training measures and consistent continuation of the internal management programmes, BECHTLE intends to continue to invest in the development of junior and executive staff. The Executive Board also plans to increase the headcount in 2016, regardless of acquisitions. Nevertheless, the increase is to remain below the revenue growth. Training young people will remain a central aspect of BECHTLE'S HR policy. In this connection, BECHTLE AG has adopted the medium-term goal of expanding the training ratio in Germany to approximately 12 per cent in order to safeguard its future.

## OVERALL ASSESSMENT

As of early 2016, the macroeconomic situation remains positive, and the forecasts provide for growth dynamics at the level of the reporting period. Significant GDP growth is anticipated for all relevant European countries in 2016 and 2017. In view of the numerous global crisis spots that still exist – especially the ongoing conflict in Syria and the associated stream of refugee as well as the worries about the future of the EU (including a possible Brexit) – these forecasts however are subject to major uncertainties. Not surprisingly, the mood in the economy deteriorated at the beginning of the year. In the first quarter of 2016, the ifo indicator for the economic climate in the euro area dropped for the third time in a row. As a whole, however, the level of 118.9 is still above that of the corresponding prior-year quarter. In Germany, the ifo business climate index for the commercial economy went down in January and February. While the evaluation of the current situation only declined slightly in January and in February even increased, the expectations experienced a more significant decline, falling back in February on the lowest level for the last three years.



### 60. IFO BUSINESS CLIMATE INDEX FOR THE COMMERCIAL ECONOMY IN GERMANY



In the IT industry, the picture is marked by restrained optimism. Following a significant increase towards the end of the year, the ifo index for IT service providers underwent a slight decline from 42 to 39 in January. Nevertheless, this value is above the level of 34 in January 2015. In February, the index maintained its level. The evaluation of the current situation, however, fell back clearly by 10 points while the outlook for the next six months increased at the same level.

Considering the sound economic situation in Germany and in the EU, the Executive Board is confident that the willingness of customers to invest will remain high. Though the dynamics on the IT market are predicted to be weaker than in the reporting period, we expect the business performance of BECHTLE AG to remain positive and above the industry average.

## 61. OVERVIEW OF FORECASTS ON THE EARNINGS POSITION FOR 2016

	Group	IT system house & managed services	IT e-commerce
Revenue	Significant increase over 2015	Significant increase	Significant increase
Cost of sales	In line with the revenue		
Gross margin	About 15 per cent		
Distribution cost ratio	< 7 per cent		
Administrative expense ratio	< 5 per cent		
EBT	Significant increase over 2015, though with lower growth dynamics	Significant increase, though with lower growth dynamics	Significant increase, though with lower growth dynamics
EBT margin	Prior-year level	Prior-year level	Prior-year level
Dividend	Dividend payout ratio of about one third of the EAT		

## Consolidated Financial Statements

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BECHTLE

Further Information

BE

**€129,404,000**

Earnings before taxes: 19.3 per cent more than in the prior year.

You can find the consolidated income statement on page 142.

**4, 2, 6**

Four additions, two disposals:

Our scope of consolidation has undergone six changes.

See page 154



Cross reference  
within the Annual Report



Cross reference  
to other printed works  
and other literature



Cross reference  
to information on the Internet



Reference to non-financial  
performance indicators

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The list of charts and tables on page 241 takes you directly to the 74 charts and tables.

# Consolidated Financial Statements

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## Further Information

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The glossary on page 238 explains 54 specialised terms.



## 62. CONSOLIDATED INCOME STATEMENT

		€k	
	Notes	2015	2014
Revenue	1	2,831,303	2,580,448
Cost of sales	2	2,401,917	2,197,212
<b>Gross profit</b>		<b>429,386</b>	<b>383,236</b>
Distribution costs	2	182,806	166,556
Administrative expenses	2	138,415	124,001
Other operating income	3	21,319	15,819
<b>Earnings before interest and taxes</b>		<b>129,484</b>	<b>108,498</b>
Financial income	4	2,607	1,944
Financial expenses	4	2,687	3,057
<b>Earnings before taxes</b>		<b>129,404</b>	<b>107,385</b>
Income taxes	5	36,527	31,191
<b>Earnings after taxes (attributable to shareholders of Bechtle AG)</b>		<b>92,877</b>	<b>76,194</b>
<b>Net earnings per share (basic and diluted)</b>	€ 6	<b>4.42</b>	<b>3.63</b>
<b>Weighted average shares outstanding (basic and diluted)</b>	in thousands	<b>21,000</b>	<b>21,000</b>



See  
further comments  
in the Notes,  
in particular III.,  
page 164 ff

## 63. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		€k	
	Notes	2015	2014
<b>Earnings after taxes</b>		<b>92,877</b>	<b>76,194</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>			
Actuarial gains and losses on pension provisions	17	-6,311	-6,020
Income tax effects		989	1,231
<b>Items that will be reclassified to profit or loss in subsequent periods</b>			
Unrealised gains and losses on securities		-49	-273
Income tax effects		3	23
Unrealised gains and losses on financial derivatives		388	5,215
Income tax effects		-100	-1,540
Currency translation differences of net investments in foreign operations		0	42
Income tax effects		0	0
Hedging of net investments in foreign operations		-5,387	-1,466
Income tax effects		1,596	428
Currency translation differences		7,849	1,697
<b>Other comprehensive income</b>	16	<b>-1,022</b>	<b>-663</b>
of which income tax effects		2,488	142
<b>Total comprehensive income (attributable to shareholders of Bechtle AG)</b>		<b>91,855</b>	<b>75,531</b>



See  
further comments  
in the Notes,  
in particular IV. no. 16  
page 176 ff

## 64. CONSOLIDATED BALANCE SHEET

## ASSETS

€k

	Notes	31.12.2015	31.12.2014
<b>Non-current assets</b>			
Goodwill	7	166,398	144,499
Other intangible assets	8	29,161	19,980
Property, plant and equipment	9	101,870	104,224
Trade receivables	12	22,020	19,774
Income tax receivables		33	57
Deferred taxes	10	4,425	3,722
Other assets	14	3,495	2,676
Time deposits and securities	13	16,999	27,008
<b>Total non-current assets</b>		<b>344,401</b>	<b>321,940</b>
<b>Current assets</b>			
Inventories	11	150,415	131,165
Trade receivables	12	406,167	387,828
Income tax receivables		1,055	1,196
Other assets	14	58,738	45,469
Time deposits and securities	13	24,894	22,272
Cash and cash equivalents	15	164,767	106,720
<b>Total current assets</b>		<b>806,036</b>	<b>694,650</b>
<b>Total assets</b>		<b>1,150,437</b>	<b>1,016,590</b>



See  
further comments  
in the Notes,  
in particular IV.,  
page 168 ff

## EQUITY AND LIABILITIES

€k

	Notes	31.12.2015	31.12.2014
<b>Equity</b>			
Issued capital		21,000	21,000
Capital reserves		145,228	145,228
Retained earnings		454,423	387,768
<b>Total equity</b>	<b>16</b>	<b>620,651</b>	<b>553,996</b>
<b>Non-current liabilities</b>			
Pension provisions	<b>17</b>	15,899	11,990
Other provisions	<b>18</b>	5,978	4,836
Financial liabilities	<b>19</b>	56,393	47,522
Trade payables	<b>20</b>	360	269
Deferred taxes	<b>10</b>	20,927	17,266
Other liabilities	<b>21</b>	7,293	2,652
Deferred income	<b>22</b>	12,346	11,343
<b>Total non-current liabilities</b>		<b>119,196</b>	<b>95,878</b>
<b>Current liabilities</b>			
Other provisions	<b>18</b>	6,416	6,239
Financial liabilities	<b>19</b>	9,627	12,711
Trade payables	<b>20</b>	204,067	178,644
Income tax payables		8,176	6,418
Other liabilities	<b>21</b>	104,052	95,695
Deferred income	<b>22</b>	78,252	67,009
<b>Total current liabilities</b>		<b>410,590</b>	<b>366,716</b>
<b>Total equity and liabilities</b>		<b>1,150,437</b>	<b>1,016,590</b>

## 65. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€k

	Issued capital	Capital reserves	Retained earnings			Total equity (attributable to shareholders of Bechtle AG)
			Accrued profits	Changes in equity outside profit or loss	Total	
Equity as of 1 January 2014	21,000	145,228	334,438	899	335,337	501,565
Distribution of profits for 2013			-23,100		-23,100	-23,100
Earnings after taxes			76,194		76,194	76,194
Other comprehensive income				-663	-663	-663
Total comprehensive income	0	0	76,194	-663	75,531	75,531
Equity as of 31 December 2014	21,000	145,228	387,532	236	387,768	553,996
Equity as of 1 January 2015	21,000	145,228	387,532	236	387,768	553,996
Distribution of profits for 2014			-25,200		-25,200	-25,200
Earnings after taxes			92,877		92,877	92,877
Other comprehensive income				-1,022	-1,022	-1,022
Total comprehensive income	0	0	92,877	-1,022	91,855	91,855
Equity as of 31 December 2015	21,000	145,228	455,209	-786	454,423	620,651



See further  
comments  
in the Notes,  
in particular  
IV. no. 16,  
page 176 ff

## 66. CONSOLIDATED CASH FLOW STATEMENT

		€k	
	Notes	2015	2014
<b>Operating activities</b>			
<b>Earnings before taxes</b>		<b>129,404</b>	<b>107,385</b>
Adjustment for non-cash expenses and income			
Financial earnings		80	1,113
Depreciation and amortisation of intangible assets and property, plant and equipment		26,436	23,753
Gains and losses on disposal of intangible assets and property, plant and equipment		3	20
Other non-cash expenses and income		-4,055	3,848
<b>Changes in net assets</b>			
Changes in inventories		-16,872	-24,217
Changes in trade receivables		-10,198	-58,053
Changes in trade payables		22,129	4,790
Changes in deferred income		6,616	20,009
Changes in other net assets		-1,685	7,398
Income taxes paid		-35,913	-30,081
<b>Cash flow from operating activities</b>	<b>23</b>	<b>115,945</b>	<b>55,965</b>
<b>Investing activity</b>			
Cash paid for acquisitions less cash acquired		-20,735	-3,501
Cash received from divestments		2,446	0
Cash paid for investments in intangible assets and property, plant and equipment		-21,361	-23,614
Cash received from the sale of intangible assets and property, plant and equipment		2,295	402
Cash paid for the acquisition of time deposits and securities		-4,500	-17,014
Cash received from the sale of time deposits and securities, and from redemptions of non-current assets		11,800	17,595
Settlement of net investment hedges		-5,387	-1,466
Interest payments received		962	1,745
<b>Cash flow from investing activities</b>	<b>24</b>	<b>-34,480</b>	<b>-25,853</b>
<b>Financing activities</b>			
Cash paid for the repayment of financial liabilities		-14,591	-11,718
Cash received from the assumption of financial liabilities		17,138	7,678
Dividends paid		-25,200	-23,100
Interest paid		-3,015	-2,833
<b>Cash flow from financing activities</b>	<b>25</b>	<b>-25,668</b>	<b>-29,973</b>
Exchange-rate-related changes in cash and cash equivalents		2,250	743
<b>Changes in cash and cash equivalents</b>		<b>58,047</b>	<b>882</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>106,720</b>	<b>105,838</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>164,767</b>	<b>106,720</b>



See  
further comments  
in the Notes,  
in particular V.,  
page 192f



## NOTES

### I. GENERAL DISCLOSURES

BECHTLE AG, Bechtle Platz 1, 74172 Neckarsulm, Germany, is a joint stock corporation under German law. Through its subsidiaries, BECHTLE AG operates IT system houses in Germany, Belgium, Austria and Switzerland, and is active in the IT trading business as an IT e-commerce provider in 14 European countries. In this way, the group offers its customers a comprehensive portfolio of IT infrastructure and IT operation solutions from one source.

BECHTLE has been quoted at the Frankfurt Stock Exchange (Prime Standard) since 2000 and listed in the TecDAX technology index since 2004. The company's shares are traded at all German stock exchanges.

The Consolidated Financial Statements of BECHTLE AG for the fiscal year 2015 were released for publication on 29 February 2016 by the Executive Board (IAS 10.17).



[bechtle.com/investors/  
corporate-governance/](http://bechtle.com/investors/corporate-governance/)

BECHTLE AG has issued a declaration of conformity with the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act (AktG). An up-to-date version of the declaration was published on the company's website.

### II. SUMMARY OF KEY PRINCIPLES OF ACCOUNTING AND CONSOLIDATION

#### Basis of Preparation

The parent company BECHTLE AG is a listed company and as such required under Section 315a of the German Commercial Code (HGB) to prepare its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as endorsed by the European Union. All International Financial Reporting Standards whose adoption is mandatory for the fiscal year 2015 have been adopted. The International Financial Reporting Standards adopted ahead of time are listed in the disclosures on the new accounting standards. Furthermore, the disclosures required pursuant to Section 315a (1) of the German Commercial Code (HGB) are presented in the Notes.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments, which have been measured at fair value. The presentation in the balance sheet distinguishes between current and non-current assets and liabilities. Assets and liabilities with a maturity

of up to one year are considered as current items. Deferred tax assets and liabilities and provisions for defined benefit plans are presented as non-current items. The income statement is prepared according to the function of expense method. The consolidated financial statements are presented in euros and rounded to the nearest thousand (€ thousand). Any deviations are explicitly indicated.

## New Accounting Pronouncements

**New/amended standards and interpretations adopted for the first time.** In the period under review, BECHTLE adopted the new and revised standards and interpretations of the following new accounting pronouncements, which had been published by the IASB/IFRIC and endorsed by the EU, for the first time. The effective dates specified for the mandatory adoption also originate from the respective EU directive:



efrag.org

Pronouncement	Publication by IASB/IFRIC	Endorsement (EU)	Effective date (EU) <sup>1</sup>
<b>Voluntary adoption of pronouncements ahead of time</b>			
Amendments to IAS 1 Presentation of Financial Statements	18 December 2014	18 December 2015	01 January 2016
Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets	12 May 2014	02 December 2015	01 January 2016
Amendments to IAS 19 Employee Benefits	21 November 2013	17 December 2014	01 February 2015
Amendments to IFRS 11 Joint Arrangements	06 May 2014	24 November 2015	01 January 2016
Amendments to IFRS: Improvements to International Financial Reporting Standards, 2010–2012 Cycle	12 December 2013	17 December 2014	01 February 2015
Amendments to IFRS: Improvements to International Financial Reporting Standards, 2011–2013 Cycle	12 December 2013	18 December 2014	01 January 2015
Amendments to IFRS: Improvements to International Financial Reporting Standards, 2012–2014 Cycle	25 September 2014	15 December 2015	01 January 2016

<sup>1</sup> Must be adopted at the latest at the beginning of the first fiscal year commencing on or after the said date.

**Amendments to IAS 1 Presentation of Financial Statements.** The amendments within the scope of the initiative to improve disclosure obligations concern clarifications of the materiality of the presentation of items in the balance sheet, statement of comprehensive income, cash flow statement, statement of changes in equity and disclosures in the notes. BECHTLE does not expect any material effects on the presentation of the financial statements due to the adoption of these amendments.

**Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets.** The amendments contain clarifications of appropriate methods of depreciation and amortisation for property, plant and equipment and intangible assets. Depreciation and amortisation of property, plant and equipment on the basis of the revenue generated with goods manufactured with them are expressly not appropriate. Revenue-based depreciation and amortisation of intangible assets is permissible only if the value of the asset can be directly expressed by the revenue generated or if it can be demonstrated that the revenue achieved and the wear and tear of the intangible assets are highly correlated. As the BECHTLE Group depreciates property, plant and equipment and amortises intangible assets on a straight-line basis according to their scheduled useful life, the first-time adoption does not affect BECHTLE'S assets or earnings position.

**Amendments to IAS 19 Employee Benefits.** The amendments to IAS 19 simplify the accounting for certain employee contributions. If the employee contributions are independent of the number of years of service, said contributions may be deducted from the service cost in the period in which the related service is rendered. For BECHTLE, the adoption of these amendments does not have any consequences regarding the assets, earnings and financial position and their presentation.

**Amendments to IFRS 11 Joint Arrangements.** The amendments show that the acquisition of interests in a joint activity that is a business must be accounted for according to IFRS 3. From the current perspective, these amendments do not affect BECHTLE, as there are no joint activities with parties outside the group.

**Amendments to IFRS: Improvements to International Financial Reporting Standards, 2010–2014 Cycles.** Within the framework of the annual amendment procedure, amendments of a minor scope and urgency are collected and issued once a year in a single omnibus standard. These amendments primarily concern the elimination of inconsistencies between various standards and imprecise formulations. For BECHTLE, the first-time adoption of these amendments to the IFRS does not result in any significant consequences or changes regarding the assets, earnings and financial position and their presentation.

BECHTLE had already adopted the new and amended standards and interpretations whose adoption is mandatory for fiscal year 2015 ahead of time for the consolidated financial statements for the fiscal year 2014.

**New/amended standards and interpretations not yet adopted.** IASB and IFRIC have released further standards and interpretations whose adoption is not yet mandatory ("effective date") or that have not yet been endorsed by the EU. Where the endorsement has yet to take place, the date for the mandatory

adoption is derived from the respective pronouncements of IASB/IFRIC. If endorsed later on, the EU directive may specify a different date for the mandatory adoption:

Pronouncement	Publication by IASB/IFRIC	Endorsement	Effective date <sup>1</sup>
<b>Published pronouncements not yet adopted</b>			
IFRS 9 Financial Instruments	24 July 2014	Open	01 January 2018
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures	11 September 2014	Open	Open
Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures	18 December 2014	Open	01 January 2016
IFRS 15 Revenue from Contracts with Customers	28 May 2014	Open	01 January 2018
IFRS 16 Leases	13 January 2016	Open	01 January 2019

<sup>1</sup> Must be adopted at the latest at the beginning of the first fiscal year commencing on or after the said date.

**IFRS 9 Financial Instruments.** The final version of IFRS 9 Financial Instruments contains the revised regulations concerning the classification and measurement of financial instruments, accounting of impairment of financial assets and hedge accounting. The standard is to fully replace IAS 39.

The new regulations for the classification and measurement of financial instruments no longer contain the categories “available for sale” and “held to maturity” from IAS 39. Apart from the measurements “at amortised cost” and at “fair value through profit or loss (FVtPL)”, it will henceforth be possible to account for financial instruments at “fair value through other comprehensive income (FVtOCI)”.

The categorisation is based on the following conditions:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (cash flow characteristics test).
- The objective of the entity's business model is to both collect the contractual cash flows generated by financial assets and sell financial assets (business model test).

All financial instruments for which the cash flow condition is not met are automatically accounted for at fair value through profit or loss. By way of exception, changes of the fair value of equity instruments not held for trading can be recognised in other comprehensive income. If the cash flow condition is deemed met and the financial instrument is held for the purpose of collecting the contractual cash flows, the financial instrument shall be accounted for at amortised cost. If the financial instrument is also held for sale, it shall be accounted for at fair value outside profit or loss. In both cases, however, IFRS 9 contains an option that shall be exercised upon initial recognition, according to which value changes may be entered in the earnings for the period if this would prevent an inconsistency in the measurement or recognition (fair value option).

The debt instruments held by BECHTLE fulfil the cash flow condition, and the business model does not provide for their sale. Therefore, the measurement of the instruments shall continue at amortised cost as previously. As the securities held by BECHTLE fulfil both the business model condition and the cash flow condition, they can be measured at fair value through other comprehensive income, as was already the case according to the provisions of IAS 39.

Henceforth, not only losses incurred but also expected losses are to be recognised as impairment. The scope of the expected loss is differentiated according to whether or not the credit risk of financial assets has increased significantly since initial recognition. If the credit risk has increased but is considered to be low, the expected losses of the next twelve months shall be taken into consideration. If the credit risk is high, the expected losses are to be considered for the full life. In the case of trade receivables, all expected losses must already be taken into consideration upon initial recognition. Insofar as credit risks become evident within BECHTLE'S trade receivables or leasing receivables, these are already accommodated by means of impairment. Moreover, due to its financial policy that focuses on security and unlimited solvency, BECHTLE only has securities and financial investments whose credit risk is considered to be low.

IFRS 9 contains a new hedge accounting model. The scope of eligible underlying transactions for hedge accounting is expanded. It is sufficient if an economic relationship exists between the hedged item and the hedging instrument; the hedge effectiveness range of 80 to 125 per cent and the required retrospective effectiveness test are cancelled. Instead, expanded disclosures on the risk management strategy are required.

All changes in the fair value that result from changes of the company's own credit risk are to be recognised in other comprehensive income, provided that this would not result in incongruent accounting.

Though the adoption of the new standard will not have any significant effect on BECHTLE'S assets, earnings and financial position, the scope of the disclosures in the notes will increase.

**Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures.** The amendment eliminates an inconsistency between the standards IFRS 10 Consolidated Financial Statements and IAS 28 (2011) Investments in Associates and Joint Ventures concerning the recognition of transactions between a company and its associates or joint ventures. If the transaction concerns a business (as defined in IFRS 3), the investor shall recognise the full gain or loss. If the transaction merely concerns the sale of assets that do not constitute a business, the partial gain or loss shall be recognised. As BECHTLE only has wholly-owned subsidiaries and no joint ventures exist, the amendments to this standard will not affect the assets, earnings and financial position. The effective date of the amendments has been postponed indefinitely.

**Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures.** The amendments concern the application of the exception from the consolidation obligation for investment entities. As none of the group companies of BECHTLE has the characteristics of an investment entity according to IFRS 10, IFRS 12 and IAS 28, the amendments to the said standards will not affect BECHTLE'S assets, earnings and financial position.

**IFRS 15 Revenue from Contracts with Customers.** IFRS 15 governs the revenue recognition for almost all contracts with customers. The core of the new IFRS 15 is the introduction of a five-step model in which the customer contract and the separate performance obligations it contains are first identified. In the third and fourth steps, the transaction price is determined and allocated to the individual performance obligations. The revenue is recognised after the fulfilment of the performance obligation in the amount of the allocated pro-rata transaction price. BECHTLE has not yet completed the examination of the effects of the first-time adoption of this standard; as far as ascertained to date, effects are expected especially for the ERP systems for the accounting processing and for the disclosures in the Notes, but not so much on the earnings position.

**IFRS 16 Leases.** On 13 January 2016, the IASB issued IFRS 16, the new accounting standard for lease accounting. With its fundamental changes, the standard especially concerns the recognition of leases by the lessee. For lessees, IFRS 16 results in major changes in the accounting. As a matter of principle, all leases except for a few exceptions are to be recognised as asset and lease liabilities. For lessors, the classification as operating leases or finance leases according to IAS 17 is maintained in IFRS 16. The date of first-time adoption is 1 January 2019.



## Consolidation Principles

The consolidated financial statements are based on the financial statements of BECHTLE AG and its subsidiaries prepared using uniform group accounting policies. The financial statements of BECHTLE AG and its subsidiaries have been prepared as at the same balance sheet date throughout the group. Capital consolidation has been effected by offsetting the carrying amount of the shareholdings against the pro-rata re-measured equity of the subsidiaries at the time of acquisition. Any positive differences are recognised as goodwill pursuant to IFRS 3.32. Any negative differences are recognised in the income statement through profit or loss pursuant to IFRS 3.34 ff. The consolidated income statement takes into account the earnings of the acquired companies from the acquisition date, i.e. from the date the group attains control. Inclusion in the consolidated financial statements ends as soon as the parent company relinquishes control.

All intra-group gains and losses, revenue, expenses, income, receivables and liabilities are eliminated. The required tax deferrals are applied to the consolidation processes.

## Scope of Consolidation



See Appendix A,  
Subsidiaries  
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The scope of consolidation comprises BECHTLE AG in Neckarsulm and all subsidiaries in which it holds a controlling interest. As in the prior year, BECHTLE AG directly or indirectly holds all interests and voting rights in all consolidated companies.

The following companies were included in the scope of consolidation or deconsolidated for the first time in this reporting period:

Company	Headquarters	Date of initial consolidation/deconsolidation	Acquisition/foundation/sale
Coma Services AG	Bremgarten, Switzerland	14 January 2015	Sale
Modus Consult AG	Gütersloh, Germany	04 May 2015	Acquisition
Gate Informatic AG	Ecublens, Switzerland	13 July 2015	Sale
Bechtel Public Belgium NV	Neerpelt, Belgium	01 September 2015	Foundation
Common Sense Solutions AG	Berlin, Germany	08 September 2015	Acquisition
TRITEC Technisches Vertriebsbüro für Elektronik und Computersysteme GmbH	Künzelsau, Germany	30 October 2015	Acquisition



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Further disclosures concerning the companies acquired or sold are presented in section VIII. "Acquisitions, Purchase Price Allocation and Divestments".

The new company established in the fiscal year 2015 did not have any material impact on the group's assets, earnings and financial position.

## Currency Translation

BECHTLE'S subsidiaries keep their accounts in their respective local currency, except for BECHTLE Holding Schweiz AG, a non-operating, pure holding company with a substantial amount of cash in euros, which uses the euro as the functional currency. Transactions in foreign currencies are converted at the closing rate on the date of the transaction. On the closing date, monetary assets and liabilities are measured at the closing rate, while non-monetary balance sheet items are translated at the rate on the day of the transaction. Gains and losses resulting from exchange rate fluctuations in foreign currency transactions are recognised through profit or loss. By contrast, currency translation differences based on net investments in foreign operations of a subsidiary are recognised in equity through other comprehensive income.

Within the framework of the consolidation, assets and liabilities are translated into euros, the group's presentation currency. The revenue and expense accounts are translated at the average rate during the reporting period. Equity is determined on the basis of historical rates. Any resulting translation differences are recognised in a separate item in the equity.

Changes in exchange rates of currencies important to the BECHTLE Group in relation to the euro:

	Currency	Closing rate		Average exchange rate	
		2015	2014	2015	2014
Switzerland	CHF	1.08	1.20	1.07	1.21
United Kingdom	GBP	0.74	0.78	0.73	0.81
USA	USD	1.09	1.22	1.11	1.33

## Accounting Policies

**Revenue recognition.** The revenue comprises sales of IT products and services. In accordance with IAS 18, revenue is measured at fair value of the consideration received or receivable less discounts and rebates.

Revenue from the sale of IT products is recognised when the significant risks and rewards of ownership of the goods sold are transferred to the buyer, the amount of revenue can be measured reliably, and it is sufficiently probable that the economic benefits will flow to the group.

Revenue from services is recognised after the provision of the service or after the acceptance by the customer. Revenue from work in progress is recognised according to the stage of completion on the balance sheet date, provided that the result can be reliably estimated (IAS 18.20 ff). Depending on the underlying agreement, the stage of completion is determined on the basis of the work done or the ratio of

the cost incurred by the balance sheet date to the estimated total cost. If the result of the work in progress cannot be measured reliably, this is only recognised in the amount of the incurred expenses that are probably recoverable.

Maintenance agreements and other services billed in advance are recognised over the term under consideration of the services already provided.



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**Research and development costs.** Apart from the development costs incurred in connection with the production of software designated for internal use or for sale, no significant research and development costs were incurred. Please refer to our statement on internally developed software.

**Leases.** A lease is an agreement whereby the lessor conveys to the lessee in return for payment or a series of payments the right to use an asset for an agreed period of time. Whether an agreement entails a lease is determined on the basis of the economic content of the agreement.

Ownership of finance leases is ascribed to the lessee in such cases where the latter essentially bears all the risks and rewards incidental to ownership (IAS 17). In cases in which BECHTLE is the lessee, the leased assets are capitalised at the lower of the costs of purchase or the present value of the minimum lease payments and, at the same time, recognised as liabilities. The leased asset is depreciated on a straight-line basis over the shorter of the useful life or the term of the lease. In cases in which BECHTLE is the lessor, a lease receivable is recognised in the amount of the net investment value.

For operating leases, the lease payments due are recognised as expense by the lessee and as revenue by the lessor.

For the initial recognition, **goodwill** from a business combination is measured at cost in the form of the surplus of the acquisition costs of the business combination over the share of net fair value of the identifiable assets, liabilities and contingent liabilities recognised by the buyer pursuant to IFRS 3. The goodwill identified in the context of a business combination corresponds to the expectation of future economic benefit from assets that cannot be individually identified or presented separately.

According to IFRS 3, goodwill is not amortised. Instead, it is tested for impairment at least once a year according to IAS 36.

**Other intangible assets** in the BECHTLE Group include brands, customer bases, purchased software, internally developed software, customer service agreements and non-compete agreements.

Brands acquired in the context of company acquisitions are measured at the value in use of the brand right. The useful life is assumed to be unlimited, as an analysis of all relevant factors does not reveal any foreseeable limitation of the period in which these brand rights can prospectively generate net cash flows for the BECHTLE Group. Consequently, in accordance with IAS 38, brand rights may not be amortised, but shall be tested for impairment at least once a year according to IAS 36.

Customer bases are measured at cost. Customer bases acquired in the context of company acquisitions are measured in accordance with the economic benefit resulting from the customer bases. Customer bases are amortised on a straight-line basis over a period that depends on the expected benefit for the company. As a matter of principle, it is assumed that customer relationships are of a long-term nature. The expected useful life is three to ten years.

Purchased software is measured at cost and amortised on a straight-line basis over a useful life of two to ten years.

Internally developed software is capitalised under the conditions of IAS 38 provided that both the technical feasibility and the marketability of the newly developed products are ensured, the group derives an economic benefit, and internal use or sale is planned. Capitalisation takes place at cost, including all attributable direct costs. Costs incurred in the period prior to the technical feasibility are immediately recognised as research costs. Straight-line depreciation of the capitalised costs takes place from the date of commercial use of the asset over a useful life of three to five years.

Customer service agreements are measured at cost. Customer service agreements acquired within the scope of company acquisitions are measured at the amount corresponding to the benefit resulting from the customer service agreements. Customer service agreements are amortised over their residual terms according to the benefit resulting from them.

Non-compete agreements are measured at cost. Non-compete agreements acquired in the context of company acquisitions are measured in accordance with the economic benefit resulting from the non-compete agreements. Non-compete agreements are amortised on a straight-line basis over the term of the non-compete agreement. At BECHTLE, the useful life is two years.

For goodwill and other intangible assets with an unlimited useful life, an impairment test is performed at least once a year for the cash-generating unit that these assets are allocated to. In the case of intangible assets with limited useful lives and property, plant and equipment, an impairment test is performed if events or changes occur that suggest impairment. In the BECHTLE Group, impairment tests are always conducted on the basis of the value in use determined by means of the discounted cash flow method. The basis for this is the current plan drawn up by the management for the next three fiscal years. The planning assumptions are duly adjusted to the current state of knowledge based on internal and external information available. In the process, appropriate assumptions on macroeconomic trends and historical developments are taken into account. As a matter of principle, the expected growth rates in the relevant markets are used as the basis for the calculation of cash flows.

The need for depreciation and amortisation corresponds to the amount by which the carrying amount of the cash-generating unit exceeds the value in use. For the goodwill impairment test, the goodwill is allocated to its corresponding cash-generating units. In the BECHTLE Group, there are two cash-generating units that coincide with the two segments IT system house & managed services and IT e-commerce from segment reporting. Assets that are no longer intended for use in business operations, and that are classified as available for sale, are measured at the lower of the carrying amount and the fair value less costs to sell.

**Property, plant and equipment.** Property, plant and equipment are measured at cost less scheduled depreciation. Where necessary, unscheduled impairments are also performed. Scheduled depreciation takes place on a pro rata temporis basis and mainly on a straight-line basis according to the expected useful life. Scheduled depreciation is based on the following useful lives:

Office equipment	2–13 years
Furniture, fixtures and fittings	2–20 years
Vehicle fleet	2–7 years
Buildings	9–50 years

Low-value assets of property, plant and equipment are fully depreciated in the year of accrual and recognised as disposal. Maintenance costs are recognised through profit or loss when incurred.

If the building phase of an asset extends over a longer period, directly attributable borrowing costs are, as a matter of principle, capitalised in accordance with IAS 23. Due to the financial structure of the BECHTLE Group, no borrowing costs needed to be capitalised in the fiscal year under review.

In accordance with IAS 12, **deferred taxes** are recognised for all temporary differences between the carrying amounts in the consolidated balance sheet and the tax base of assets and liabilities (liability method) as well as for unused tax losses.

Deferred tax assets for accounting and valuation differences and for unused tax losses are only recognised to the extent that it is probable that these differences will lead to taxable profit in future. As at the balance sheet date, the value of the deferred tax assets recognised in previous periods is reviewed as to whether it is still sufficiently probable that a future benefit can be realised. Deferred tax assets are offset against deferred tax liabilities provided that a legally enforceable right of offsetting exists and the deferred tax assets and liabilities are raised by the same tax authority for the same taxable entity. The assessment is based on the tax rates applicable in the year of reversal. Changes in tax rates are taken into consideration if these have been adopted.

**Inventories.** Commodities are measured at average cost pursuant to IAS 2 (weighted average cost method). If necessary, the commodities are written down to the net realisable value. Besides the loss-free measurement, this write-down takes all other inventory risks into consideration. If the reasons that led to a write-down of inventories no longer exist, the impairment loss is reversed.

The work in progress presented under inventories is measured in the amount of incurred and probably recoverable expenses.

**Trade receivables and other assets** are measured at amortised cost taking into consideration due write-down for all identifiable individual risks. Non-current receivables with a residual term of more than one year are discounted on the basis of the relevant interest rates on the balance sheet date. The general credit risk is, where documentable, also taken into consideration by means of appropriate impairments. By way of exception, the derivative financial instruments contained in the other assets are accounted for at fair value.

As a matter of principle, impairments of trade receivables are performed by means of allowance accounts. The decision as to whether a credit risk is to be taken into consideration through an allowance account or through a direct impairment of the receivable depends on the degree of reliability of the assessment of the risk situation. The portfolio managers are responsible for this assessment.

In the BECHTLE Group, trade receivables exclusively comprise financial instruments. The other assets also include non-financial assets.

**Time deposits and securities.** Time deposits are measured as financial assets at amortised cost. They comprise time deposits and similar investments with banks and other financial service institutions as well as investments in insurances with original maturities of more than three months from the date of purchase.

As a matter of principle, securities are classified as available-for-sale financial assets and measured at fair value. They mainly comprise exchange-traded corporate bonds. The initial measurement takes place on the settlement date. Changes in fair value are accrued in other comprehensive income outside profit or loss and only recognised through profit or loss upon disposal and permanent or material impairment. For debt instruments, permanent, substantiated appreciation of impairments previously recognised through profit or loss is recognised through profit or loss. For equity instruments, however, appreciation is recognised in other comprehensive income outside profit or loss until sold.

**Cash and cash equivalents.** Cash and cash equivalents are measured as financial assets at amortised cost. They include the current bank balances and cash on hand as well as short-term time deposits with initial maturities of less than three months from the acquisition date.



**Treasury shares.** The total cost of treasury shares acquired is reported under a separate item as a reduction in equity. The number of company shares outstanding, i.e. in circulation, is reduced in accordance with the number of treasury shares. The number of floating, i.e. issued shares remains unchanged. In the event of the resale of treasury shares, resulting profits or losses are offset against the capital reserves outside profit or loss in compliance with IAS 32.33.

**Pension provisions.** Pension liabilities are accounted for and measured according to IAS 19. In this context, distinction is made between defined contribution plans and defined benefit plans.

In the case of defined contribution plans, the employer has no obligations apart from the regular payment of defined contributions. As no actuarial assumptions are required to measure the liabilities or expenses, actuarial gains or losses cannot arise. BECHTLE does not have any significant amount of defined contribution plans.

In contrast, the obligations arising from defined benefit plans are to be measured on the basis of actuarial assumptions and calculations taking into account biometric assumptions. In this connection, actuarial gains or losses may occur, which must be recognised directly in equity, taking into account deferred taxes.

**Other provisions** are formed where there is a current obligation to third parties arising from a past event. It must be possible to estimate the amount reliably, and it must be more likely than unlikely that an outflow of future resources will take place. Provisions are only formed for legal and constructive obligations to third parties. Provisions are measured at the amount that, on the balance sheet date, represents the best possible estimate of the expense amount that will probably be necessary to fulfil the current obligation.

Other provisions for warranties are formed for prospective claims on the basis of company-specific experience and the revenue.

Non-current provisions with a term of more than one year are discounted on the basis of the relevant interest rates on the balance sheet date, provided that the interest effect is material.

At BECHTLE, **deferred income** includes all deferred revenue and earnings. In particular, these include prepayments and deferred income for maintenance agreements and warranty services. They are measured in accordance with the services still to be rendered.

**Financial liabilities** are recognised as expenses at amortised cost. In the BECHTLE Group, financial liabilities exclusively comprise financial instruments.

**Other liabilities** contain both financial and non-financial liabilities and are recognised as expenses at amortised cost. Non-current liabilities with a term of more than one year are discounted on the basis of the relevant interest rates on the balance sheet date. By way of exception, liabilities from acquisitions and derivative financial instruments for currency and interest rate hedging are measured at fair value.

**Trade payables** are recognised as expenses at amortised cost. This item exclusively contains financial instruments. Non-current liabilities with a term of more than one year are discounted on the basis of the relevant interest rates on the balance sheet date.

**Financial instruments** are contracts that result simultaneously in a financial asset for one company and in a financial liability for another. This includes both primary financial instruments (e.g. trade receivables or payables) and derivative financial instruments (transactions to hedge risks of change in value).

The initial recognition of financial instruments takes place at fair value. The subsequent measurement of financial assets and liabilities depends on their measurement category according to IAS 39:

- Loans and receivables at amortised cost on the basis of the effective interest method.
- Available-for-sale financial assets at fair value outside profit or loss.
- Financial assets and liabilities at fair value through profit or loss at fair value affecting the income statement.
- Held-to-maturity financial investments at amortised cost on the basis of the effective interest method.
- Financial liabilities at amortised cost on the basis of the effective interest method.

The categorisation of the individual financial instruments within the balance sheet items is presented in chapter VI. Further Disclosures on Financial Instruments in Accordance with IFRS 7.



See page 194 ff

**Derivative financial instruments** are accounted for as assets or liabilities. All derivative financial instruments are recognised at fair value according to the accounting policy on the settlement date. Fair values are determined with the aid of standardised mathematical models (mark-to-model method). The fair value is determined under consideration of future cash flows over the residual term of the contract on the basis of current market data (interest rates, yield curve, forward prices). The creditworthiness of the debtor is determined with the help of an overhead percentage method under consideration of the amount, the probability of default and the recovery rate in the event of inability to pay.

The BECHTLE Group uses interest rate swaps in order to mitigate the interest rate risk resulting from future interest rate fluctuations for financial liabilities and forward exchange contracts, and currency options to mitigate the currency risk resulting from future exchange rate fluctuations for receivables and liabilities. For transactions to be classified as effective cash flow hedges, the changes of fair value are posted outside profit or loss under consideration of the applicable deferred taxes. Changes of the fair value that are attributable to the ineffective hedging instrument are recognised through profit or loss.

Hedges of net investments in group companies abroad hedge the foreign currency risk from subsidiaries using functional currencies other than the group currency euro. Gains or losses from the hedging transaction that are attributable to the effective part of the hedging transactions are recognised outside profit or loss. Gains or losses attributable to the ineffective part of the hedging instrument are recognised in the income statement.

Gains and losses from the change of the fair value of derivative financial instruments that are not accounted for within the scope of the hedge accounting according to IAS 39 are immediately recognised at their fair value in the income statement.

#### SUMMARY OF SELECTED MEASUREMENT METHODS

Position	Measurement methods
<b>Assets</b>	
Goodwill	Acquisition costs (subsequent measurement: impairment test)
Other intangible assets	
Customer bases	(Amortised) cost
Brands	Acquisition costs (subsequent measurement: impairment test)
Customer service agreements	(Amortised) cost
Acquired software	(Amortised) cost
Internally developed software	(Amortised) cost of development on the basis of directly attributable costs
Non-compete agreements	(Amortised) cost
Property, plant and equipment	(Amortised) cost
Trade receivables	(Amortised) cost Net investment value (finance leasing)
Other assets	(Amortised) cost Fair value (derivatives)
Inventories	Lower of cost and net realisable value
Time deposits and securities	
Loans and receivables	(Amortised) cost
Available for sale	Outside profit or loss at fair value
Cash and cash equivalents	(Amortised) cost
<b>Equity and liabilities</b>	
Pension provisions	Projected unit credit method (IAS 19.67 ff) via actuarial opinion
Other provisions	Settlement value (with highest probability of occurrence)
Financial liabilities	(Amortised) cost
Trade payables	(Amortised) cost
Other liabilities	(Amortised) cost or settlement value Fair value (liabilities resulting from acquisitions and derivatives)
Deferred income	Settlement value

## Estimates, Judgements and Assumptions

The preparation of the consolidated financial statements requires estimates and assumptions on the part of the Executive Board that affect the reported amount of assets, liabilities, income and expenses in the consolidated financial statements, as well as the disclosure of other financial liabilities and contingent liabilities. The uncertainty associated with these assumptions and estimates may yield results that necessitate substantial adjustments of the carrying amount of the affected assets and liabilities in future periods. All estimates and assumptions are based on the current knowledge and are made in good faith in order to provide a true and fair picture of the group's earnings, assets and financial position. The most important issues that are affected are as follows:

The **impairment test for goodwill, other intangible assets and property, plant and equipment** requires estimates of future cash flows from assets or from the cash-generating unit to determine its value in use as well as the selection of an appropriate discount rate to determine the present value of these cash flows. For estimates of future cash flows, long-term revenue forecasts are to be made in the context of the economic setting and the development of the industry.

The measurement for the initial recognition of **customer bases, customer service agreements and non-compete agreements** acquired within the scope of acquisitions also involves estimates for the determination of the values in use.

The scheduled depreciation of **property, plant and equipment** requires estimates and assumptions when determining the standardised useful life of assets for the group as a whole.

Major assessments are required to measure the **deferred tax assets and liabilities** of the group. In particular, the deferred tax assets on unused tax losses require estimates of the amount and dates of future taxable income as well as the future tax planning strategies. Uncertainties also exist with respect to future changes in tax law. If there is doubt that it will be possible to realise the unused tax losses, these are not recognised or impaired.

The **inventories** contain impairments to the lower net realisable value. The amount of the impairments requires estimates and assumptions concerning the prospective realisable sales revenue.

Provisions are formed for **bad debts** in order to account for expected losses resulting from customers' inability to pay. The structure of the maturity of receivables, past experience in connection with the derecognition of bad debts, an estimate of the customer's creditworthiness and changes in payment performance form the basis for the assessment of the appropriateness of the provisions for bad debts.

The measurement of **pensions and similar personnel obligations** is based on assumptions about the future development of certain factors. These factors include, among other things, actuarial assumptions such as the discount rate, expected increases in the value of plan assets, expected salary and pension increases, mortality rates and the earliest retirement age. Due to the long-term nature of such plans, such estimates are subject to considerable uncertainties.

The recognition and measurement of **provisions** rely heavily on estimates. The assessment of the quantification of the possible amount of payment obligations is based on the respective situation and circumstances. Provisions are created for obligations where there is a risk of losses, these losses are probable and their amount can be reliably estimated.

The inclusion of hedges in the **hedge accounting** requires assumptions and estimates with respect to the underlying probability of occurrence of future transactions with hedged currencies and interest rates.

To determine whether an agreement constitutes a **lease**, it is necessary to assess whether the fulfilment of the contractual agreement depends on the use of a certain asset or certain assets, and on whether the agreement grants the right to use the asset.

### III. FURTHER EXPLANATORY NOTES ON THE INCOME STATEMENT

#### 1 Revenue

The revenue amounting to €2,831,303 thousand (prior year: €2,580,448 thousand) includes the considerations charged to customers for goods and services less rebates and discounts.

In this context, the IT e-commerce segment exclusively generates IT trading revenue. The revenue in the IT system house & managed services segment consists primarily of IT trading revenue and an IT service revenue share of about 25 to 30 per cent. The service share in the IT system house & managed services segment was slightly above the level of the prior year.

As a matter of principle and irrespective of the industry, all customers are commercial end customers and public sector clients. In the fiscal year ended, the product groups that achieved the highest revenue were mobile computing, software, IT services and PCs. With these product groups, BECHTLE generated about 54 per cent of the total revenue.



See page 203 ff

A breakdown of the revenue by business segments and regions is presented in the segment information.

## 2 Expense Structure

						€k
	Cost of sales		Distribution costs		Administrative expenses	
	2015	2014	2015	2014	2015	2014
Material costs	2,160,011	1,971,664	0	0	0	0
Personnel and social expenses	186,518	174,760	143,768	131,825	92,754	82,179
Depreciation and amortisation	12,405	11,158	6,245	5,952	7,786	6,643
Other operating expenses	42,983	39,630	32,793	28,779	37,875	35,179
<b>Total expenses</b>	<b>2,401,917</b>	<b>2,197,212</b>	<b>182,806</b>	<b>166,556</b>	<b>138,415</b>	<b>124,001</b>

The predominant portion of the material costs corresponds to the costs for commodities. The material costs include net income of €524 thousand from exchange rate fluctuations (prior year: net expense of €81 thousand).

Other operating expenses include the following:

- Vehicle costs amounting to €26,573 thousand (prior year: €24,720 thousand);
- Expenses for office and building rent amounting to €22,950 thousand (prior year: €21,635 thousand);
- Communication costs amounting to €6,573 thousand (prior year: €6,197 thousand);
- Marketing costs amounting to €6,223 thousand (prior year: €5,412 thousand);
- Legal and consulting costs amounting to €6,140 thousand (prior year: €4,230 thousand);
- Other costs incurred within the scope of the normal business operations.

## 3 Other Operating Income

€k		
	2015	2014
Marketing allowances and other remuneration from suppliers	15,009	13,389
Income from operating a photovoltaic system	260	257
Rental income	249	273
Income from the disposal of property, plant and equipment assets and intangible assets	81	111
Others	5,720	1,789
<b>Other operating income</b>	<b>21,319</b>	<b>15,819</b>

The remaining other operating income primarily consists of the partial reversal of a hedge of purchasing prices, which had been designated as a cash-flow hedge according to IAS 39. Moreover, a positive earnings effect of €3,022 thousand was achieved in the second half of the year from the deconsolidation of Gate Informatic AG.



## 4 Financial Income and Financial Expenses

The total financial income of €2,607 thousand (prior year: €1,944 thousand) consists of interest income from call money, time deposits and financial receivables amounting to €2,236 thousand (prior year: €1,540 thousand) and income from securities, e.g. in the form of realised capital gains and interest income from bonds in the amount of €371 thousand (prior year: €404 thousand).

The financial expenses of €2,687 thousand (prior year: €3,057 thousand) include interest expenses for loans and financial liabilities amounting to €2,687 thousand (prior year: €3,028 thousand). In the reporting period, this item did not include any ineffectiveness of cash-flow hedges (prior year: €29 thousand). As in the prior year, time deposits and securities were not impaired in the reporting period.

## 5 Income Taxes

The taxes paid and due on earnings and income as well as the tax deferrals are presented as income taxes.

The tax expenses are composed as follows:

	€k	
	2015	2014
Paid or due taxes		
Germany	30,675	24,416
Other countries	6,385	5,824
Deferred taxes		
from valuation differences in terms of time	-261	-494
from unused losses	-272	1,445
<b>Income taxes</b>	<b>36,527</b>	<b>31,191</b>

In Germany, the statutory corporation tax rate for the assessment period 2015 was 15.0 per cent. Including the trade tax and solidarity surcharge, the tax encumbrance amounted to 29.6 per cent (prior year: 29.0 per cent) on average. The current taxes of subsidiaries abroad are determined on the basis of the respective national tax law and at the tax rate applicable in the country of domicile. Deferred tax assets and liabilities are measured at the tax rates that are expected to be valid at the time of realisation of the asset or fulfilment of the liability.

For the reporting period, the reconciliation between the actual tax expenses and the amount that arises under consideration of a weighted domestic and foreign tax rate of approximately 28.0 per cent (prior year: 27.7 per cent) on the profit before income taxes was as follows:

	€k	
	2015	2014
Earnings before taxes	129,404	107,385
<b>Expected tax expense</b>	<b>36,276</b>	<b>29,701</b>
Tax-free revenue	-61	-236
Tax rate change for deferred taxes	-37	-99
Tax expense of earlier years	68	396
Tax income of earlier years	-318	-72
Non-deductible expenses	959	941
Allocation/addition deferred tax assets to loss carryforwards	-735	-169
Use of previously unrecorded unused losses	-69	-178
Unrecognised deferred taxes on unused losses for the current year	374	404
Devaluation of previously recognised deferred taxes on unused losses	24	462
Tax amortisation goodwill	0	68
Others	46	-27
<b>Actual tax expense</b>	<b>36,527</b>	<b>31,191</b>

## 6 Earnings per Share

The table below shows the calculation of the earnings after taxes that are due to the shareholders of BECHTLE AG:

		2015	2014
Earnings after taxes	€k	92,877	76,194
Average number of outstanding shares		21,000,000	21,000,000
<b>Earnings per share</b>	€	<b>4.42</b>	<b>3.63</b>

According to IAS 33, the earnings per share are determined on the basis of the earnings after taxes (due to the shareholders of BECHTLE AG) and the average number of shares in circulation in the year. Treasury shares reduce the number of outstanding shares accordingly. The basic earnings per share are identical to the diluted earnings per share.


## IV. FURTHER EXPLANATORY NOTES ON THE BALANCE SHEET

## 7 Goodwill

  
For information  
on newly  
accrued goodwill,  
see page 207 ff


The following table shows the individual changes to goodwill in the reporting period and its allocation to the two cash-generating units.


	IT system house & managed services	IT e-commerce	€k
Cash-generating unit			Group
As of 01.01.2015	113,685	30,814	144,499
Acquisitions in the reporting period	17,913	0	17,913
Modus Consult AG	12,831	0	12,831
Common Sense Solutions AG	2,558	0	2,558
TRITEC Technisches Vertriebsbüro für Elektronik und Computersysteme GmbH	2,524	0	2,524
Currency translation differences	2,322	1,664	3,986
As of 31.12.2015	133,920	32,478	166,398

  
For information on  
the assets and liabilities  
of the cash-generating  
units, see page 203 ff

As with the previous impairment tests, the annual goodwill impairment test as of 30 September 2015 in accordance with IAS 36 revealed no need for impairment, neither for the cash-generating unit IT system house & managed services, nor for the cash-generating unit IT e-commerce.

BECHTLE determines the achievable amounts of its cash-generating units with the help of the discounted cash flow method. The risk-adjusted discount rates are determined on the basis of peer group information for beta factors, borrowing costs and the debt ratio. As of 30 September 2015, both cash-generating units had a weighted average cost of capital (WACC) of 6.5 per cent (prior year: 6.9 per cent) after taxes. The cash flow forecasts used are based on individual revenue and cost plans for the coming year as approved by the management, which are thus also taken into consideration in the variable compensation systems for the executives and are in line with external information sources and experience gained. For the planning, both the expected growth and the profitability of the products and services are made use of. The cash flows for 2017 and 2018 have been derived on the basis of the as-is data and the target data in accordance with the above-mentioned factors. All growth rates for later years were estimated with a great aversion to risk at 1.8 per cent. Sensitivity analyses have revealed that even in the case of substantially divergent key assumptions within a realistic framework, there would be no need for impairment of the goodwill. For example, there would be no need for impairment in the event of a reduction of the yearly free cash flow of the cash-generating units by more than 15 per cent each or an increase of the WACC to 9 per cent, if the other input parameters remained unchanged.

  
For information on  
the planning process  
and expectations,  
see Corporate Management  
page 60 ff  
and Forecast Report  
page 131 ff

  
See Appendices B  
and C, Notes,  
page 228 f

The development of the goodwill is presented in Appendices B and C to the Notes.

## 8 Other Intangible Assets

	€k	
	31.12.2015	31.12.2014
Brands/licences	7,059	3,564
Customer bases	3,606	4,646
Purchased software	4,095	3,180
Internally developed software	4,596	984
Customer service agreements	9,030	7,063
Non-compete agreements	775	543
<b>Other intangible assets</b>	<b>29,161</b>	<b>19,980</b>

ARP and Modus – the brands presented in the balance sheet – have an unlimited useful life. This is due to the fact that both the companies of ARP and Modus Consult AG will continue to constitute a key element of the BECHTLE Group along with their respective brands. The ARP brand is allocated to the cash-generating unit IT e-commerce. The Modus brand is allocated to the cash-generating unit system house & managed services.

The discount rate used to determine the value in use for the brand within the scope of the impairment tests is based on input parameters derived from the market and was set at 6.5 per cent, as for the goodwill impairment test. The cash flow forecasts used are based on the revenue and cost plans approved by the management. Further growth rates are only assumed in the amount necessary to compensate the inflation. In the reporting period, as in prior years, the value in use that was determined for the brand surpassed the value in the balance sheet. Sensitivity analyses revealed that even in the case of divergent key assumptions within a realistic framework, there would be no need for impairment of the ARP brand. The change in the carrying amount compared to the prior year is attributable to acquisitions and currency translation differences.

	€k	
	2015	2014
<b>Customer bases</b>		
Carrying amount (31.12)	3,606	4,646
Remaining useful life (weighted average)	1.7	1.9
Accumulated amortisation	6,855	7,154
Accumulated impairment according to IAS 36	309	309
Scheduled amortisation	2,673	2,335
Impairment according to IAS 36	0	0
Currency translation differences of accumulated amortisation	58	25

The development of the other intangible assets is presented in Appendices B and C to the Notes.



See Appendices B  
and C, Notes,  
page 228 f

## 9 Property, Plant and Equipment

	€k	
	31.12.2015	31.12.2014
Property and buildings	67,792	69,517
Other equipment, furniture, fixtures and fittings	33,679	34,647
Advance payments and construction in progress	399	60
<b>Property, plant and equipment</b>	<b>101,870</b>	<b>104,224</b>

As of 31 December 2015, there were no contractual obligations for the purchase of property, plant and equipment.

Unscheduled depreciation of property, plant and equipment was only performed to an insignificant extent.

As in the prior year, the property, plant and equipment as of 31 December 2015 contained an insignificant amount of leased assets according to IAS 17.20 and IAS 17.25 (finance lease).

The development of the property, plant and equipment is presented in Appendices B and C to the Notes.

See Appendices B  
and C, Notes,  
page 228 f

## 10 Deferred Taxes

The amounts of deferred tax assets and liabilities are shown below. Apart from changes in the current year, these also include deferred taxes to be recognised in the context of the initial consolidation of acquired companies and tax effects from equity changes outside profit or loss.

	€k	
	31.12.2015	31.12.2014
Loss carryforwards	1,671	1,400
Liabilities	1,276	2,260
Pension provisions	3,152	2,549
Other provisions	1,424	1,152
Other intangible assets	386	453
Property, plant and equipment	4,496	263
Others	364	591
	<b>12,769</b>	<b>8,668</b>
Netting	-8,344	-4,946
<b>Deferred tax assets (net)</b>	<b>4,425</b>	<b>3,722</b>

	€k	
	31.12.2015	31.12.2014
Goodwill	14,236	13,459
Other intangible assets	6,305	3,629
Receivables	7,361	3,993
Property, plant and equipment	376	458
Inventories	262	295
Other provisions	229	208
Others	502	170
	<b>29,271</b>	<b>22,212</b>
Netting	-8,344	-4,946
<b>Deferred tax liabilities (net)</b>	<b>20,927</b>	<b>17,266</b>

The assessment of the impairment of deferred tax assets depends on the management's view of how likely it is that the deferred tax assets will be realised. This depends on the generation of future taxable profits in connection with which the tax valuation differences are reversed and unused tax losses can be asserted.

Under current tax provisions, unused domestic tax losses are regarded as unlimited. The restricted use of loss offsetting possibilities (minimum taxation) under German tax law and time limits of foreign tax losses were taken into consideration in the assessment of the impairment of deferred tax assets on unused losses.

If a tax entity has a loss history in the recent past, deferred tax assets from loss carryforwards of this entity will be recognised only if there are sufficient taxable temporary differences or substantial indications of the realisation of such.

For the determination of the amount of deferred tax assets that can be capitalised, material assumptions and estimations of the management are required concerning the expected time of occurrence and amount of income subject to future taxation, as well as the future tax planning strategies. The capitalised deferred taxes on loss carryforwards at various companies that recorded losses in 2014 and/or 2015 amounted to €965 thousand (prior year: €321 thousand), and netted deferred tax liabilities at these companies amounted to €678 thousand (prior year: €89 thousand). Based on the planning of the companies and their current earnings performance, we believe that the measures initiated in the reporting period will result in realisation of the deferred tax assets by means of adequate taxable profits.

Unused tax losses for which no deferred tax assets have been recognised in the balance sheet amounted to €4,408 thousand (prior year: €4,038 thousand) for corporation tax, €9,095 thousand (prior year: €7,522 thousand) for trade tax and €5,035 thousand (prior year: €7,370 thousand) for losses of companies abroad.

As in the prior year, as of 31 December 2015, no deferred tax liabilities had been recognised for taxes on profits of subsidiaries of BECHTLE that had not been transferred, as these profits were either not subject to such taxation or are to be reinvested for an indefinite period.

The temporary differences in connection with interests in subsidiaries for which no tax liabilities were recognised amounted to a total of €12,587 thousand (prior year: €11,505 thousand).

Of the deferred taxes accounted for in the balance sheet, a total of €3,447 thousand was deducted from the equity (prior year: €1,604 thousand) without affecting the income statement. For details concerning the deferred taxes accounted for outside profit or loss, refer to chapter 16 Equity.

## 11 Inventories

	€k	
	31.12.2015	31.12.2014
Commodities	151,547	133,290
Work in progress	4,233	2,862
Advance payments on inventories	248	189
Impairments	-5,613	-5,176
<b>Inventories</b>	<b>150,415</b>	<b>131,165</b>

The significant increase in inventories was due to the stock levels required for large projects.

As of 31 December 2015, the carrying amount of the impaired inventories amounted to €18,018 thousand (prior year: €16,049 thousand). In the fiscal year under review, impairments of €437 thousand were recognised as expense (prior year: €950 thousand).

The work in progress as reported in the balance sheet corresponds to the contract costs which have been incurred and will most likely be recoverable. The expenses recorded in connection with the use of inventories are included in the material costs.

## 12 Trade Receivables

	€k			
	31.12.2015		31.12.2014	
	Current	Non-current	Current	Non-current
Trade receivables, gross	411,307	22,020	392,230	19,774
Impairments	-5,140	0	-4,402	0
<b>Trade receivables</b>	<b>406,167</b>	<b>22,020</b>	<b>387,828</b>	<b>19,774</b>



As of the balance sheet date, the maturity structure of the current trade receivables was as follows:

										€k
	Carrying amount	Individually impaired in full or in part	Individual impairment	Flat-rate individual impairment	Neither overdue nor impaired	Overdue and not impaired				
						less than 30 days	31 to 60 days	61 to 90 days	91 to 180 days	more than 180 days
31.12.2015										
Trade receivables	406,167	1,983	-1,645	-3,495	318,636	79,252	7,776	1,793	1,231	636
31.12.2014										
Trade receivables	387,828	1,271	-1,141	-3,261	291,972	81,415	14,661	1,221	1,072	618

The company grants the periods of payment customary in the industry and country. In view of the balance of trade receivables that were neither impaired nor overdue, there were no indications on the reporting date that the debtors would not meet their payment obligations.

Except for the common lien on receivables from the delivery of goods, the company's receivables are not collateralised. In accordance with the revenue structure, most of the presented receivables are receivables from the delivery of goods. The company is thus exposed to the risk of default up to the carrying amount. In the past, BECHTLE suffered minor defaults of individual customers and customer groups. To hedge the general credit risk, reasonable provisions for bad debts are made in accordance with past experience.

The impairment of trade receivables developed as follows:

€k		
	2015	2014
<b>Impairment situation as of 1 January</b>	<b>4,402</b>	<b>3,737</b>
Exchange rate differences/consolidation	279	36
Utilisation	143	90
Reversal	825	405
Allocations (impairment expenses)	1,427	1,124
<b>Impairment situation as of 31 December</b>	<b>5,140</b>	<b>4,402</b>

The total allocation of €1,427 thousand (prior year: €1,124 thousand) comprises allocations to individual impairments amounting to €669 thousand (prior year: €549 thousand) and flat-rate individual impairments amounting to €758 thousand (prior year: €575 thousand).

Expenses from the immediate write-off of trade receivables amounted to €538 thousand (prior year: €231 thousand). Income from payments received on written-off receivables only existed to an insignificant extent.

For the disclosures in accordance with IFRS 7, the trade receivables are, depending on their maturity, allocated to the classes "current trade receivables" (€402,224 thousand) and "non-current trade receivables" (€9,803 thousand), and to the classes "current leasing receivables" (€3,943 thousand) and "non-current leasing receivables" (€12,217 thousand).

### 13 Time Deposits and Securities

	€k			
	31.12.2015		31.12.2014	
	Current	Non-current	Current	Non-current
Time deposits	24,747	15,000	15,273	25,000
Securities	147	1,999	6,999	2,008
<b>Time deposits and securities</b>	<b>24,894</b>	<b>16,999</b>	<b>22,272</b>	<b>27,008</b>

The carrying amount of the time deposits contains accrued interest amounting to €28 thousand (prior year: €273 thousand). In the reporting period, time deposits and securities that had been classified as short-term investments as of 31 December 2014, reached maturity. Some of the assets were reinvested on a short-term basis. Furthermore, some of the time deposits that had been classified as long-term in the prior year became short-term.

As of the balance sheet date, financial investments included pension funds in the amount of €5,199 thousand (prior year: €5,080 thousand) as capital investments in addition to bond loans.

The following table shows further information on the securities to be carried at fair value:

	€k	
	31.12.2015	31.12.2014
Cost of purchase	2,011	8,953
Carrying amount	2,146	9,007
Unrealised gains/losses	-8	42
Accrued interest including interest-like capital losses <sup>1</sup>	143	12

<sup>1</sup> In the event of bonds purchased above par

Unrealised capital gains are recognised outside profit or loss. Apart from the interest calculated on an accrual basis, the accrued interest contains the capital losses recognised through profit or loss since the purchase, which is included in the expected return when bonds are purchased above par. In the fiscal years 2014 and 2015, no material impairment (IAS 39.67 ff) was recorded due to credit events that occurred or are likely to occur at the issuer.

For the disclosures according to IFRS 7, financial instruments included in time deposits and securities are allocated to

- "time deposits: bond loans" in the amount of €25,028 thousand (prior year: €30,188 thousand);
- "time deposits: fixed-term deposits" in the amount of €9,520 thousand (prior year: €5,005 thousand);
- "time deposits: insurances" in the amount of €5,199 thousand (prior year: €5,080 thousand);
- "securities" in the amount of €2,146 thousand (prior year: €9,007 thousand).

## 14 Other Assets

	€k			
	31.12.2015		31.12.2014	
	Current	Non-current	Current	Non-current
Refunds and other receivables from suppliers	27,725	0	23,206	0
Unrealised gains from financial derivatives	3,801	0	2,979	0
Rental deposits	193	1,408	123	1,285
Loan extended to a leasing company	46	459	44	506
Insurance refunds	303	61	363	42
Due from staff	105	42	88	5
Others	1,002	0	221	0
<b>Total financial assets</b>	<b>33,175</b>	<b>1,970</b>	<b>27,024</b>	<b>1,838</b>
Accrued income for customer maintenance agreements	10,675	620	9,378	446
Accrued income	6,905	905	4,077	392
VAT receivable	3,729	0	2,572	0
Advance payments	2,113	0	1,917	0
Social security claims	1,777	0	342	0
Claims from other taxes	364	0	159	0
<b>Total non-financial assets</b>	<b>25,563</b>	<b>1,525</b>	<b>18,445</b>	<b>838</b>
<b>Other assets</b>	<b>58,738</b>	<b>3,495</b>	<b>45,469</b>	<b>2,676</b>

The company's other assets are not collateralised. The company is thus exposed to the risk of default up to the carrying amount.

The financial instruments included in the other current assets have the following maturities as of the respective balance sheet date:

	€k						
	Carrying amount	Neither overdue nor impaired	Overdue and not impaired				
			less than 30 days	31 to 90 days	91 to 180 days	181 to 360 days	Over 360 days
<b>31.12.2015</b>							
Financial assets	33,175	32,360	651	52	89	23	0
<b>31.12.2014</b>							
Financial assets	27,024	26,783	53	29	64	76	19

As of the reporting date, there were no indications that the debtors of assets not overdue would not meet their payment obligations.

For the disclosures according to IFRS 7, financial instruments included in other assets are allocated to

- "other financial assets" in the amount of €30,839 thousand (prior year: €25,333 thousand);
- "long-term lending" in the amount of €505 thousand (prior year: €550 thousand);
- "financial derivatives" in the amount of €3,801 thousand (prior year: €2,979 thousand).

## 15 Cash and Cash Equivalents

The cash and cash equivalents amounting to €164,767 thousand (prior year: €106,720 thousand) include cash at banks and on hand and short-term realisable time deposits with initial maturities of less than three months from the date of acquisition.

For the disclosures in accordance with IFRS 7, all cash and cash equivalents are allocated to “cash and cash equivalents”.

## 16 Equity



See Consolidated  
Statement of  
Changes in Equity,  
page 146

The development of the group equity is presented in the consolidated statement of changes in equity as an explicit component of the financial statements before the Notes to the consolidated financial statements.

### Issued Capital

As was the case on 31 December 2014, the company's **issued capital** as of 31 December 2015 was divided into 21,000,000 fully paid-up ordinary shares of a calculated nominal value of €1.00 each. Each share has one vote.

**Authorised and contingent capital.** Pursuant to Article 4 (3) of the Articles of Incorporation of BECHTLE AG, the Executive Board is authorised, subject to the approval of the Supervisory Board, to increase the company's issued capital by up to €10,500 thousand by issuing new bearer shares (authorised capital according to the resolution of the Annual General Meeting of 5 June 2014) until 4 June 2019.

Capital increases may occur against cash contributions and/or in-kind contributions. Subject to the approval of the Supervisory Board, the Executive Board is authorised to exclude fractional amounts from the shareholders' subscription rights. Moreover, the Executive Board is authorised, subject to the approval of the Supervisory Board, to exclude the subscription right if

- 1. the capital increase is performed against cash contributions, does not exceed €2,100 thousand (10 per cent of the issued capital) at the time of the issue and the issue price is not significantly below the listed price or
- 2. the capital increase is performed for the acquisition of companies or interests in companies.

Subject to the approval of the Supervisory Board, the Executive Board is authorised to determine further details of the capital increases from the authorised capital.

## Capital Reserves

The capital reserves primarily include the offering premium (agio) from capital increases and amounted to €145,228 thousand as of 31 December 2015, the same value as on 31 December 2014.

## Retained Earnings

**Accrued profits.** At the Annual General Meeting of 16 June 2015, a resolution was adopted to pay a dividend of €1.20 per no-par share with dividend entitlement for the fiscal year 2014 (dividend total: €25,200 thousand). The dividend was paid out on 17 June 2015. In the prior year, a dividend total of €23,100 thousand was paid on 6 June 2014.

Dividends may only be paid from the net profit and the retained earnings of the company, as recognised in the Annual Financial Statements of BECHTLE AG prepared in accordance with German commercial law. These amounts deviate from the total equity as presented in the consolidated financial statements in accordance with IFRS. The resolution for the payment of future dividends is jointly proposed by the Executive Board and Supervisory Board of the company and adopted by the Annual General Meeting. The decisive factors are in particular profitability, the financial position, capital requirements, business prospects and the general economic framework conditions of the company. Since BECHTLE's strategy is geared towards internal and external growth, investments will be necessary for this purpose, which should – where possible – be equity-financed. The Executive Board has decided to propose to the Supervisory Board and to the Annual General Meeting to appropriate the net profit of €29,400 thousand for the fiscal year 2015 for the payment of a normal dividend of €1.40 per no-par share with dividend entitlement.

Apart from the dividend paid out, the retained earnings in the reporting period also changed by the total earnings of €91,855 thousand, consisting of earnings after taxes (€92,877 thousand) and other comprehensive income (–€1,022 thousand). Accordingly, the retained earnings amounted to €454,423 thousand as of 31 December 2015 (prior year: €387,768 thousand). Apart from the dividend payment, a change from the total earnings amounting to €75,531 thousand had taken place in the prior year.

**Accumulated other comprehensive income.** In terms of its accumulated balance as of the balance sheet date and its change during the reporting period, the other comprehensive income that is to be recognised directly in equity outside profit or loss is composed as follows:

€k

	31.12.2015			31.12.2014		
	Before taxes	Income tax effect	After taxes	Before taxes	Income tax effect	After taxes
Actuarial gains and losses on pension provisions	-21,185	3,742	-17,443	-14,874	2,753	-12,121
Unrealised gains and losses on securities	-8	1	-7	41	-2	39
Unrealised gains and losses on financial derivatives	3,100	-918	2,182	2,712	-818	1,894
Currency translation differences on net investments in foreign operations	0	0	0	0	0	0
Hedging of net investments in foreign operations	-15,514	4,546	-10,968	-10,127	2,950	-7,177
Currency translation differences	25,450	0	25,450	17,601	0	17,601
<b>Other comprehensive income</b>	<b>-8,157</b>	<b>7,371</b>	<b>-786</b>	<b>-4,647</b>	<b>4,883</b>	<b>236</b>

€k

	01.01–31.12.2015			01.01–31.12.2014		
	Before taxes	Income tax effect	After taxes	Before taxes	Income tax effect	After taxes
Items that will not be reclassified to profit or loss in subsequent periods						
Actuarial gains and losses on pension provisions	-6,311	989	-5,322	-6,020	1,231	-4,789
Items that will be reclassified to profit or loss in subsequent periods						
<b>Unrealised gains and losses on securities</b>	<b>-49</b>	<b>3</b>	<b>-46</b>	<b>-273</b>	<b>23</b>	<b>-250</b>
Gains and losses that arose in the current period	-4	0	-4	-118	10	-108
Reclassifications to profit and loss	-45	3	-42	-155	13	-142
<b>Unrealised gains and losses on financial derivatives</b>	<b>388</b>	<b>-100</b>	<b>288</b>	<b>5,215</b>	<b>-1,540</b>	<b>3,675</b>
Gains and losses that arose in the current period	2,442	-709	1,733	5,543	-1,636	3,907
Reclassifications to profit and loss	-2,054	609	-1,445	-328	96	-232
<b>Currency translation differences on net investments in foreign operations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>42</b>	<b>0</b>	<b>42</b>
Gains and losses that arose in the current period	0	0	0	42	0	42
Reclassifications to profit and loss	0	0	0	0	0	0
<b>Hedging of net investments in foreign operations</b>	<b>-5,387</b>	<b>1,596</b>	<b>-3,791</b>	<b>-1,466</b>	<b>428</b>	<b>-1,038</b>
Gains and losses that arose in the current period	-5,387	1,596	-3,791	-1,466	428	-1,038
Reclassifications to profit and loss	0	0	0	0	0	0
<b>Currency translation differences</b>	<b>7,849</b>	<b>0</b>	<b>7,849</b>	<b>1,697</b>	<b>0</b>	<b>1,697</b>
<b>Other comprehensive income</b>	<b>-3,510</b>	<b>2,488</b>	<b>-1,022</b>	<b>-805</b>	<b>142</b>	<b>-663</b>

Thus, the other comprehensive income amounted to -€1,022 thousand (prior year: -€663 thousand) of the comprehensive income in the reporting period. The other comprehensive income as well as the comprehensive income are due to the shareholders of BECHTLE AG.

## Treasury Shares

By resolution of the Annual General Meeting on 16 June 2010, the Executive Board had been authorised, subject to the approval of the Supervisory Board, to purchase treasury shares pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG). The purchase of treasury shares must comply with the content of the resolution of the Annual General Meeting. This authorisation is valid until 15 June 2020.

In the reporting period, there were no transactions in treasury shares. Thus, as was the case on 31 December 2014, the company did not hold any treasury shares as of 31 December 2015.

As of 31 December 2015, the number of outstanding shares was 21,000,000, as in the prior year. The weighted average number of outstanding shares in the reporting period, which was determined in accordance with IAS 33, thus also amounted to 21,000,000, as in the prior year.

## Capital Management

Within the scope of the capital management (IAS 1.134 f), BECHTLE focuses on a sound capital structure with a high equity ratio, a high return on assets and a comfortable liquidity situation, and, in this connection, on cash-flow-based indicators such as working capital.

At €620,651 thousand, BECHTLE'S equity as of 31 December 2015 reached a high level that represented an improvement compared to the prior year (€553,996 thousand), which is also reflected in the good equity ratio of 53.9 per cent (prior year: 54.5 per cent). In the reporting period, the equity grew slower (+12.0 per cent) than the borrowings (+14.5 per cent). The increase in borrowings was caused by the increase in trade liabilities and deferred income. Two additional bank loans were raised in the reporting period, and the existing ones were repaid according to schedule. The higher earnings after taxes in connection with the higher increase in debt resulted in an increase of the return on equity from 15.6 per cent to 17.2 per cent. The return on assets went up to 9.5 per cent (prior year: 8.9 per cent).

The unchanged goal of BECHTLE'S capital management is to retain a strong equity base in order to maintain the trust of investors, lenders and the market, and to facilitate future internal and external growth.



To maintain or adjust the capital structure, the group may adjust the dividend payments to shareholders, issue new shares or buy back treasury shares, and even retire shares if necessary.

The group's sound capital structure also forms the basis for financial flexibility and extensive independence from outside creditors, which is very important for BECHTLE. The objective is to have a comfortable liquidity situation to ensure full solvency at all times. As of 31 December 2015, BECHTLE had cash and cash equivalents, as well as time deposits and securities, amounting to €206,660 thousand (prior year: €156,000 thousand). With respect to the structure of these assets, quick availability is more important than maximum yield, e.g. in order to have access to cash and cash equivalents whenever necessary for acquisitions or large project pre-financing measures, thereby being able to benefit from such opportunities. The liquidity situation is managed and monitored by the treasury as an integral part of group accounting.

Against this background, cash-flow-based indicators such as the working capital, DSO and other capital tie-up periods are highly significant. BECHTLE controls these indicators in order to tie up as little capital and liquidity as possible in its operational service creation process. The revenue growth and the stocks that needed to be kept for large projects and the pre-financing in some instances resulted in slightly higher working capital amounting to €294,872 thousand as of 31 December 2015 (prior year: €291,326 thousand). BECHTLE defines working capital as the balance of certain balance sheet items (inventories, trade receivables, and accrued income for customer maintenance agreements) on the assets side and certain balance sheet items (trade payables and deferred income) on the equity and liabilities side.

As of 31 December 2015 and 31 December 2014, respectively, no fundamental changes had been made to the capital management goals, guidelines and procedures.

## 17 Pension Provisions

Except for the pension plans of BECHTLE Holding Schweiz AG, Rotkreuz, Switzerland, and its subsidiaries as well as of BECHTLE Onsite Services GmbH, Neckarsulm, the BECHTLE Group has no defined benefit plans.

Defined contribution obligations primarily derive exclusively from the statutory pension obligation. In the reporting period, employer contributions to the statutory pension fund in Germany totalled €17,750 thousand (prior year: €17,454 thousand). In France, the contributions to the statutory pension fund totalled €532 thousand (prior year: €467 thousand).

**Bechtle Holding Schweiz AG and Subsidiaries.** Although the pension plans of BECHTLE Holding Schweiz AG and its subsidiaries are contractually agreed as defined contribution plans, they must, however, be accounted for as defined benefit plans pursuant to IAS 19, as a financial participation by the companies in the event of a shortfall in cover cannot be excluded.

Due to insufficient information provided by the group's independent pension funds (group insurance providers), the pension plans were not accounted for as defined benefit plans until 31 December 2005. Since 1 January 2006, the BECHTLE Holding Schweiz AG companies headquartered in Switzerland have made use of the semi-autonomous "BECHTLE Pension Fund" ("BECHTLE Pensionskasse") in Rotkreuz, a foundation as defined in Art. 80 ff of the Swiss Civil Code that is independent from the group. The pension fund fulfils the regulations of the Swiss Code of Obligations and of Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pensions (BVG). The transparency required for accounting for the pension plans as defined benefit plans pursuant to IAS 19 has therefore existed since then. For this reason, actuarial opinions have been regularly prepared since 1 January 2006. As in the prior year, as of 31 December 2015, the figures of the pension fund in the Netherlands, which covers the companies of BECHTLE Holding Schweiz AG headquartered there, are included. Subsidiaries of BECHTLE Holding Schweiz AG that are not headquartered in Switzerland or in the Netherlands are covered by defined contribution plans of external state pension funds of the respective countries. According to the financing agreement of the pension fund, 40 per cent of the contributions are paid by the employees and 60 per cent by the employer. In the event of a recapitalisation, BECHTLE must pay at least 50 per cent of the deficit. Upon retirement, the insured can choose between a monthly pension whose amount largely depends on the capital paid in plus interest, or a one-time payment of the capital. The minimum interest is prescribed by the government.

As of 31 December 2014, the comparison of plan assets (€85,152 thousand) and the defined benefit obligation (€96,562 thousand) resulted in an underfunding and a net obligation to be accounted for of €11,409 thousand, which was duly recognised as a pension provision. Of this recognised net obligation €5,492 thousand resulted from actuarial losses that were recognised in other comprehensive income (retained earnings) outside profit or loss after taking into account deferred taxes.

During the reporting period, actuarial losses of €5,008 thousand accrued. Taking exchange rate differences amounting to minus €1,302 thousand into consideration, the actuarial losses recognised in retained earnings as at 31 December 2015 amounted to €20,655 thousand, less deferred tax assets amounting to €3,585 thousand.

Employer contributions paid in the reporting period exceeded net pension expenses recognised through profit and loss by €427 thousand. This amount was recognised as a reduction of personnel expenses through profit or loss. Such expenses were incurred especially in the Netherlands, where the plans have recently been changed to defined contribution plans.

After factoring in the other exchange rate differences amounting to plus €299 thousand, the total net obligation and thus the pension provisions to be accounted for as of 31 December 2015 amounted to €15,349 thousand. As of 31 December 2015, this net obligation accounted for included the Dutch pension fund with an amount of €0 thousand (prior year: €1,803 thousand).

With respect to the pension obligation, poor market performance on the capital markets and a change in legislation by the government represent potential risks for BECHTLE. Moreover, longevity of the insured persons and an imbalance of beneficiaries versus actively insured persons could have a negative financial effect for BECHTLE. To minimise these risks, attention is paid to broad diversification of the asset classes. The risk management of the BECHTLE pension fund also comprises the equal distribution of employee and employer representatives on the foundation board and a separate management.

**Bechtle Onsite Services GmbH.** The pension obligations of BECHTLE Onsite Services GmbH, Neckarsulm, are a result of the takeover of a partial business unit as of 1 October 2005 and, based on an actuarial opinion, were accounted for in the BECHTLE Group for the first time as of 31 December 2005. In the prior year, further obligations were taken over within the scope of takeovers of partial business operations of IBM. The employer contributions depend on the gross salary of the insured. The employee contributions are voluntary. Commitments have been made with respect to the guaranteed return on the retirement account. The performance depends on the gross annual salary and the service time. In most cases, the retirement plans provide for capital payment in one amount or in eight yearly instalments. In the event of a shortfall, BECHTLE would have to pay 100 per cent of the shortfall.

In 2013, BECHTLE decided to take out reinsurance for the obligations. Prior to 2013, the obligations of this defined benefit plan had been processed as direct commitments without the transfer of reserves.

As of 31 December 2014, the pension provision that was accounted for amounted to €581 thousand. Actuarial losses totalled €529 thousand (deferred tax assets: €155 thousand).

As of 31 December 2015, the pension provision decreased €31 thousand to €550 thousand. In the course of the reporting period, actuarial losses amounting to €2.1 thousand accrued; thus, the actuarial losses recognised in retained earnings as of 31 December 2015 amounted to €531 thousand, less deferred tax assets amounting to €157 thousand.

Employer contributions paid in the reporting period exceeded net pension expenses recognised through profit and loss by €50 thousand. This amount was recognised as a reduction of personnel expenses through profit or loss.

Poor performance on the capital markets could have a negative effect on BECHTLE with respect to these pension commitments. If the reinsurance failed to generate the surplus in the amount of the assured yield on the market, BECHTLE would incur additional financial expenses. BECHTLE endeavours to fulfil its commitments or settle them ahead of time, provided that the employee agrees. New commitments will not be made.

In total, the pension obligations of **Bechtle Onsite Services GmbH and Bechtle Holding Schweiz AG and its subsidiaries**, as recognised as pension provision in the consolidated balance sheet as of 31 December 2015, amounted to €15,899 thousand (prior year: €11,990 thousand).

The reconciliation for the present value of the defined benefit obligation is presented as follows:

	€k	
	2015	2014
<b>Present value of the defined benefit obligation 01.01</b>	<b>99,535</b>	<b>79,085</b>
Current service cost (for pension entitlements in the reporting period)	4,631	3,313
Interest cost (for pension entitlements already acquired)	1,384	1,850
Employee contributions	2,500	2,479
Actuarial gains and losses		
Based on demographic development	3,358	201
Based on changes in financial assumptions	1,324	10,955
Based on experience	207	500
Curtailment	-59	0
Disposal by divestments	-6,979	0
Pension benefits paid	-6,081	-317
Past service cost	-1,749	-191
Exchange rate differences	10,095	1,660
<b>Present value of the defined benefit obligation 31.12</b>	<b>108,166</b>	<b>99,535</b>

The fair value of the plan assets is reconciled as follows:

	€k	
	2015	2014
<b>Fair value of the plan assets 01.01</b>	<b>87,545</b>	<b>72,703</b>
Interest income	1,246	1,758
Employee contributions	2,500	2,479
Employer contributions	3,823	3,853
Income from plan assets included in other comprehensive income	-120	5,840
Curtailment	-59	0
Disposal by divestments	-5,334	0
Pension benefits paid	-6,098	-313
Administrative expenses	-325	-288
Exchange rate differences	9,089	1,513
<b>Fair value of the plan assets 31.12</b>	<b>92,267</b>	<b>87,545</b>

The table below shows the reconciliation for the pension provision recognised in the balance sheet:

	€k				
	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011
<b>Present value of defined benefit obligation</b>	<b>108,166</b>	<b>99,535</b>	<b>79,085</b>	<b>72,235</b>	<b>66,553</b>
<b>Fair value of the plan assets</b>	<b>92,267</b>	<b>87,545</b>	<b>72,703</b>	<b>62,975</b>	<b>54,680</b>
Net obligation	15,899	11,990	6,382	9,260	11,873
<b>Pension provision accounted for</b>	<b>15,899</b>	<b>11,990</b>	<b>6,382</b>	<b>9,260</b>	<b>11,873</b>

The net pension expenses for the defined benefit plans recognised in the **income statement** are comprised as follows:

	€k	
	2015	2014
Current service cost (for pension entitlements in the reporting period)	4,631	3,313
Interest cost (for pension entitlements already acquired)	1,384	1,850
Interest income	-1,246	-1,758
Past service cost	-1,749	-191
Administrative expenses	325	288
<b>Net pension expenses for benefit commitments</b>	<b>3,345</b>	<b>3,502</b>

As of 31 December 2015 and of 31 December 2014, respectively, the defined benefit plans and their actuarial measurement were based on the following parameters:

	Bechtle Holding Schweiz AG (sub-group)		Bechtle Onsite Services GmbH	
	2015	2014	2015	2014
Discount rate and expected interest	0.8% (Netherlands: 2.6%)	1.2% (Netherlands: 2.2%)	2.2%	2.3%
Inflation rate	1.0% (Netherlands: 2.0%)	1.0% (Netherlands: 2.0%)	n/a	n/a
Salary increase (including inflation rate)	1.5% (Netherlands: 3.0%)	1.5% (Netherlands: 3.0%)	1.5%	1.5%
Pension increase	0.0%	0.0%	2.0%	2.0%
Retirement likelihood, mortality, invalidity	BVG 2010 (P2021) company-specific likelihood of retirement	BVG 2010 (P2020) company-specific likelihood of retirement	Heubeck guide 2005 G; likelihood of retirement depending on age and service time	Heubeck guide 2005 G; likelihood of retirement depending on age and service time
Likelihood of marriage	80% men, 30% women. Age difference between husband and wife is three years (Switzerland)	80% men, 30% women. Age difference between husband and wife is three years (Switzerland)	Heubeck guide 2005 G	Heubeck guide 2005 G
Earliest retirement age	Men aged 65 and women aged 64 100% (Switzerland)	Men aged 65 and women aged 64 100% (Switzerland)	100% aged 62 or 63 (depending on commitment)	100% aged 62 or 63 (depending on commitment)
Surcharge for longevity	None	None	None	None

The following sensitivity analysis was conducted with respect to the parameters that have a material impact on the obligation. The sensitivity analysis is based on the assumption that only the said parameter changes and all other parameters remain unchanged. Prior to the preparation of the Annual Report, it was examined which of the parameters have a material impact on the obligation. Apart from the parameters mentioned in the following table, the obligation would not change significantly in the event of a change of the other parameters within realistic limits.

	Bechtle Holding Schweiz AG (sub-group)		Bechtle Onsite Services GmbH	
Discount rate	+0.5%	-0.5%	+1.0%	-1.0%
	Obligation decreases 8.0%	Obligation increases 8.6%	Obligation decreases 13.3%	Obligation increases 16.5%
Expected interest	+0.5%	-0.5%		
	Obligation increases 3.2%	Obligation decreases 3.0%		

In terms of the investment categories, the plan assets of BECHTLE Holding Schweiz AG are comprised as follows. Other assets mainly contain the assets of the pension funds belonging to the companies acquired in recent years. These can only be transferred to the BECHTLE pension fund after a period of three years.

	31.12.2015	Measurement class (IFRS 13)
Obligations	23.8%	Level 1
Equity instruments	32.4%	Level 1
Real estate fund	27.4%	Level 1
Other assets	12.3%	Level 1
Liquidity	4.1%	Level 1

The asset value of the reinsurance of BECHTLE Online Services GmbH corresponds to the value determined by the insurer.

The average weighted duration is 16.5 years for those insured at the Swiss pension fund and 15.1 years for those at BECHTLE Onsite Services GmbH.

The return on plan assets totalled €1,125 thousand in the reporting period (prior year: €7,598 thousand).



The actuarial opinions for BECHTLE Holding Schweiz AG and BECHTLE Onsite Services GmbH forecast the following values for 2016:

	€k
	2016
<b>Present value of the defined benefit obligation 01.01</b>	<b>108,166</b>
Current service cost (for pension entitlements in the reporting period)	2,928
Interest cost (for pension entitlements already acquired)	171
Employee contributions	2,190
Pension benefits paid	-5,026
<b>Present value of the defined benefit obligation 31.12</b>	<b>108,429</b>

	€k
	2016
<b>Fair value of the plan assets 01.01</b>	<b>92,267</b>
Interest income	58
Employee contributions	2,190
Employer contributions	3,355
Pension benefits paid	-5,026
Administrative expenses	-225
<b>Fair value of the plan assets 31.12</b>	<b>92,619</b>

	€k
	31.12.2016
<b>Present value of defined benefit obligation</b>	<b>108,429</b>
<b>Fair value of the plan assets</b>	<b>92,619</b>
<b>Net obligation</b>	<b>15,810</b>
<b>Pension provision accounted for</b>	<b>15,810</b>

	€k
	2016
Current service cost (for pension entitlements in the reporting period)	2,928
Interest cost (for pension entitlements already acquired)	171
Interest income	-58
Administrative expenses	225
<b>Net pension expenses for benefit commitments</b>	<b>3,266</b>

## 18 Other Provisions

	31.12.2014	Currency translation and consolidation	Reclassification	Utilisation	Reversal	Allocation	31.12.2015
Guarantees and similar obligations	3,204	229	0	2,669	174	3,144	3,734
Personnel expenses	5,909	19	0	557	176	2,065	7,260
Legal and consulting expenses	224	39	0	107	36	120	240
Others	1,738	31	0	1,070	295	756	1,160
	11,075	318	0	4,403	681	6,085	12,394
Other non-current provisions	4,836	6	0	149	219	1,504	5,978
Other current provisions	6,239	312	0	4,254	462	4,581	6,416

Provisions for **guarantees and similar obligations** are formed in the expected utilisation amount based on company-specific historical values. If no other insights exist in the individual case, 0.1 to 0.25 per cent of the net selling price is recognised as guarantee reserves, depending on the product. The provisions for **personnel expenses** mainly comprise anniversary obligations, retroactive personnel payments that depend on future events, and additional tax and social insurance payments. Most of the **legal and consulting costs** relate to costs for legal advice. **Other provisions** primarily relate to provisions for anticipated losses, archiving and disposal costs, as well as contingent liabilities.

## 19 Financial Liabilities, Interest Rate Swap and Credit Lines

The following table summarises the conditions of the current loans of the BECHTLE Group:

	Loan amount at the beginning	Term to	Interest rate	Scheduled repayment 2015	Carrying amount as of 31.12.2015
Kreissparkasse Heilbronn, loans for various acquisitions	7,500 10,000 10,000	30.09.2017 30.06.2018 30.06.2023	2.31% 3.70% 0.81%	1,071 1,429 625	1,875 3,571 9,376
UniCredit, loan for acquisition	9,000	30.06.2023	0.79%	562	8,437
Landesbank Baden-Württemberg, loans to finance the central logistics and administration building in Neckarsulm	5,000 4,092 2,195 14,938 10,442 5,000 10,000	30.06.2021 28.02.2022 28.02.2022 28.02.2022 28.02.2022 30.06.2031 31.12.2032	4.25% 5.89% 5.89% 5.08% 5.08% 4.65% 2.70%	500 – <sup>1</sup> 279 <sup>2</sup> 1,854 <sup>2</sup> – <sup>1</sup> 250 500	2,750 4,092 1,418 9,613 10,442 3,875 8,500
Dresdner Bank, assumption of existing loans due to acquisitions (KfW loans)	650 650	31.03.2016 31.03.2016	4.23% 8.35%	81 217	41 108
Raiffeisenbank Kocher-Jagst, project financing	1,500	30.03.2016	1.50%	–	1,500
Other loans	predominantly assumption of existing loans because of acquisitions and finance leases				304

<sup>1</sup> Bullet loan

<sup>2</sup> Annuity loan: specified amount contains interest share

The loan of €1,875 thousand from Kreissparkasse Heilbronn is subject to a variable interest rate (three-month Euribor +45 basis points). The risk of the variable interest rate is eliminated by an interest rate swap. The interest rate swap with an initial reference amount corresponding to the amount of the loan is to be regarded as a cash flow hedge and as 100 per cent effective in hedging the interest rate risk. BECHTLE pays a fixed interest rate of 1.86 per cent and receives the three-month Euribor as a variable interest rate. The interest rate swap and loan will reach maturity on 30 September 2017. In connection with the interest rate swap, the loan is subject to an interest rate of 2.31 per cent. The market value of the interest rate swap as of 31 December 2015 was –€37 thousand (prior year: –€78 thousand), which was recognised in other comprehensive income outside profit or loss after taking deferred taxes amounting to €11 thousand (prior year: €23 thousand) into account. In the fiscal year 2015, €78 thousand (prior year: €59 thousand) was reclassified from the accumulated other comprehensive income to the income statement in connection with this cash flow hedge.

A land charge on the financed property serves as collateral for the loans raised in connection with buildings. For all other bank loans, there are negative pledges or pari passu clauses on furnishing collateral.

	€k			
	31.12.2015		31.12.2014	
	Current	Non-current	Current	Non-current
Sparkasse Schwäbisch Hall-Crailsheim, loan for various acquisitions 2008	0	0	857	0
IKB Deutsche Industriebank, loan to finance the administration buildings of Bechtle AG	0	0	104	0
Kreissparkasse Heilbronn, loans for various acquisitions	3,750	11,071	2,500	5,446
Landesbank Baden-Württemberg, loans to finance the central logistics and administration building in Neckarsulm	2,841	37,849	2,762	40,690
UniCredit, loan for acquisition	1,125	7,313	0	0
Raiffeisenbank Kocher-Jagst, project financing	1,500	0	0	0
Dresdner Bank, assumption of existing loans due to acquisitions (KfW loans)	149	0	298	149
Other loans	144	160	5,397	1,237
<b>Loans with an initial term of more than one year</b>	<b>9,509</b>	<b>56,393</b>	<b>11,918</b>	<b>47,522</b>
Other financial liabilities	118	0	793	0
<b>Total financial liabilities</b>	<b>9,627</b>	<b>56,393</b>	<b>12,711</b>	<b>47,522</b>

Other financial liabilities included other current account debts amounting to €118 thousand (prior year: €793 thousand).

The company has **credit lines** of €43,450 thousand (prior year: €38,860 thousand), which can be used both for cash loans and for guarantee credits. As of the balance sheet date, €13,381 thousand (prior year: €8,582 thousand) of this amount was utilised for guarantee credits. These credit lines are not earmarked, and their issue is not subject to any conditions. Apart from this, the company has pure guarantee credit lines amounting to €5,109 thousand (prior year: €5,040 thousand), €245 thousand (prior year: €370 thousand) of which had been utilised as of the balance sheet date. In total, the unused credit lines amounted to €34,933 thousand (prior year: €34,948 thousand).

For the disclosures in accordance with IFRS 7, the financial liabilities are allocated in full to the “loans” class, as in the prior year.

## 20 Trade Payables

	€k			
	31.12.2015		31.12.2014	
	Current	Non-current	Current	Non-current
Trade payables	204,067	360	178,644	269

For the disclosures in accordance with IFRS 7, the trade payables were, depending on their maturity, allocated to the classes “current trade payables” and “non-current trade payables”, as in the prior year.

## 21 Other Liabilities

	€k			
	31.12.2015		31.12.2014	
	Current	Non-current	Current	Non-current
Liabilities to employees	53,150	19	47,938	19
Liabilities to customers	8,287	13	6,490	7
Liabilities resulting from acquisitions	456	7,258	116	2,624
Vehicle expenses	1,853	0	1,567	0
Customer bonus	1,392	0	1,374	0
Rent and ancillary rental costs	733	0	609	0
Costs of preparing the annual financial statements	704	0	663	0
Travel expenses and expenditures	329	0	265	0
Telephone/Internet	300	0	311	0
Unrealised losses from financial derivatives	268	0	301	0
Insurance	208	0	117	0
Transportation charges	171	0	166	0
Advertising	44	0	48	0
Others	1,995	0	1,843	0
<b>Total financial liabilities</b>	<b>69,890</b>	<b>7,290</b>	<b>61,808</b>	<b>2,650</b>
VAT liability	24,211	0	24,108	0
Wage and church tax	4,905	0	4,467	0
Social security contributions	3,682	0	3,822	0
Liabilities from other taxes	1,364	3	1,490	2
<b>Total non-financial liabilities</b>	<b>34,162</b>	<b>3</b>	<b>33,887</b>	<b>2</b>
<b>Other liabilities</b>	<b>104,052</b>	<b>7,293</b>	<b>95,695</b>	<b>2,652</b>

Other liabilities primarily relate to various administrative expenses and distribution costs incurred in the ordinary course of business.

For the disclosures according to IFRS 7, financial instruments included in other liabilities are allocated to

- “other financial liabilities” in the amount of €69,198 thousand (prior year: €61,417 thousand);
- “liabilities resulting from acquisitions” in the amount of €7,714 thousand (prior year: €2,740 thousand);
- “financial derivatives” in the amount of €268 thousand (prior year: €301 thousand).

## 22 Deferred Income

	€k			
	31.12.2015		31.12.2014	
	Current	Non-current	Current	Non-current
Prepayments received	25,030	0	25,650	0
Deferrals	53,222	12,346	41,359	11,343
<b>Deferred income</b>	<b>78,252</b>	<b>12,346</b>	<b>67,009</b>	<b>11,343</b>

Deferred income mainly comprises deferrals for maintenance agreements and warranty extensions.

## V. FURTHER EXPLANATORY NOTES ON THE CASH FLOW STATEMENT

The cash flow statement for the 2015 reporting period and the prior year was prepared in accordance with IAS 7 and reports on the development of cash flows broken down by cash inflows and outflows from operating, investing and financing activities. The cash flow is determined using the indirect method.

As in the prior year, cash and cash equivalents included cash on hand, cheques and bank balances with an original term to maturity of no more than three months, and correspond to the balance sheet item “Cash and cash equivalents”. Currency translation effects on cash and cash equivalents are shown separately in the calculation.

## 23 Cash Flow from Operating Activities

The cash flow from operating activities in the amount of €115,945 thousand (prior year: €55,965 thousand) was indirectly derived from the earnings before taxes. In the context of the indirect method, the financial income, depreciation and amortisation and other non-cash expenses and income, as well as changes in selected material balance sheet items and the remaining net assets, are taken into account.

As in the prior year, other non-cash expenses and income consisted of changes to provisions and impairments. The year-on-year increase in the operating cash flow was caused both by the higher earnings before taxes and by the increase in trade liabilities (especially current liabilities). The lower increase in trade liabilities compared to the prior year also contributed to the increase in the operating cash flow.

Changes to balance sheet items are adjusted for assets and liabilities taken over in acquisitions and for currency translation effects.

## 24 Cash Flow from Investing Activities

In 2015, the net cash of €34,480 thousand (prior year: €25,853 thousand) used for investments primarily consisted of payments for investments in intangible assets and property, plant and equipment, as well as time deposits and securities, acquisition of companies, divestments and settlements of net investment hedges. These payments were reduced by payments received from the sale of time deposits and securities, property, plant and equipment and other assets, as well as interest payments received.

The payments made for acquisitions comprise the purchase price payments of €23,058 thousand (prior year: €5,338 thousand) for companies and partial business operations acquired in the reporting period as well as additional payments for contingent purchase price increases amounting to €117 thousand (prior year: €260 thousand) for companies acquired in prior years. Within the scope of these acquisitions, cash and cash equivalents worth €1,987 thousand were taken over (prior year: €2,097 thousand).



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The gross cash flows for the acquisition and sale of long-term time deposits and securities are presented separately, while cash flows from short-term time deposits and securities are netted. In the prior year, only part of the time deposits and securities that had reached maturity had been reinvested, and time deposits and securities were shifted to free cash and cash equivalents.

Settlements of net investment hedges comprise payments from forward exchange contracts in connection with the hedging of the net investment in the UK-based and Swiss group companies. In the reporting period, this amount totalled –€5,387 thousand (prior year: –€1,466 thousand).



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## 25 Cash Flow from Financing Activities

Factoring in the assumption and repayment of financial liabilities, dividend distributions and interest payments made, net cash used for financing activities amounted to €25,668 thousand (prior year: €29,973 thousand). In the reporting period, BECHTLE made lower repayments and raised more new financial funds than in the prior year.

For non-current financial liabilities, payments received and payments made are presented separately. Cash flows for current financial liabilities are shown on a net basis.



## VI. FURTHER DISCLOSURES ON FINANCIAL INSTRUMENTS IN ACCORDANCE WITH IFRS 7

### Information on Financial Instruments by Category

The following table compares the carrying amounts and fair value of the financial instruments for the classes of financial instruments in accordance with IFRS 7:

€k						
Class pursuant to IFRS 7	Measurement category	Carrying amount 31.12.2015	Fair value 31.12.2015	Carrying amount 31.12.2014	Fair value 31.12.2014	Level
<b>Assets</b>						
Non-current trade receivables	LAR	9,803	9,950	11,501	11,478	3
Non-current leasing receivables	IAS 17	12,217	13,130	8,273	10,118	3
Current trade receivables	LAR	402,224	402,224	386,314	386,314	3
Current leasing receivables	IAS 17	3,943	3,943	1,514	1,514	3
Securities	AFS	2,146	2,146	9,007	9,007	1
Time deposits						
Bond loans	LAR	25,028	25,314	30,188	30,520	2
Fixed-term deposits	LAR	9,520	9,518	5,005	4,990	2
Insurances	LAR	5,199	5,199	5,080	5,151	3
Other financial assets	LAR	30,839	30,839	25,333	25,333	3
Long-term lending	LAR	505	544	550	593	3
Financial derivatives						
Derivatives with hedge relationship	n/a	3,499	3,499	2,909	2,909	2
Derivatives without hedge relationship	FAFVPL	302	302	70	70	2
Cash and cash equivalents	LAR	164,767	164,767	106,720	106,720	1
<b>Equity and liabilities</b>						
Loans	FLAC	66,020	75,471	60,233	67,272	2
Non-current trade payables	FLAC	360	353	269	272	3
Current trade payables	FLAC	204,067	204,067	178,644	178,644	3
Other financial liabilities	FLAC	69,198	69,198	61,417	61,417	3
Liabilities resulting from acquisitions	FLFVPL	7,714	7,714	2,740	2,740	3
Financial derivatives						
Derivatives with hedge relationship	n/a	37	37	109	109	2
Derivatives without hedge relationship	FLFVPL	231	231	192	192	2
<b>Thereof aggregated according to valuation category pursuant to IAS 39</b>						
	LAR	647,885	648,355	570,691	571,099	
	AFS	2,146	2,146	9,007	9,007	
	FLAC	339,645	349,089	300,563	307,605	
	FAFVPL	302	302	70	70	
	FLFVPL	7,945	7,945	2,932	2,932	

Abbreviations used for the measurement categories of IAS 39:

LAR	= Loans and receivables
AFS	= Available-for-sale financial assets
FLAC	= Financial liabilities at amortised cost
FAFVPL	= Financial assets measured at fair value through profit or loss
FLFVPL	= Financial liabilities measured at fair value through profit or loss

According to IFRS 13, the material parameters on which the measurement is based must be disclosed for all financial instruments whose fair value is presented or that are accounted for at fair value. The measurement methods are divided into the following three levels:

Level 1: Measurement at prices (not adjusted) quoted on active markets for identical assets and liabilities.

Level 2: Measurement of the asset or liability takes place either directly or indirectly on the basis of observable input data, which do not represent quoted prices as stated in Level 1.

Level 3: Measurement is based on models using input parameters not observable on the market.

The **securities** are listed at the stock exchange and have been recognised at the market price as of the balance sheet date.

The **financial derivatives** were measured with the aid of standardised mathematical models (mark-to-model method). These financial derivatives comprise forward exchange contracts, currency options and interest rate swaps. Apart from the interest rates that are appropriate for the periods and forward prices, the creditworthiness of the debtor was taken into account with the help of an overhead percentage method under consideration of the amount, the probability of default and the recovery rate in the event of inability to pay. Derivatives not accounted for as hedges are classified as held for trading (IAS 39).

**Liabilities resulting from acquisitions** are conditional, additional purchase price payments (earn-outs) for acquisitions (IFRS 3.58). The fair value was determined with the help of the DCF method. Apart from the planned business development of the unit taken over, a discount rate that is appropriate for the period was used. The creditworthiness of the debtor BECHTLE (IFRS 13.42 ff) was taken into account via an overhead percentage method under consideration of the amount, the probability of default and the recovery rate in the event of inability to pay. The factor that has the greatest impact on the fair value is the planned business development, which is based on earnings-oriented performance indicators. In the event of a reduction of the target achievement to 90 per cent of the target achievement assumed at the acquisition, the liabilities from acquisitions would drop 51 per cent; in the event of an increase to 110 per cent of the target achievement assumed at the acquisition, the liabilities would increase 2 per cent. These liabilities will reach maturity in 2016 to 2020.

The **insurances** class contains pension funds as capital investments. These investments had been made in the first quarter of 2014 and were extended in the reporting period. The fair value of the pension funds corresponds to the discounted amount of the payment guaranteed plus creditworthiness impairment.

The fair value of **bond loans, fixed-term deposits, long-term lending, loans and non-current receivables, leasing receivables and trade payables** corresponds to the present value of the cash flows under consideration of the risk-weighted interest rates appropriate for the periods plus creditworthiness impairment.

For all current financial assets and liabilities, the carrying amount corresponds to the fair value (IFRS 7.29). This applies to **current trade receivables, leasing receivables, securities and trade payables, other financial assets, cash and cash equivalents and other financial liabilities**.

During the reporting period up to 31 December 2015, there were no reclassifications between measurements at fair value of Level 1 and Level 2, and no reclassifications to or from measurements at fair value of Level 3.

The financial instruments in Level 3 developed as follows:

								€k
Financial assets and liabilities in Level 3	01.01.2015	Total gains and losses			Additions	Compensation/ settlement	Reclassification	31.12.2015
		Included in financial earnings	Included in other comprehensive income outside profit or loss	Included in other operating income				
Liabilities resulting from acquisitions	2,740	97	0	0	4,994	-117	0	7,714

The €97 thousand posted as expenses under financial earnings were attributable to future payments accounted for as of 31 December 2015.

The expenses, income, losses and gains from financial instruments can be categorised as follows (net result):

	From the subsequent measurement				Net result	
	From interest	From the subsequent measurement		From disposal	2015	2014
		Impairment	Fair value			
Loans and receivables	869	-602	0	-538	-271	423
Financial liabilities at amortised cost	-2,669	0	0	0	-2,669	-2,900
Available-for-sale financial assets	371	0	-4	-13	354	181
Financial derivatives without hedge relationship	0	0	71	-950	-879	-440
Liabilities resulting from acquisitions	0	0	-97	0	-97	2
Currency translation differences of financial assets and liabilities	0	524	0	0	524	-81
<b>Total</b>	<b>-1,429</b>	<b>-78</b>	<b>-30</b>	<b>-1,501</b>	<b>-3,038</b>	<b>-2,815</b>

Total interest income for financial assets corresponds to the values stated above. The total interest cost for financial liabilities without taking the interest rate swap into account amounted to €2,591 thousand (prior year: €2,772 thousand). The amount of -€4 thousand for the available-for-sale financial assets, which resulted from the fair value measurement, accrued in the fiscal year ended. A total of €45 thousand was reclassified from the accumulated other comprehensive income to the income statement.

## Disclosures on Assets and Liabilities Netted and Not Netted

The following financial instruments have been netted in the balance sheet on the basis of a current legal netting entitlement or the existing intention to settle on a net basis (IAS 32):

	2015			2014		
	Gross liabilities	Gross assets	Net amount accounted for	Gross liabilities	Gross assets	Net amount accounted for
<b>Financial assets</b>						
Current trade receivables	188	406,355	406,167	276	388,104	387,828
Refunds and other receivables from suppliers	2,222	29,947	27,725	223	23,429	23,206
<b>Financial liabilities</b>						
Current trade payables	205,317	1,250	204,067	179,309	665	178,644
Current liabilities to customers	8,306	19	8,287	6,497	7	6,490

The trade receivables include liabilities to customers amounting to €188 thousand, and the liabilities to customers include receivables from customers amounting to €19 thousand. Based on contractual agreements, these customers of BECHTLE are entitled to net these items against each other. The trade payables contain receivables from suppliers in the amount of €1,250 thousand, and the receivables from suppliers contain liabilities in the amount of €2,222 thousand. Based on contractual agreements, BECHTLE is entitled to net these items against each other. These items mainly comprise bonus proceeds that suppliers pay out to BECHTLE or that BECHTLE pays out to its customers. The year-on-year increase is related to the reporting date.

## Disclosures on Risk Management of Financial Instruments

**Currency Risk.** Receivables, liabilities and cash and cash equivalents which are not transacted in the functional (local) currency used by the companies are exposed to currency risks from financial instruments. In the BECHTLE Group, currency risks from financial instruments denominated in foreign currency arise from the inter-company trade and, to a lesser extent, trade with external suppliers and customers in EUR, CHF, GBP, PLN, CZK, HUF, USD and NOK.

Hedges serve to protect against exchange rate risks affecting receivables and liabilities denominated in foreign currency. The BECHTLE Group uses forward exchange contracts and currency swaps and currency options as hedges.

Fluctuations in the EUR/CHF exchange rate can significantly affect the consolidated earnings as a considerable portion of the business is generated in Switzerland. To hedge this income against the EUR/CHF exchange rate risks, a forward exchange contract for the sale of CHF 10 million (prior year: CHF 12 million) against euros at the end of the reporting period was concluded at the beginning of the reporting period, without qualifying or designating this hedge for hedge accounting in accordance with IAS 39. As the Swiss franc gained value against the euro during the reporting period due to the discontinuation of the minimum exchange rate by the Swiss National Bank, this forward exchange contract affected the earnings in the amount of –€861 thousand (prior year: –€269 thousand) before taxes. Correspondingly, the translation of the Swiss earnings resulted in positive effects. Similarly, projected 2015 UK income was hedged against EUR/GBP exchange rate risks during the reporting period. For this purpose, GBP 950 thousand (prior year: GBP 650 thousand) was sold forward. This forward exchange contract had an impact on earnings in the amount of –€88 thousand (prior year: –€50 thousand).

In the consolidated financial statements (EUR), exchange differences arose from the conversion of foreign currency financial statements of subsidiaries abroad. These differences are carried and recognised separately directly in equity. To compensate most of these currency translation differences outside profit or loss, and to hedge a net investment in a foreign operation (IAS 39.102, IFRIC 16), BECHTLE took out a EUR/CHF forward exchange contract in the reporting period that covered the majority of these currency risks. The forward exchange contract concluded at the beginning of the reporting period for the sale of CHF 58 million at the end of the reporting period resulted in a loss of €5,015 thousand that was recognised as other comprehensive income outside profit or loss (income tax effects: €1,486 thousand). In the prior year, the forward exchange contract that had been concluded in January 2014 for the sale of CHF 58 million at the end of 2014 had resulted in a loss of €1,290 thousand that had been recognised as other comprehensive income outside profit or loss (income tax effects: €377 thousand). Similarly, net assets in the UK were hedged against EUR/GBP exchange rate risks. The corresponding forward exchange contract (sale of GBP 4,000 thousand) generated other comprehensive income of –€372 thousand that was recognised outside profit or loss (income tax effect: €110 thousand). In the prior year, GBP 2,300 thousand had been sold forward. In the prior year, the amount from the hedge of the net assets that had been recognised as other comprehensive income had totalled –€176 thousand (income tax effect: €51 thousand).

On the other hand, the consolidated equity underwent a positive effect in the amount of €7,849 thousand (prior year: €1,697 thousand) from currency translation differences. These were largely caused by EUR/CHF conversion.

Some of the hedges designated as cash flow hedges, which had been taken out in 2014 and 2015 for future goods purchases in USD or for goods whose prices depend on the USD for large orders that have already been placed, reached maturity in 2015. The still outstanding forward transactions and options have a volume of €29,673 thousand. The payments of the hedged items are expected from 2016 to 2017. The market value as of 31 December 2015 amounted to €3,479 thousand. The gain that corresponds to the effective part of the hedge (€3,128 thousand) was recognised in other comprehensive income outside profit or loss under consideration of deferred taxes (€927 thousand). The share of the hedges whose associated liability has already been accounted for was posted through profit or loss.

Apart from the said individual cases, hedges with terms of up to two years and individual volumes of up to €2 million are regularly concluded for operational purposes within the course of the normal business. The following table shows the volume of the hedges concluded in the respective fiscal years:

Currency pair		2015		2014	
		Purchase	Sale	Purchase	Sale
EUR/GBP	GBPk	1,603	1,315	913	688
EUR/USD	USDk	21,866	9,733	16,965	14,144
EUR/NOK	NOKk	139,494	0	45,401	12,500
CHF/EUR	EURk	564	0	4,160	10,879

As of the balance sheet date, an obligation to buy USD 3,024 thousand (net), NOK 55,446 thousand and GBP 84 thousand (net) against EUR existed under these currency contracts that were classified as held for trading in accordance with IAS 39 and that were thus measured through profit or loss. In the prior year, obligations had existed to sell USD 2,596 thousand (net), to buy NOK 25,882 thousand (net) and to sell CHF 6,644 thousand (net) against EUR. The measurement resulted in a gain of €71 thousand (prior year: loss of €122 thousand).

The following sensitivity analysis illustrates the impact a decrease (or increase) in the euro exchange rate could have on consolidated earnings before taxes. The changes in the fair values of the financial assets and liabilities in foreign currency recognised as of the respective balance sheet date due to the changed exchange rate are taken into account. The hedges existing as of the balance sheet date are taken into consideration in the sensitivity analysis. Exchange-rate-related differences from the translation of financial statements into the reporting currency are not taken into account.

		2015		2014	
Effects of a value loss (or increase) of the euro by 10% compared with					
NOK		+895	(-895)	+150	(-150)
USD		+863	(-863)	+632	(-632)
CHF		-181	(+181)	+808	(-808)
GBP		+72	(-72)	-52	(+52)
CZK		-50	(+50)	-30	(+30)
HUF		-14	(+14)	-6	(+6)
PLN		+9	(-9)	+34	(-34)
SEK		-3	(+3)	0	0

The following sensitivity analysis illustrates the impact a decrease (or increase) in the euro exchange rate could have on other comprehensive income (outside profit or loss). The change in fair value of the derivatives accounted for as hedges (IAS 39), as well as the value change of assets and liabilities of the subsidiaries with the respective currency as functional currency, are taken into consideration.

	€k			
	2015		2014	
Effects of a value loss (or increase) of the euro by 10% compared with				
CHF	+5,713	(-5,713)	+5,409	(-5,409)
USD	+5,005	(-229)	+5,502	(-850)
GBP	+623	(-623)	+509	(-509)
PLN	+67	(-67)	+56	(-56)
HUF	+61	(-61)	+38	(-38)
CZK	+37	(-37)	+41	(-41)

**Interest Rate Risk.** The interest rate risk to which the BECHTLE Group is exposed mainly concerns the interest earned by its cash and cash equivalents and from time deposits and securities.

The variable interest loan from Kreissparkasse Heilbronn is fully hedged against the interest rate risk by means of an interest rate swap as a cash flow hedge. Since there is no ineffectiveness, changes in interest rates only affect the fair value measurement of the interest rate swap outside profit or loss. Apart from this, the group has only a minimal position – and thus an insignificant interest rate risk – in variable-rate financial instruments, which are exposed to cash flow risks from a possible deterioration in interest rates, and fixed-income financial instruments, which are exposed to fair value risks from interest rate fluctuations.

The sensitivity analysis was conducted for the BECHTLE Group's cash and cash equivalents, time deposits and securities as of the balance sheet date under consideration of the relevant interest rates in the relevant currencies (EUR, CHF, GBP, USD, PLN, CZK, HUF, NOK). A hypothetical decrease/increase in these interest rates from the beginning of the reporting period by 100 basis points or 1 per cent p.a. (assuming constant exchange rates) would have led to a decrease/increase in interest income by €2,067 thousand (prior year: €1,560 thousand).

In the case of the existing interest rate swap, such a decrease (up to no less than 0 per cent p.a.) or increase in the interest rate would have caused the fair value to change by +€2 thousand or +€19 thousand (prior year: -€6/+€53 thousand), respectively, recognised in other comprehensive income outside profit or loss.



**Liquidity Risk.** The liquidity risk from financial instruments results from future interest payments and redemption payments for financial liabilities and from derivative financial instruments. The tables below show the non-discounted payment obligations for the relevant balance sheet items as of the balance sheet date and the prior year's balance sheet date in accordance with IFRS 7.

The cash flows from the loan described in section iv. no. 19 and the associated interest rate swap are grouped together as a 100 per cent effective cash flow hedge. Based on the three-month Euribor of -0.131 per cent that was valid on the balance sheet date, the interest rate swaps would result in future interest payments totalling €37 thousand in the period from 2016 to 2017 (prior year: €109 thousand for a three-month Euribor of 0.08 per cent for the period from 2015 to 2017). The carrying amount of the loans and interest rate swap consists of €65,902 thousand in loans and €37 thousand in interest rate swaps. The financial instruments included in the other liabilities are presented less the negative market value of the interest rate swap and the other financial derivatives in the amount of €268 thousand (prior year: €301 thousand).

The liquidity risk is controlled and monitored on a weekly basis with the aid of a 14-day liquidity forecast.

	Financial liabilities			
	Loans and interest rate swaps	Other current financial liabilities	Trade payables	Other financial liabilities
<b>Carrying amount 31.12.2015</b>	<b>65,939</b>	<b>118</b>	<b>204,427</b>	<b>76,912</b>
<b>Cash flow 2016</b>				
Interest	2,116	0	0	0
Repayment	9,513	118	204,067	69,622
<b>Cash flow 2017</b>				
Interest	1,882		1	30
Repayment	7,622		238	1,302
<b>Cash flow 2018</b>				
Interest	1,667		1	105
Repayment	6,131		121	2,395
<b>Cash flow 2019–2020</b>				
Interest	2,829		0	357
Repayment	11,103		1	3,593
<b>Cash flow 2021–2022</b>				
Interest	1,397			
Repayment	25,346			
<b>Cash flow 2023<sup>1</sup></b>				
Interest	4			
Repayment	6,187			

<sup>1</sup> Cash flows of the loans at carrying amounts 31.12.2015: €8,437 thousand (UniCredit), €8,500 thousand (LBBW) and €9,376 thousand (KSK HN)



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For further disclosures on the liquidity, see page 125



For information on the cash flows of the financial liabilities, see page 189

€k

	Financial liabilities			
	Loans and interest rate swaps	Other current financial liabilities	Trade payables	Other financial liabilities
<b>Carrying amount 31.12.2014</b>	<b>59,549</b>	<b>793</b>	<b>178,913</b>	<b>64,157</b>
<b>Cash flow 2015</b>				
Interest	2,239	0	0	0
Repayment	12,133	793	178,644	61,507
<b>Cash flow 2016</b>				
Interest	1,975		8	11
Repayment	6,450		259	475
<b>Cash flow 2017</b>				
Interest	1,761		0	55
Repayment	5,221		4	1,245
<b>Cash flow 2018–2019</b>				
Interest	2,983		0	69
Repayment	6,835		6	930
<b>Cash flow 2020–2021</b>				
Interest	2,396			
Repayment	6,264			
<b>Cash flow 2022–2023</b>				
Interest	603			
Repayment	16,162			
<b>Cash flow 2024–2032<sup>1)</sup></b>				
Interest	900			
Repayment	6,375			

<sup>1)</sup> Cash flows of the LBBW loans at carrying amounts 31.12.2014: €4,125 thousand and €9,000 thousand



The cash and cash equivalents are spread over 21 different banks and finance groups. In the case of bank deposits in the European Union, we make sure that the balance at a bank or group of banks with the same deposit guarantee does not exceed the respective deposit guarantee cap. Approximately 35 per cent of the cash and cash equivalents are held with banks that belong to the liability association of the Savings Banks Finance Group; thus, a risk could arise from the default of several banks belonging to this guarantee arrangement. The Swiss group companies hold about 26 per cent of the group's cash and cash equivalents at large Swiss banks, which only offer a low statutory deposit guarantee.

For investments in securities, we put emphasis on an excellent investment grade rating and diversification in terms of industries, countries and terms to maturity. The maximum investment amount per security is €2 million (prior year: €2 million).

Time deposits are made in instruments with a deposit guarantee. As of 31 December 2015, there were no investments without a deposit guarantee. As of 31 December 2015, BECHTLE held time deposits of no more than €20 million per liability unit.

**Credit Risk.** The carrying amounts of the financial assets correspond to the maximum credit risk. There are no hedges except for common lien for all trade receivables as well as country-specific deposit guarantee funds for all cash and cash equivalents and time deposits. Any credit risks identified in the financial assets are recognised in the form of impairments. Except for lenders in connection with buildings, BECHTLE provides virtually none of its creditors with collateral.

To avoid risk concentrations, customer-specific credit lines are determined by means of ongoing credit-worthiness checks.

## VII. SEGMENT INFORMATION

Segment information is reported in accordance with IFRS 8 Operating Segments, as in the prior year.

The BECHTLE Group is currently active in two business segments, the IT system house & managed services segment and the IT e-commerce segment. The two segments differ in terms of the areas of activity involved as well as with regard to the processes applied for IT product trading purposes. The strategic alignment and expansion strategy pursued are also different.

In the **IT system house & managed services** segment, BECHTLE provides customers with IT strategy consulting services, hardware and software, project planning and implementation, system integration, IT services, training and complete IT operation, covering the entire IT value chain. BECHTLE prepares individual offers involving a range of different services in combination with hardware and software, which directly reflects the needs and preferences of each and every customer. In this segment, BECHTLE operates in Germany, Belgium, Austria and Switzerland, ensuring special customer proximity by means of its decentralised organisation with 66 locations for wide geographic coverage.



Turnkey IT solution  
provider with  
customer-specific  
combinations of  
services, hardware  
and software

The **IT e-commerce** segment comprises the group's Internet, catalogue and telesales trading activities. As an IT specialist with a portfolio of more than 64,000 products – ranging from hardware and standard software products to peripherals and accessories – BECHTLE covers all common IT areas by means of a multi-brand strategy. The BECHTLE DIRECT brand is currently established in 14 European countries and focuses on classic hardware from leading vendors. The ARP brand, on the other hand, also offers innovative niche products and its own brand-name products. It is represented in five European countries and operates a purchasing company in Taiwan. The COMSOFT DIRECT software licensing brand is present in eight European countries.



Specialist dealer  
with over 64,000  
items, multi-  
brand strategy

BECHTLE Group companies are based primarily in Germany. Group companies exist abroad in Austria, Belgium, the Czech Republic, France, Hungary, Ireland, Italy, the Netherlands, Poland, Portugal, Spain, Switzerland, Taiwan and the United Kingdom.

The administration and the strategic management of the individual companies are centralised primarily at Gaildorf and Neckarsulm, where the parent company BECHTLE AG and the group's Executive Board are based.

As a general rule, the same reporting and valuation methods are applied for the segment information as for the consolidated financial statements. A joint résumé of the business segments has not been drawn up.

The chief operating decision-maker (CODM) as defined in IFRS 8.7 is the Executive Board of BECHTLE AG, which comprises the Chairman of the Executive Board, the member of the Executive Board responsible for IT system house & managed services and the member of the Executive Board responsible for IT e-commerce. This CODM is responsible for the cross-departmental, group-wide monitoring and management of the group success and resource allocation. Strategic decisions concerning the allocation of resources to the two segments and the assessment of their respective earning power are made exclusively at Executive Board meetings of BECHTLE AG in close coordination with the Supervisory Board. The Executive Board member responsible for IT system house & managed services and the Executive Board member responsible for IT e-commerce serve individually as the segment managers (IFRS 8.9) for the respective business segment. In this capacity, they are in charge of the resource management and the assessment of the efficiency of the segments under their supervision. The segment manager also supervises the Executive Vice Presidents and Managing Directors in his segment. Vis-à-vis the CODM, the segment managers are responsible for their segments and maintain regular contact with the CODM, e.g. at Executive Board meetings, in order to report on and discuss the activities, results and plans of their segment.

The segment information presented below is based on the same indicators as those employed for the internal reporting and controlling system that are used above all by the group management/CODM for success evaluation and resource allocation purposes. It contains all income and expenses as well as the assets and liabilities of the central units/functions of the BECHTLE Group, in accordance with the relevant services provided or used in the two IT system house & managed services and IT e-commerce segments. The earnings before interest and taxes and before acquisition-related amortisation represent the earnings-related key performance indicator for the segments. The amortisation from acquisitions relates to goodwill, customer bases, customer service agreements, brands and non-compete agreements resulting within the scope of acquisitions. Financial income is not consolidated as the segments are primarily funded via the central units where external interest expense and income are mainly incurred. For this reason, financial earnings and expenses are reported together as financial income merely at group level as shown below. This results in the earnings before taxes in the BECHTLE Group and subsequently, under consideration of the taxes at group level, the earnings after taxes in the BECHTLE Group.

This results in asymmetric allocation (IFRS 8.27) insofar as the assets and liabilities reported for the segments include interest-bearing assets and liabilities as well as tax receivables and payables. In the case of symmetric allocation, segment assets and segment liabilities would be correspondingly lower and the earnings-related key performance indicator of the segments would include financial income, financial expenses and tax.

Transactions are only conducted between the two segments to an insignificant extent. They are accounted for at market prices and, for the purposes of completeness and transparency, are shown below explicitly in respect of revenue as well as receivables and payables. The consolidated revenue comprises the total revenue of both segments with parties outside the group. The same applies to the receivables and payables as well as the assets and liabilities of the two segments and of the BECHTLE Group as a whole.

The investments, depreciation and amortisation reported relate to intangible assets as well as to property, plant and equipment.

In the segment reporting by region (domestic or abroad), revenue is allocated to the country in which the subsidiary concerned has its registered office. From the perspective of the given subsidiary, revenue is generated exclusively in its own country. Only revenue via parties external to the group is reported. Accordingly, assets, liabilities and investments are allocated to the domestic market (Germany) or abroad on the basis of the location of the given company's registered office.



For disclosures  
on the composition  
of the revenue,  
see page 164

	2015			2014		
	IT system house & managed services	IT e-commerce	Total group	IT system house & managed services	IT e-commerce	Total group
By segments						
Total segment revenue	1,893,615	943,555		1,730,480	854,317	
less intersegment revenue	-4,121	-1,746		-3,407	-942	
<b>Revenue</b>	<b>1,889,494</b>	<b>941,809</b>	<b>2,831,303</b>	<b>1,727,073</b>	<b>853,375</b>	<b>2,580,448</b>
Depreciation and amortisation	-16,471	-4,898	-21,369	-14,875	-4,577	-19,452
<b>Segment earnings</b>	<b>85,360</b>	<b>49,191</b>	<b>134,551</b>	<b>73,208</b>	<b>39,591</b>	<b>112,799</b>
Amortisation from acquisitions	-5,067	0	-5,067	-4,301	0	-4,301
<b>Earnings before interest and taxes</b>	<b>80,293</b>	<b>49,191</b>	<b>129,484</b>	<b>68,907</b>	<b>39,591</b>	<b>108,498</b>
Financial earnings			-80			-1,113
<b>Earnings before taxes</b>			<b>129,404</b>			<b>107,385</b>
Income taxes			-36,527			-31,191
<b>Earnings after taxes</b>			<b>92,877</b>			<b>76,194</b>
Investments	14,975	6,804	21,779	13,085	11,017	24,102
Investments through acquisitions	28,800	0	28,800	8,920	0	8,920

Apart from the scheduled depreciation and amortisation, the non-cash items in the two segments in the reporting period and in the prior year were mainly limited to the usual movements within the course of the business operations (e.g. changes in trade receivables and trade payables).

€k

By segments	2015			2014		
	IT system house & managed services	IT e-commerce	Total group	IT system house & managed services	IT e-commerce	Total group
Total segment assets	783,037	367,842		684,688	332,318	
less intersegment receivables	-237	-205		-288	-128	
<b>Assets</b>	<b>782,800</b>	<b>367,637</b>	<b>1,150,437</b>	<b>684,400</b>	<b>332,190</b>	<b>1,016,590</b>
Total segment liabilities	377,084	153,144		328,711	134,299	
less intersegment liabilities	-205	-237		-128	-288	
<b>Liabilities</b>	<b>376,879</b>	<b>152,907</b>	<b>529,786</b>	<b>328,583</b>	<b>134,011</b>	<b>462,594</b>

€k

By regions	2015			2014		
	Domestic	Abroad	Total group	Domestic	Abroad	Total group
Revenue	1,957,610	873,693	<b>2,831,303</b>	1,775,409	805,039	<b>2,580,448</b>
Investments	16,645	5,134	<b>21,779</b>	19,740	4,362	<b>24,102</b>
Investments through acquisitions	31,080	-2,280	<b>28,800</b>	3,680	5,240	<b>8,920</b>

Of the consolidated revenue generated abroad, Switzerland accounted for €294,964 thousand (prior year: €298,117 thousand). The rest is split between the other countries, namely Austria, Belgium, the Czech Republic, France, Hungary, Ireland, Italy, the Netherlands, Poland, Portugal, Spain, Taiwan and the United Kingdom, each of which contributed less than 10 per cent to the consolidated revenue of the BECHTLE Group.

€k

By regions	2015			2014		
	Domestic	Abroad	Total group	Domestic	Abroad	Total group
Assets	809,302	341,135	<b>1,150,437</b>	692,450	324,140	<b>1,016,590</b>
thereof non-current assets	242,524	101,877	<b>344,401</b>	214,343	107,597	<b>321,940</b>
Liabilities	387,972	141,814	<b>529,786</b>	328,468	134,126	<b>462,594</b>

The non-current assets reported here encompass property, plant and equipment as well as intangible assets (including goodwill). Of the non-current assets held abroad, Switzerland accounted for €90,456 thousand (prior year: €76,646 thousand). The rest is split between the remaining countries Austria, Belgium, the Czech Republic, France, Hungary, Ireland, Italy, the Netherlands, Poland, Portugal, Spain, Taiwan and the United Kingdom, each of which held less than 5 per cent of the non-current assets of the BECHTLE Group.

Both in the reporting period and in the prior year, no single customer generated more than 10 per cent of the revenue of the BECHTLE Group (IFRS 8.34).



See page 219f

Information on the number of employees by segments and regions is provided in section X. "Other Disclosures, Employees".

## VIII. ACQUISITIONS, PURCHASE PRICE ALLOCATION AND DIVESTMENTS

### Modus Consult AG

As of the acquisition date 4 May 2015, the company acquired all interests in Modus Consult AG, Gütersloh.

The acquisition was recognised in the balance sheet according to the purchase method (IFRS 3.4 ff) and was completed as of the balance sheet date.

Apart from the assets and liabilities already recognised by the acquired company, whose carrying amounts corresponded to their fair value, the customer service agreements (€3,100 thousand), brand (€1,900 thousand), future order backlog (€700 thousand) and a non-compete agreement (€1,100 thousand) were newly recognised as identifiable assets (IFRS 3.10 ff) and measured at fair value as of the acquisition date (IFRS 3.18 ff).

Deferred tax liabilities (€2,054 thousand) were recognised in connection with the capitalisation of the customer service agreements, which are amortised over a period of seven years, of the order backlog, which is amortised over a period of twelve months, of the non-compete agreement, which is amortised over a period of two years, and of the brand, which has an unlimited useful life.

Under consideration of the acquired total net assets (€8,252 thousand), the capital consolidation resulted in a difference of €12,831 thousand that is presented as goodwill. This goodwill is not recognised for tax purposes.

By acquiring Modus (183 employees), BECHTLE has further expanded the software and application solutions division in the IT system house & managed services segment. Modus is an established specialist for application solutions whose spectrum mainly focuses on ERP software solutions based on Microsoft Navision and Axapta, document management systems (DMS), collaboration solutions and business intelligence.

The company purchase agreement for the acquisition of Modus contains a contingent purchase price payment of up to €2,000 thousand, which depends on the acquired company's future business performance. Based on the validated business plan of Modus, the fair value of this contingent purchase price payment on the acquisition date was €1,890 thousand.

Other acquisition costs (€19,193 thousand) resulted in an outflow of cash and cash equivalents.

The receivables taken over were not subject to any major impairment.

In the reporting period, Modus accounted for €20,517 thousand of the revenue and –€625 thousand of the earnings before taxes of the BECHTLE Group (IFRS 3.B64q).



## Common Sense Solutions AG

As of the acquisition date 8 September 2015, the company acquired all interests in Common Sense Solutions AG (css), Berlin, Germany. The company is specialised in the settlement of leasing transactions. Through the acquisition, such transactions can now be performed within the BECHTLE Group.

The acquisition was recognised in the balance sheet according to the purchase method (IFRS 3.4 ff) and was completed as of the balance sheet date.

Apart from the assets and liabilities already recognised by the acquired company, whose carrying amounts corresponded to their fair value, the licence granted by the German Federal Financial Supervisory Authority (BaFin) (€1,200 thousand) was newly recognised as an identifiable asset (IFRS 3.10 ff) and measured at fair value as of the acquisition date (IFRS 3.18 ff). This forms the precondition for engaging in banking and financial service transactions and thereby enables the leasing business of css.

Deferred tax liabilities (€360 thousand) were recognised in the course of the capitalisation of the licence granted by the German Federal Financial Supervisory Authority (BaFin). As a matter of principle, an unlimited useful life is assumed, as the licence can only be withdrawn by the German Federal Financial Supervisory Authority (BaFin) in the event of gross violations of the requirements.

Under consideration of the acquired total net assets (€946 thousand), the capital consolidation resulted in a difference of €2,558 thousand that is presented as goodwill. This goodwill is not recognised for tax purposes.

By acquiring css (5 employees), BECHTLE intends to provide its customers with a range of financing products that will promote the customer loyalty and the sales of the BECHTLE companies.

The company purchase agreement for the acquisition of css contains a contingent purchase price payment of up to €3,450 thousand, which depends on the acquired company's future business performance, as well as a salary component amounting to €1,220 thousand, which was classified as a separate transaction. Based on the validated business plan of css, the fair value of this contingent purchase price payment on the acquisition date was €3,104 thousand. The salary component is recognised as additional personnel expense over the term of the agreement.

Other acquisition costs (€400 thousand) resulted in an outflow of cash and cash equivalents.

The receivables taken over were not subject to any major impairment.

In the reporting period, css accounted for €4,099 thousand of the revenue and €165 thousand of the earnings before taxes of the BECHTLE Group (IFRS 3.B64qj).

## **TRITEC Technisches Vertriebsbüro für Elektronik- und Computersysteme GmbH**

As of the acquisition date 30 October 2015, BECHTLE acquired all interests in TRITEC Technisches Vertriebsbüro für Elektronik- und Computersysteme GmbH in Künzelsau, Germany.

The acquisition was recognised in the balance sheet according to the purchase method (IFRS 3.4 ff) and was completed as of the balance sheet date.

Apart from the assets and liabilities already recognised by the acquired company, whose carrying amounts corresponded to their fair value, the customer base (€850 thousand) and a future order backlog (€250 thousand) were newly recognised as identifiable assets (IFRS 3.10 ff) and measured at fair value as of the acquisition date (IFRS 3.18 ff).

Deferred tax liabilities (€318 thousand) were recognised in connection with the capitalisation of the customer base, which is amortised over a period of seven years, and of the order backlog, which is amortised in the month in which the invoice is issued to the customer.

Under consideration of the acquired total net assets (€941 thousand), the capital consolidation resulted in a difference of €2,524 thousand that is presented as goodwill. This goodwill is not recognised for tax purposes.

Through the acquisition of TRITEC (15 employees), BECHTLE has gained excellent customer contacts in the Hohenlohe business region. The IT company in Künzelsau will collaborate closely with the BECHTLE IT system house in Neckarsulm.

The acquisition costs (€3,465 thousand) resulted in an outflow of cash and cash equivalents. The company purchase agreement for the acquisition of TRITEC does not provide for any contingent purchase price payments.

The receivables taken over were not subject to any major impairment.

In the reporting period, TRITEC accounted for €1,629 thousand of the revenue and €92 thousand of the earnings before taxes of the BECHTLE Group (IFRS 3.B64qj).

The following table presents the fair value of the assets and liabilities of Modus, CSS and TRITEC as of the date of initial consolidation as they appear in the **balance sheet**:

	€k		
	Modus	CSS	TRITEC
<b>Non-current assets</b>			
Goodwill	12,831	2,558	2,524
Other intangible assets	10,539	1,204	1,105
Property, plant and equipment	158	2	159
Deferred taxes	41	0	0
Other assets	70	0	0
<b>Total non-current assets</b>	<b>23,639</b>	<b>3,764</b>	<b>3,788</b>
<b>Current assets</b>			
Inventories	886	0	1,968
Trade receivables	4,204	0	805
Other assets	2,455	23	50
Cash and cash equivalents	1,498	99	389
<b>Total current assets</b>	<b>9,043</b>	<b>122</b>	<b>3,212</b>
<b>Total assets</b>	<b>32,682</b>	<b>3,886</b>	<b>7,000</b>
<b>Non-current liabilities</b>			
Other provisions	41	0	0
Deferred taxes	3,147	360	318
Other liabilities	16	0	0
<b>Total non-current liabilities</b>	<b>3,204</b>	<b>360</b>	<b>318</b>
<b>Current liabilities</b>			
Financial liabilities	0	0	1,500
Trade payables	1,785	5	759
Income tax liabilities	507	0	80
Other provisions and liabilities	1,383	17	878
Deferred income	4,720	0	0
<b>Total current liabilities</b>	<b>8,395</b>	<b>22</b>	<b>3,217</b>
<b>Total liabilities</b>	<b>11,599</b>	<b>382</b>	<b>3,535</b>
<b>Total assets – Total liabilities = Acquisition costs</b>	<b>21,083</b>	<b>3,504</b>	<b>3,465</b>

The acquisitions resulted in minor ancillary costs, which were posted through profit or loss.

Had **Modus**, **CSS** and **TRITEC** been acquired at the beginning of the reporting period, the revenue of the BECHTLE Group for the reporting period would have amounted to €2,850 million. Earnings before taxes would have amounted to €131 million (IFRS 3.B64qii).

As of the acquisition date 1 January 2016, all interests in Niederer Engineering AG, headquartered in Abtwil, Switzerland, were purchased. Founded in 1984, the company is a specialised consultant and service provider for IT infrastructure solutions of HP.

In the balance sheet, the acquisition will be recognised according to the purchase method (IFRS 3.4 ff). Due to the short time passed, the identification/measurement of the assets acquired, of the liabilities assumed and of the consideration paid is not yet available (IFRS 3.B66). Provisional values are expected to become available by the quarterly report as of 31 March 2016 (IFRS 3.45). The identification of a possible customer base could not be completed by the reporting date.

By acquiring Niederer (6 employees), BECHTLE has gained accredited, experienced specialists who strengthen the activities in the field of sophisticated IT infrastructure solutions. As of 1 January 2016, the employees relocated to the BECHTLE IT system house St. Gallen, both organisationally and physically.

The acquisition costs (€1,147 thousand) resulted in an outflow of cash and cash equivalents. The company purchase agreement for the acquisition of Niederer does not provide for any conditional purchase price payments.

The receivables taken over were not subject to any major impairment.

## Divestments

As of the contract date 14 January 2015, the Swiss subsidiary Coma Services AG, headquartered in Bremgarten, was sold. The company, which had 36 employees, had belonged to the IT system house & managed services segment (cash-generating unit IT system house & managed services). The sale resulted in an insignificant loss in the fiscal year 2015.

As of 13 July 2015, the Swiss subsidiary Gate Informatic AG, headquartered in Ecublens, was sold. The company, which had 15 employees, had belonged to the IT system house & managed services segment (cash-generating unit IT system house & managed services). The sale resulted in a capital gain of €3,022 thousand that was presented under other operating income. Considered individually, the revenue and earnings contribution of this company was immaterial in the fiscal year 2014 and in the first half of 2015.

## IX. DISCLOSURES ON THE EXECUTIVE BOARD AND SUPERVISORY BOARD

### Members of the Executive Board

#### **Dr. Thomas Olemotz**, Chairman of the Executive Board

Place of residence: Heilbronn and Rabenau, Germany

Member of the Executive Board responsible for controlling, finance, corporate communications, investor relations, central IT, logistics & service, human resources & staff development and legal

#### ■ Chairman of the Supervisory Board

of AMARAS AG, Monheim an der Ruhr, Germany

of BECHTLE E-Commerce Holding AG, Neckarsulm, Germany

of BECHTLE Managed Services AG, Neckarsulm, Germany

of BECHTLE Systemhaus Holding AG, Neckarsulm, Germany

of Common Sense Solutions AG, Berlin, Germany (since 18 September 2015)

of Modus Consult AG, Gütersloh, Germany (since 5 May 2015)

of PP2000 Business Integration AG, Stuttgart, Germany

of SolidLine AG, Walluf, Germany

#### ■ Chairman of the Board of Directors

of BECHTLE Holding Schweiz AG, Rotkreuz, Switzerland

#### **Michael Guschlbauer**

Place of residence: Tamm, Germany

Member of the Executive Board responsible for IT system house & managed services, quality management

#### ■ Member of the Executive Board

of BECHTLE Managed Services AG, Neckarsulm, Germany

of BECHTLE Systemhaus Holding AG, Neckarsulm, Germany

#### ■ Member of the Supervisory Board

of PP 2000 Business Integration AG, Stuttgart, Germany

#### ■ Vice-Chairman of the Supervisory Board

of Common Sense Solutions AG, Berlin, Germany (since 18 September 2015)

#### **Jürgen Schäfer**

Place of residence: Heilbronn, Germany

Member of the Executive Board responsible for IT e-commerce

#### ■ Member of the Executive Board

of BECHTLE E-Commerce Holding AG, Neckarsulm, Germany

of Förderkreis der Hochschule Heilbronn e.V.

#### ■ Chairman of the Board of Directors

of Gustav-Berger Stiftung, Heilbronn, Germany

#### ■ Member of the Supervisory Board

of RIXIUS AG, Mannheim, Germany

The Executive Board collectively assumes the responsibility for the compliance, risk management, business planning and strategic business development functions.

## NUMBER OF SHARES IN BECHTLE AG

	31.12.2015	31.12.2014
Dr. Thomas Olemotz	0	0
Michael Guschlbauer	0	0
Jürgen Schäfer	4,000	4,000

### Compensation of Members of the Executive Board

In the fiscal year 2015, the fixed compensation of the Executive Board that was paid out amounted to €1,466 thousand (prior year: €1,255 thousand).

The one-year and multi-year variable compensation is specified in the allocation table according to the German Corporate Governance Code (DCGK) and in the total compensation table according to Section 314 (1) no. 6 of the German Commercial Code (HGB) in the year for which they are granted. Naturally, the payment only takes place in the subsequent year. According to the German Corporate Governance Code (DCGK), the table of benefits granted must indicate the target figure that would be due upon full target achievement, regardless of the actual target achievement. The actually achieved amount, which is due for payment in the following year, is specified in the table of benefits according to the German Corporate Governance Code (DCGK) and of the total compensation according to Section 314 (1) no. 6 of the German Commercial Code (HGB).

In the fiscal year 2012, the compensation of the Executive Board of BECHTLE AG was supplemented with a long-term incentive component (long-term bonus plan). The long-term component is granted for a four or three-year period, starting from the fiscal year in which it is granted. According to the German Corporate Governance Code (DCGK), the bonus plan granted in the reporting period, i.e. the bonus plan whose term starts in the reporting period (tranche for 2014 to 2017 in the fiscal year 2014; tranche for 2015 to 2017 in the fiscal year 2015) must be specified in the "Benefits granted" table. In this context, the target value as of the date of commitment shall be specified, regardless of the fact that the commitment depends on the achievement of the defined targets and the payment will only be due in the fiscal year after the end of the three-year or four-year term. The multi-year component whose plan term ended in the reporting period must be specified in the allocation table according to the German Corporate Governance Code (DCGK) and the total compensation table according to Section 314 (1) no. 6 of the German Commercial Code (HGB), namely in the form of the actually achieved value that is due for payment in the subsequent year (tranche for 2012 to 2014 in the fiscal year 2014 and tranche for 2013 to 2015 in the fiscal year 2015).

The compensation of the members of the Executive Board for the fiscal year 2015 was distributed as follows:

€k							
	Dr. Thomas Olemotz CEO		Michael Guschlbauer Board Member IT system house & managed services, quality management		Jürgen Schäfer Board Member IT e-commerce		Total compensation
Executive Board compensation	2015	2014	2015	2014	2015	2014	2015 2014
<b>Non-performance-based compensation</b>							
Fixed annual salary	800	720	330	240	280	240	1,410 1,200
Fringe benefits	17	16	27	27	12	12	56 55
<b>Total</b>	<b>817</b>	<b>736</b>	<b>357</b>	<b>267</b>	<b>292</b>	<b>252</b>	<b>1,466 1,255</b>
<b>Performance-based compensation</b>							
Bonus	600	540	220	150	175	150	995 840
Special bonus <sup>1</sup>	800	800	300	300	150	150	1,250 1,250
<b>Total</b>	<b>1,400</b>	<b>1,340</b>	<b>520</b>	<b>450</b>	<b>325</b>	<b>300</b>	<b>2,245 2,090</b>
<b>Compensation with long-term incentives</b>							
Commitments 2012 (tranche 2012 to 2014)	0	63	0	32	0	32	0 127
Commitments 2013 (tranche 2013 to 2015)	560	0	160	0	160	0	880 0
<b>Total</b>	<b>560</b>	<b>63</b>	<b>160</b>	<b>32</b>	<b>160</b>	<b>32</b>	<b>880 127</b>
<b>Final total</b>	<b>2,777</b>	<b>2,139</b>	<b>1,037</b>	<b>749</b>	<b>777</b>	<b>584</b>	<b>4,591 3,472</b>

<sup>1</sup> The granting of a special bonus is at the discretion of the Supervisory Board.

The long-term bonus plan is recognised in the provisions on a pro-rata basis. For this, €805 thousand (prior year: €630 thousand) was recognised as expense in the financial statements. The value of the obligation for the compensation in the form of a long-term incentive amounted to €1,812 thousand as of 31 December 2015 (prior year: €1,007 thousand).



The benefits granted to the members of the Executive Board for the fiscal year 2015 were distributed as follows:


												€k		
												Dr. Thomas Olemotz CEO starting 01.03.2007	Michael Guschlbauer Board Member IT system house & managed services, quality management starting 01.01.2009	Jürgen Schäfer Board Member IT e-commerce starting 01.01.2009
Grant benefits	Minimum 2015	Maximum 2015	2015	2014	Minimum 2015	Maximum 2015	2015	2014	Minimum 2015	Maximum 2015	2015	2014		
Non-performance-based compensation														
Fixed annual salary	800	800	800	720	330	330	330	240	280	280	280	240		
Fringe benefits	17	17	17	16	27	27	27	27	12	12	12	12		
Total			817	736			357	267			292	252		
Performance-based compensation														
Bonus	0	600	600	540	0	220	220	150	0	175	175	150		
Special bonus			800	800			300	300			150	150		
Total annual variable compensation			1,400	1,340			520	450			325	300		
Long-term bonus plan														
Commitments 2014 (tranche 2014 to 2016/2017)	0	0	0	560	0	0	0	160	0	0	0	160		
Commitments 2015 (tranche 2015 to 2017)	0	620	620	0	0	230	230	0	0	185	185	0		
Total perennial variable compensation			620	560			230	160			185	160		
Total compensation			2,837	2,636			1,107	877			802	712		

The allocations granted to the members of the Executive Board for the fiscal year 2015 are distributed as follows:

						€k
	Dr. Thomas Olemotz CEO starting 01.03.2007		Michael Guschlbauer Board Member IT system house & managed services, quality management starting 01.01.2009		Jürgen Schäfer Board Member IT e-commerce starting 01.01.2009	
Inflows	2015	2014	2015	2014	2015	2014
Non-performance-based compensation						
Fixed annual salary	800	720	330	240	280	240
Fringe benefits	17	16	27	27	12	12
Total	817	736	357	267	292	252
Performance-based compensation						
Bonus	600	540	220	150	175	150
Special bonus	800	800	300	300	150	150
Total annual variable compensation	1,400	1,340	520	450	325	300
Long-term bonus plan						
Commitments 2012 (tranche 2012 to 2014)	0	63	0	32	0	32
Commitments 2013 (tranche 2013 to 2015)	560	0	160	0	160	0
Total perennial variable compensation	560	63	160	32	160	32
Total compensation	2,777	2,139	1,037	749	777	584


## Members of the Supervisory Board and their Compensation

The Members of the Supervisory Board and their compensation were as follows:

  
For further disclosures  
on the Supervisory  
Board, see page 74 ff

						€k
Name	Basic compensation	Chairman/ vice-chairman	Committee activity	Attendance fee	Total 2015	Total 2014
<b>Shareholder representatives</b>						
Kurt Dobitsch	25,000			3,000	28,000	28,750
Prof. Dr. Thomas Hess	25,000			3,000	28,000	28,000
Dr. Walter Jaeger	25,000		6,500	5,000	36,500	37,000
Dr. Matthias Metz	25,000	50,000	16,250	6,500	97,750	55,750
Gerhard Schick (until 5 June 2014)					0	43,500
Karin Schick	25,000			3,000	28,000	28,750
Dr. Jochen Wolf	25,000	12,500	16,250	6,500	60,250	62,500
<b>Employee representatives</b>						
Uli Drautz	25,000	12,500	13,000	6,500	57,000	59,250
Daniela Eberle	25,000		6,500	3,750	35,250	37,750
Barbara Greyer	25,000			3,000	28,000	26,500
Martin Meyer	25,000			3,000	28,000	28,750
Volker Strohfeld	25,000			2,250	27,250	28,750
Michael Unser	25,000			3,000	28,000	28,000
<b>Total</b>	<b>300,000</b>	<b>75,000</b>	<b>58,500</b>	<b>48,500</b>	<b>482,000</b>	<b>493,250</b>

The Supervisory Board compensation in the reporting period totalled €482 thousand.

  
For further disclosures  
on the members of  
the Supervisory Board,  
see Appendix D,  
page 230 f

All other details relevant to the Supervisory Board that have to be provided by law are set out in summarised form in Appendix D to these Notes.

Disclosures on the shareholding of the members of the Supervisory Board are presented in the Corporate Governance Report in the Management Report.

## X. OTHER DISCLOSURES

### Operating Leases

In the context of rental, leasehold and leasing agreements classed as operating leases as per IAS 17, the group hires property, plant and equipment. The leasing instalments and/or rental payments resulting from this are recognised directly as expense items in the income statement.

BECHTLE has hired buildings, vehicles and IT products by way of operating leases that cannot be terminated during the basic rental term. Payments amounting to €33,925 thousand (prior year: €31,670 thousand) were recognised as expenses in connection with leases.

The nominal value of the future minimum lease payments under the aforesaid contracts amounted to €75,048 thousand as of 31 December 2015 (prior year: €68,620 thousand).

The calculation of the minimum lease payments takes into account contractually agreed and known price adjustments. Beyond this, customary local price adjustment clauses and lease renewal options exist, which are not taken into account in the calculation since their amount and application are uncertain.

	€k	
	2015	2014
Due within one year	28,030	26,136
Due between one and five years	38,664	36,582
Due after five years	8,354	5,902
<b>Minimum lease payments</b>	<b>75,048</b>	<b>68,620</b>

In connection with operating leases, BECHTLE also acts as lessor. Most of the agreements concerned relate to the leasing of IT products. Generally, the leasing agreements are concluded for terms of three to five years. The minimum lease payments from these leases amount to €6,723 thousand for 2016 (prior year for 2015: €7,627 thousand) and €7,659 thousand for 2017 to 2021 (prior year for 2016 to 2020: €10,456 thousand), thus totalling €14,382 thousand (prior year: €18,083 thousand).

## Finance Leases

In connection with finance leases, BECHTLE also acts as lessor. Most of the agreements concerned relate to the leasing of IT products. Generally, the leasing agreements are concluded for terms of five years. As this corresponds to the useful life of the equipment, a residual value of zero is normally recognised. Due to agreements newly concluded in the fiscal year 2015, non-guaranteed residual values existed in the amount of €80 thousand (prior year: €0).

As of the closing date, the trade receivables contained leasing receivables amounting to €16,159 thousand (prior year: €9,787 thousand). The reconciliation of the net investment accounted for with the gross investment under consideration of the residual value is presented in the following table.

	2015			2014		
	Repayment	Interest	Lease payments	Repayment	Interest	Lease payments
Due within one year	3,942	1,265	5,207	1,514	1,276	2,790
Due between one and five years	11,674	1,753	13,427	8,273	2,486	10,759
Due after five years	543	6	549	0	0	0
<b>Minimum lease payments</b>	<b>16,159</b>	<b>3,024</b>	<b>19,183</b>	<b>9,787</b>	<b>3,762</b>	<b>13,549</b>

The interest share of the lease payments corresponds to the not yet realised financial income. The leasing receivables do not contain any impairment. Revenue was recognised in the amount of €6,502 thousand (prior year: €10,038 thousand).

Since 18 November 2015, a factoring agreement has existed with Kreissparkasse Heilbronn. The framework agreement does not establish any obligation on the part of the savings bank to purchase receivables offered and no obligation on the part of the subsidiary CSS AG to offer the savings bank receivables for purchase. The purchase of receivables takes place on the basis of individual purchase agreements, which are concluded under the framework agreement. By concluding an individual purchase agreement, the savings bank purchases a first-priority partial amount of the receivables. This partial amount corresponds to the net lease receivable from the leasing agreement without residual value and without value-added tax.

CSS is liable for the viability of the claim, but not for the creditworthiness of the debtor and accordingly not for default due to his inability to pay. Thus, CSS AG has transferred all material risks to the savings bank and only bears the cost of discounting of the receivables for the purchase period.

As of the end of the year, a receivable was sold at a nominal value of €719 thousand. For this, the company received €701 thousand from the savings bank.

According to this agreement, CSS AG may redeem receivables from the savings bank in case the leasing agreement is terminated prematurely. The redemption price corresponds to the present value discounted with the original interest rate plus a prepayment fee.

## Employees

The personnel and social expenses were as follows:

	€k	
	2015	2014
Wages and salaries	360,191	330,663
Social security contributions and expenses for pension schemes and support	62,849	58,101
<b>Personnel and social expenses</b>	<b>423,040</b>	<b>388,764</b>

Personnel and social expenses (wages and salaries) include severance pay amounting to €1,374 thousand (prior year: €1,635 thousand) (IAS 19.171).

All in all, the employee numbers in the BECHTLE Group were as follows as of the balance sheet date and on annual average:

	31.12.2015	31.12.2014	2015	2014
Full-time and part-time employees	6,611	5,995	6,376	5,872
Trainees	473	455	427	429
Employees on parental leave	121	122	121	120
Temporary staff	235	228	236	211
<b>Total</b>	<b>7,440</b>	<b>6,800</b>	<b>7,160</b>	<b>6,632</b>

The average number of full-time and part-time employees listed above includes 107 (prior year: 105) managing directors and/or members of the Executive Board of subsidiaries.

The employee numbers (without temporary staff) break down by segments and regions as follows:

	31.12.2015	31.12.2014	2015	2014
<b>IT system house &amp; managed services</b>	<b>5,766</b>	<b>5,164</b>	<b>5,492</b>	<b>5,081</b>
Domestic	5,142	4,507	4,863	4,401
Abroad	624	657	629	680
<b>IT e-commerce</b>	<b>1,439</b>	<b>1,408</b>	<b>1,432</b>	<b>1,340</b>
Domestic	491	489	497	475
Abroad	948	919	935	865

The employee numbers (without employees on parental leave and without temporary staff) break down by functional areas as follows:

	31.12.2015	31.12.2014	2015	2014
Services	3,382	2,963	3,218	2,942
Sales	2,115	2,009	2,080	1,947
Administration	1,587	1,478	1,505	1,412

The service staff comprises all employees that perform services for customer orders. The sales staff comprises employees who maintain direct contact with customers for sales purposes. The administrative staff comprises all employees who do not belong to the service and sales staff, especially employees in the purchasing department, the warehouse and the administration.

### Auditor's Fee

The following fees were recognised as expense in the fiscal years 2015 and 2014 for services rendered by the auditor of the consolidated financial statements, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, for BECHTLE AG and its subsidiaries:

	€k	
	2015	2014
Financial statements audits	514	473
Other auditing services	6	0
Other services	31	150
<b>Auditor's fee</b>	<b>551</b>	<b>623</b>

The fees for audits include the fees for the consolidated financial statements audit as well as for the audit of the annual financial statements of BECHTLE AG and its domestic subsidiaries.

### Related-Party Relationships



See Appendix A,  
page 224 ff

BECHTLE AG and all its (direct or indirect) subsidiaries are considered to be related parties. All these companies are consolidated in the consolidated financial statements of BECHTLE AG.

Parties related to BECHTLE are Karin Schick as the largest shareholder of BECHTLE AG, and the members of the Executive Board and of the Supervisory Board of BECHTLE AG as well as their close family members.

Apart from her Supervisory Board office as shareholder representative, Karin Schick served as a part-time employee at BECHTLE AG without any material compensation until 31 August 2014.

In the third quarter of 2014, Karin Schick acquired a piece of land including a building in which SolidPro, a wholly owned subsidiary of BECHTLE AG, has rented office space. The existing lease with an annual rent of €294 thousand and a term until September 2023 continues to exist.

Since his departure from the Supervisory Board, Gerhard Schick, father of Karin Schick, has continued to make his experience available to the BECHTLE Group within the scope of a consulting agreement without compensation.

During their membership in the Supervisory Board, the employee representatives on the Supervisory Board received taxable compensations amounting to €402 thousand in the reporting period (prior year: €396 thousand) for their normal employment with BECHTLE.

Apart from this, there were no other noteworthy transactions between BECHTLE and related parties, neither in the reporting period nor in the prior year.

### Exercise of Rights pursuant to Section 264 (3)/Section 264b of the German Commercial Code (HGB)

The following companies, which are affiliated consolidated companies of BECHTLE AG and for which the consolidated financial statements of BECHTLE AG represent the exempting Consolidated Financial Statements, make use of their right of exemption pursuant to Section 264 (3)/Section 264b of the German Commercial Code (HGB):

Company	Location
Bechtle GmbH	Berlin, Germany
Common Sense Solutions AG	Berlin, Germany
Bechtle GmbH & Co. KG	Bielefeld, Germany
Bechtle GmbH & Co. KG	Bonn, Germany
Bechtle GmbH	Bremen, Germany
Bechtle GmbH & Co. KG	Chemnitz, Germany
Bechtle GmbH & Co. KG	Darmstadt, Germany
ARP GmbH	Dietzenbach, Germany
Bechtle GmbH	Dortmund, Germany
PSB GmbH	Dreieich, Germany
Bechtle GmbH & Co. KG	Duisburg, Germany
ITZ Informationstechnologie GmbH	Essen, Germany
Bechtle GmbH	Frankfurt (Main), Germany
Bechtle GmbH	Freiburg (Breisgau), Germany
Bechtle GmbH & Co. KG	Friedrichshafen, Germany
Bechtle Finanz- & Marketingservices GmbH	Gaildorf, Germany



Company	Location
Bechtle GmbH	Hamburg, Germany
HanseVision GmbH	Hamburg, Germany
Bechtle GmbH	Hannover, Germany
Bechtle GmbH & Co. KG	Karlsruhe, Germany
Bechtle GmbH & Co. KG	Krefeld, Germany
Bechtle IT-Systemhaus GmbH	Krefeld, Germany
SolidPro Informationssysteme GmbH	Langenau, Germany
Bechtle GmbH & Co. KG	Mannheim, Germany
Bechtle GmbH	Meschede, Germany
AMARAS AG	Monheim (Rhein), Germany
Bechtle GmbH & Co. KG	Münster, Germany
Bechtle-Comsoft GmbH	Neckarsulm, Germany
Bechtle direct GmbH	Neckarsulm, Germany
Bechtle E-Commerce Holding AG	Neckarsulm, Germany
Bechtle Field Services GmbH & Co. KG	Neckarsulm, Germany
Bechtle Finance GmbH	Neckarsulm, Germany
Bechtle GmbH & Co. KG	Neckarsulm, Germany
Bechtle Grundstücksverwaltungsgesellschaft mbH	Neckarsulm, Germany
Bechtle Immobilien GmbH	Neckarsulm, Germany
Bechtle Logistik & Service GmbH	Neckarsulm, Germany
Bechtle Managed Services AG	Neckarsulm, Germany
Bechtle ÖA direct GmbH	Neckarsulm, Germany
Bechtle Onsite Services GmbH	Neckarsulm, Germany
Bechtle Remote Services GmbH & Co. KG	Neckarsulm, Germany
Bechtle Softwarelösungen GmbH	Neckarsulm, Germany
Bechtle Systemhaus Holding AG	Neckarsulm, Germany
Bechtle GmbH	Nürnberg, Germany
Bechtle IT-Systemhaus GmbH & Co. KG	Ober-Mörlen, Germany
Bechtle GmbH	Offenburg, Germany
Bechtle GmbH	Radolfzell (Lake Constance), Germany
Bechtle GmbH & Co. KG	Regensburg, Germany
Bechtle GmbH & Co. KG	Rottenburg (Neckar), Germany
Bechtle GmbH	Schkeuditz, Germany
Bechtle GmbH	Solingen, Germany
Bechtle GmbH	Stuttgart, Germany
PP 2000 Business Integration AG	Stuttgart, Germany
Bechtle GmbH	Ulm, Germany
HCV Data Management GmbH	Walluf, Germany
Solid Line Aktiengesellschaft	Walluf, Germany
Bechtle Remarketing GmbH	Wesel, Germany
Bechtle GmbH	Würselen, Germany
Bechtle GmbH	Würzburg, Germany

## XI. EVENTS AFTER THE END OF THE REPORTING PERIOD

As of the acquisition date 1 January 2016, BECHTLE acquired all interests in Niederer Engineering AG in Abtwil in the canton of St. Gallen.

The IT system house was established in 1984 and has six employees. Niederer Engineering has been active as a one-stop provider in the HP environment for more than 30 years. Apart from enterprise customers, the Gold-certified team supervises several universities as a Hewlett-Packard "Higher Education partner".

In the balance sheet, the acquisition will be recognised according to the purchase method (IFRS 3.4 ff). Due to the short time passed, the identification/measurement of the assets acquired, of the liabilities assumed and of the consideration paid is not yet available (IFRS 3.B66). Provisional values are expected to become available by the quarterly report as of 31 March 2016 (IFRS 3.45).

Furthermore no other noteworthy events occurred at BECHTLE after the end of the reporting period.

Neckarsulm, 29 February 2016

BECHTLE AG

The Executive Board



Dr. Thomas Olemotz



Michael Guschlbauer



Jürgen Schäfer

## SUBSIDIARIES OF BECHTLE AG

as of 31 December 2015 (Appendix A to the Notes)

### 67. SUBSIDIARIES – GERMANY

Company	Location
Bechtle GmbH	Berlin
Common Sense Solutions AG	Berlin
Bechtle GmbH & Co. KG	Bielefeld
Bauvision Management BVM GmbH	Bobingen
Bechtle GmbH & Co. KG	Bonn
Bechtle GmbH	Bremen
Bechtle GmbH & Co. KG	Chemnitz
Bechtle GmbH & Co. KG	Darmstadt
ARP GmbH	Dietzenbach
Bechtle GmbH	Dortmund
PSB GmbH	Dreieich
Bechtle GmbH & Co. KG	Duisburg
ITZ Informationstechnologie GmbH	Essen
Bechtle GmbH	Frankfurt (Main)
Bechtle GmbH	Freiburg
Bechtle GmbH & Co. KG	Friedrichshafen
Bechtle Finanz- & Marketingservices GmbH	Gaildorf
Modus Consult AG	Gütersloh
Bechtle GmbH	Hamburg
HanseVision GmbH	Hamburg
Bechtle GmbH	Hannover
Bechtle GmbH & Co. KG	Karlsruhe
Bechtle GmbH	Köln
Bechtle GmbH & Co. KG	Krefeld
Bechtle IT-Systemhaus GmbH	Krefeld
SolidPro Informationssysteme GmbH	Langenau
Bechtle GmbH	Leipzig
Bechtle GmbH & Co. KG	Mannheim
AMARAS AG	Monheim (Rhein)
Bechtle GmbH & Co. KG	Münster
Bechtle direct GmbH	Neckarsulm
Bechtle E-Commerce Holding AG	Neckarsulm
Bechtle Finance GmbH	Neckarsulm
Bechtle GmbH & Co. KG	Neckarsulm
Bechtle Grundstücksverwaltungsgesellschaft mbH	Neckarsulm
Bechtle Immobilien GmbH	Neckarsulm
Bechtle Logistik & Service GmbH	Neckarsulm
Bechtle Managed Services AG	Neckarsulm
Bechtle ÖA direct GmbH	Neckarsulm
Bechtle Onsite Services GmbH	Neckarsulm

Company	Location
Bechtle Remote Services GmbH & Co. KG	Neckarsulm
Bechtle Softwarelösungen GmbH	Neckarsulm
Bechtle Systemhaus Holding AG	Neckarsulm
Bechtle-Comsoft GmbH	Neckarsulm
Bechtle GmbH	Nürnberg
Bechtle IT-Systemhaus GmbH & Co. KG	Ober-Mörlen
PSB IT-Service GmbH	Ober-Mörlen
Bechtle GmbH	Offenburg
Bechtle GmbH	Radolfzell (Lake Constance)
Bechtle GmbH & Co. KG	Regensburg
Bechtle GmbH & Co. KG	Rottenburg (Neckar)
Bechtle GmbH	Solingen
Bechtle GmbH	Stuttgart
PP 2000 Business Integration AG	Stuttgart
Bechtle GmbH	Ulm
HCV Data Management GmbH	Walluf
Solid Line Aktiengesellschaft	Walluf
Bechtle GmbH	Weimar
Bechtle Remarketing GmbH	Wesel
Bechtle GmbH	Würselen
Bechtle GmbH	Würzburg

**Non-operating companies:**

Bechtle Verwaltungs-GmbH	Bielefeld
Bechtle Verwaltungs-GmbH	Bonn
Bechtle Verwaltungs-GmbH	Chemnitz
DA Bechtle Verwaltungs-GmbH	Darmstadt
BO Bechtle Verwaltungs-GmbH	Duisburg
FH Bechtle Verwaltungs-GmbH	Friedrichshafen
Bechtle Data Verwaltungs-GmbH	Gaildorf
Bechtle GmbH	Gaildorf
Bechtle Kapitalbeteiligungs-Verwaltungs-GmbH	Gaildorf
intelligent IT solutions Beteiligungs-GmbH	Gaildorf
MH Bechtle Verwaltungs-GmbH	Gaildorf
MS Mikro Software Gesellschaft für Systemanalyse und Engineering mbH	Gaildorf
MVis informationssysteme GmbH	Gaildorf
OCR Datensysteme GmbH	Gaildorf

Company	Location
KA Bechtle Verwaltungs-GmbH	Karlsruhe
MA Bechtle Verwaltungs-GmbH	Mannheim
Bechtle Verwaltungs-GmbH	Münster
Bechtle Field Services GmbH & Co. KG	Neckarsulm
Bechtle Field Services Verwaltungs-GmbH	Neckarsulm
Bechtle Remote Services Verwaltungs-GmbH	Neckarsulm
HN Bechtle Verwaltungs-GmbH	Neckarsulm
Bechtle Verwaltungs-GmbH	Ober-Mörlen
REG Bechtle Verwaltungs-GmbH	Regensburg
RB Bechtle Verwaltungs-GmbH	Rottenburg (Neckar)

#### 68. SUBSIDIARIES – WORLDWIDE

Company	Country	Location
ARP NV	Belgium	Neerpelt
Bechtle Brussels NV	Belgium	Neerpelt
Bechtle direct NV	Belgium	Neerpelt
Bechtle Management BVBA	Belgium	Neerpelt
Bechtle Public Belgium NV	Belgium	Neerpelt
Comsoft direct NV	Belgium	Neerpelt
ARP SASU	France	Molsheim
Bechtle direct SAS	France	Molsheim
Bechtle Management E.u.r.l.	France	Molsheim
Comsoft SOS Developers SAS	France	Molsheim
Bechtle direct Ltd.	United Kingdom	Chippenham
Bechtle direct Limited	Ireland	Dublin
Bechtle direct S.r.l.	Italy	Bozen
Comsoft direct S.r.l.	Italy	Bozen
Bechtle direct B.V.	Netherlands	Eindhoven
Bechtle Holding B.V.	Netherlands	Eindhoven
Buyitdirect.com N.V.	Netherlands	Hoofddorp
ARP Nederland B.V.	Netherlands	Maastricht
ARP Supplies B.V.	Netherlands	Maastricht
Bechtle Data Management B.V.	Netherlands	Maastricht
Bechtle Management B.V.	Netherlands	Maastricht
Comsoft direct B.V.	Netherlands	Maastricht
Bechtle direct GmbH	Austria	Traun
Bechtle GmbH	Austria	Wien
Bechtle Management GmbH	Austria	Wien
planetsoftware GmbH	Austria	Wien
ARP GmbH	Austria	Wiener Neudorf
Comsoft direct GmbH	Austria	Wiener Neudorf
Bechtle direct Polska Sp. z o.o.	Poland	Wroclaw

Company	Country	Location
Bechtle direct Portugal Unipessoal Lda	Portugal	Aveiro
Bechtle direct AG	Switzerland	Gland
ARP Europe AG	Switzerland	Rotkreuz
ARP Schweiz AG	Switzerland	Rotkreuz
Bechtle Holding Schweiz AG	Switzerland	Rotkreuz
Bechtle Logistics & Service AG	Switzerland	Rotkreuz
Bechtle Management AG	Switzerland	Rotkreuz
Bechtle Schweiz AG	Switzerland	Rotkreuz
Comsoft direct AG	Switzerland	Rotkreuz
Solid Solutions AG	Switzerland	Zürich
Bechtle direct S.L.	Spain	Madrid
Comsoft direct S.L.U.	Spain	Madrid
ARP Datacon Ltd.	Taiwan R.O.C.	Taipei Hsien
Bechtle direct s.r.o.	Czech Republic	Praha
Bechtle direct Kft.	Hungary	Budapest

## 69. CHANGES IN INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

from 1 January to 31 December 2015 (Appendix B to the Notes)

	Costs of purchase						As of 31.12.2015
	As of 01.01.2015	Change in scope of consolidation	Other additions	Currency translation differences	Disposals	Transfers/ restructure	
<b>Goodwill</b>	<b>144,499</b>	<b>17,913</b>	<b>0</b>	<b>3,986</b>	<b>0</b>	<b>0</b>	<b>166,398</b>
<b>Other intangible assets</b>							
Brands	3,564	3,100	0	395	0	0	7,059
Customer bases	12,109	1,550	0	141	3,030	0	10,770
Acquired software	18,048	72	3,303	119	682	-54	20,806
Internally developed software	3,616	3,594	717	0	0	54	7,981
Customer service agreements	9,687	3,350	134	13	61	0	13,123
Non-compete agreements	1,270	1,100	0	0	600	0	1,770
	<b>48,294</b>	<b>12,766</b>	<b>4,154</b>	<b>668</b>	<b>4,373</b>	<b>0</b>	<b>61,509</b>
<b>Property, plant and equipment</b>							
Property and buildings	76,849	17	381	0	0	0	77,247
Other equipment, furniture, fixtures and fittings	92,575	-1,871	16,844	2,183	12,002	38	97,767
Advance payments and construction in progress	60	-25	400	2	0	-38	399
	<b>169,484</b>	<b>-1,879</b>	<b>17,625</b>	<b>2,185</b>	<b>12,002</b>	<b>0</b>	<b>175,413</b>
	<b>362,277</b>	<b>28,800</b>	<b>21,779</b>	<b>6,839</b>	<b>16,375</b>	<b>0</b>	<b>403,320</b>

from 1 January to 31 December 2014 (Appendix C to the Notes)

	Costs of purchase						As of 31.12.2014
	As of 01.01.2014	Change in scope of consolidation	Other additions	Currency translation differences	Disposals	Transfers/ restructure	
<b>Goodwill</b>	<b>139,885</b>	<b>3,897</b>	<b>0</b>	<b>717</b>	<b>0</b>	<b>0</b>	<b>144,499</b>
<b>Other intangible assets</b>							
Brands	3,493	0	0	71	0	0	3,564
Customer bases	12,336	665	0	42	934	0	12,109
Acquired software	16,758	16	2,195	20	941	0	18,048
Internally developed software	3,521	0	623	0	528	0	3,616
Customer service agreements	6,335	3,510	267	2	427	0	9,687
Non-compete agreements	1,152	670	0	0	552	0	1,270
	<b>43,595</b>	<b>4,861</b>	<b>3,085</b>	<b>135</b>	<b>3,382</b>	<b>0</b>	<b>48,294</b>
<b>Property, plant and equipment</b>							
Property and buildings	74,245	0	2,604	0	0	0	76,849
Other equipment, furniture, fixtures and fittings	84,255	162	18,349	400	10,663	72	92,575
Advance payments and construction in progress	106	0	64	0	38	-72	60
	<b>158,606</b>	<b>162</b>	<b>21,017</b>	<b>400</b>	<b>10,701</b>	<b>0</b>	<b>169,484</b>
	<b>342,086</b>	<b>8,920</b>	<b>24,102</b>	<b>1,252</b>	<b>14,083</b>	<b>0</b>	<b>362,277</b>



€k

Cumulative depreciations and amortisations						Carrying amount	
As of 01.01.2015	Change in scope of consolidation	Additions	Currency translation differences	Disposals	As of 31.12.2015	As of 31.12.2015	As of 31.12.2014
0	0	0	0	0	0	166,398	144,499
0	0	0	0	0	0	7,059	3,564
7,463	0	2,673	58	3,030	7,164	3,606	4,646
14,868	-82	2,469	99	643	16,711	4,095	3,180
2,632	0	753	0	0	3,385	4,596	984
2,624	0	1,526	4	61	4,093	9,030	7,063
727	0	868	0	600	995	775	543
28,314	-82	8,289	161	4,334	32,348	29,161	19,980
7,332	0	2,123	0	0	9,455	67,792	69,517
57,928	-1,575	16,024	1,455	9,744	64,088	33,679	34,647
0	0	0	0	0	0	399	60
65,260	-1,575	18,147	1,455	9,744	73,543	101,870	104,224
93,574	-1,657	26,436	1,616	14,078	105,891	297,429	268,703

€k

Cumulative depreciations and amortisations						Carrying amount	
As of 01.01.2014	Change in scope of consolidation	Additions	Currency translation differences	Disposals	As of 31.12.2014	As of 31.12.2014	As of 31.12.2013
0	0	0	0	0	0	144,499	139,885
0	0	0	0	0	0	3,564	3,493
6,037	0	2,335	25	934	7,463	4,646	6,299
13,575	0	2,210	18	935	14,868	3,180	3,183
2,326	0	834	0	528	2,632	984	1,195
1,874	0	1,177	0	427	2,624	7,063	4,461
490	0	789	0	552	727	543	662
24,302	0	7,345	43	3,376	28,314	19,980	19,293
5,249	0	2,083	0	0	7,332	69,517	68,996
53,610	0	14,325	278	10,285	57,928	34,647	30,645
0	0	0	0	0	0	60	106
58,859	0	16,408	278	10,285	65,260	104,224	99,747
83,161	0	23,753	321	13,661	93,574	268,703	258,925

## SUPERVISORY BOARD MEMBERS

(Appendix D to the Notes)

### 70. SUPERVISORY BOARD MEMBERS – SHAREHOLDER REPRESENTATIVES

Name	Affiliation	Profession	Membership in supervisory boards and other supervisory bodies pursuant to Section 125 (1) sentence 5 of the German Stock Corporation Act (AktG)
<b>Kurt Dobitsch</b>	Since 20 May 1999	Businessman	<ul style="list-style-type: none"> <li>■ United Internet AG, Montabaur, Germany (Chairman) thereof mandates affiliated with the group:</li> <li>■ United Internet Ventures AG, Montabaur, Germany Chairman until 21 May 2015, Vice-Chairman from 21 May 2015</li> <li>■ 1&amp;1 Mail &amp; Media Application SE (formerly United Internet Mail &amp; Media SE), Montabaur, Germany Vice-Chairman until 16 March 2015, member from 22 July 2015</li> <li>■ United Internet Service SE, Montabaur, Germany Member (Vice-Chairman), until 16 March 2015</li> <li>■ 1&amp;1 Internet AG, Montabaur, Germany Member until 11 June 2015 (merger with 1&amp;1 Internet SE)</li> <li>■ 1&amp;1 Internet SE (formerly 1&amp;1 Internet Holding SE), Montabaur, Germany Member (Vice-Chairman), appointment from 23 January 2015 to 16 March 2015 and from 18 June 2015</li> <li>■ 1&amp;1 Telecommunication AG, Montabaur, Germany Member until 30 April 2015 (merger with 1&amp;1 Telecommunication SE)</li> <li>■ 1&amp;1 Telecommunication SE (formerly 1&amp;1 Telecommunication Holding SE), Montabaur, Germany Member (Vice-Chairman) until 16 March 2015 and from 21 May 2015</li> <li>■ GMX &amp; WEB. DE Mail &amp; Media SE, Montabaur, Germany Member (Vice-Chairman) until 16 March 2015</li> <li>■ Nemetschek AG, München, Germany (Chairman) thereof mandates affiliated with the group:</li> <li>■ Graphisoft S.E., Hungary (Member of the Board of Directors)</li> <li>■ Vectorworks Inc., Columbia, USA (Member of the Board of Directors)</li> <li>■ Singhammer IT Consulting AG, München, Germany (Member)</li> </ul>
<b>Prof. Dr. Thomas Hess</b>	Since 20 June 2012	Institute director	
<b>Dr. Walter Jaeger</b>	Since 17 June 2008	Merchant	<p><b>Chairman of the Supervisory Board</b></p> <ul style="list-style-type: none"> <li>■ Wirthwein AG, Creglingen, Germany (until 16 July 2015)</li> </ul> <p><b>Chairman of the Advisory Board</b></p> <ul style="list-style-type: none"> <li>■ Hohenloher Spezialmöbelwerk Schaffitzel GmbH &amp; Co. KG, Öhringen, Germany (until 30 June 2015)</li> <li>■ Horst Mosolf GmbH &amp; Co. KG, Kirchheim unter Teck, Germany</li> <li>■ Vollert Anlagenbau GmbH, Weinsberg, Germany (until 31 December 2015)</li> </ul>
<b>Dr. Matthias Metz</b> Chairman of the Supervisory Board	Since 5 June 2014	Graduate in business administration	<p><b>Member of the Supervisory Board</b></p> <ul style="list-style-type: none"> <li>■ FFS Bank GmbH, Stuttgart, Germany (since 2 April 2015)</li> </ul>
<b>Karin Schick</b>	Since 9 August 2004	Businesswoman	
<b>Dr. Jochen Wolf</b> Second Vice-Chairman of the Supervisory Board	Since 2 October 2003	Director	<p><b>Chairman of the Supervisory Board</b></p> <ul style="list-style-type: none"> <li>■ Joma-Polytec GmbH, Bodelshausen, Germany</li> </ul> <p><b>Member of the Supervisory Board</b></p> <ul style="list-style-type: none"> <li>■ Bardusch GmbH + Co. KG, Ettlingen, Germany</li> <li>■ Bizerba GmbH &amp; Co. KG, Balingen, Germany</li> <li>■ IMS Gear GmbH, Donaueschingen, Germany</li> <li>■ LTS Lohmann Therapie-Systeme AG, Andernach, Germany</li> <li>■ R-Biopharm AG, Darmstadt, Germany</li> <li>■ E.G.O. Elektrogerätebau GmbH, Oberderdingen, Germany</li> <li>■ Heller GmbH/Gebr. Heller Maschinenfabrik GmbH, Nürtlingen, Germany</li> <li>■ Progroup AG, Offenbach/Queich, Germany (20 February 2015 to 11 May 2015)</li> <li>■ Rafi GmbH &amp; Co. KG, Berg/Ravensburg, Germany (since 1 October 2015)</li> </ul>

## 71. SUPERVISORY BOARD MEMBERS – EMPLOYEE REPRESENTATIVES

Name	Affiliation	Profession	Membership in supervisory boards and other supervisory bodies pursuant to Section 125 (1) sentence 5 of the German Stock Corporation Act (AktG)
<b>Uli Drautz</b> Vice-Chairman of the Supervisory Board	Since 15 October 2003	Executive employee	<b>Member of the Supervisory Board</b> ■ AMARAS AG, Monheim am Rhein, Germany ■ Bechtle E-Commerce Holding AG, Neckarsulm, Germany ■ Bechtle Systemhaus Holding AG, Neckarsulm, Germany ■ Bechtle Managed Services AG, Neckarsulm, Germany ■ SolidLine Aktiengesellschaft, Walluf, Germany ■ PP 2000 Business Integration AG, Stuttgart, Germany ■ Common Sense Solutions AG, Berlin, Germany (since 18 September 2015)
<b>Daniela Eberle</b>	Since 15 October 2003	Employee	
<b>Barbara Greyer</b>	Since 15 October 2003	Union Secretary ver.di, State District Baden-Württemberg	
<b>Martin Meyer</b>	Since 18 June 2013	Employee	
<b>Volker Strohfeld</b>	Since 18 June 2013	IT service engineer	
<b>Michael Unser</b>	Since 18 June 2013	First representative of IG Metall Heilbronn-Neckarsulm	<b>Member of the Supervisory Board</b> ■ ThyssenKrupp IS, Essen, Germany ■ ThyssenKrupp SY, Essen, Germany

## 72. COMMITTEES OF THE SUPERVISORY BOARD

as of 31 December 2015

Audit committee	Personnel committee
<b>Dr. Matthias Metz</b> (Chairman) <b>Uli Drautz</b> <b>Daniela Eberle</b> <b>Dr. Walter Jaeger</b> <b>Dr. Jochen Wolf</b>	<b>Dr. Jochen Wolf</b> (Chairman) <b>Uli Drautz</b> <b>Dr. Matthias Metz</b>

## AUDIT OPINION

We have issued the following opinion on the Consolidated Financial Statements and the group management report:

"We have audited the Consolidated Financial Statements prepared by the BECHTLE AG, Neckarsulm, comprising the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash-flows and the notes to the Consolidated Financial Statements, together with the group management report for the fiscal year from January 1 to December 31, 2015. The preparation of the Consolidated Financial Statements and the group management report in accordance with IFRS's as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315 a (1) HGB ("Handelsgesetzbuch": "German Commercial Code") are the responsibility of the parent company's management. 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 Sec. 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 entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, 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 IFRS's as adopted by the EU, the additional requirements of German commercial law pursuant to Sec. 315 a (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."

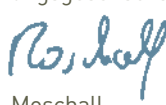
Heilbronn, 1 March 2016

Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft



Heller

German Public Auditor



Moschall

German Public Auditor



**RESPONSIBILITY STATEMENT BY THE EXECUTIVE BOARD**

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the Consolidated Financial Statements give a true and fair view of the earnings, asset and financial position of the group, and the Management Report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group.

Neckarsulm, 14 March 2016

BECHTLE AG

The Executive Board



Dr. Thomas Olemotz

Michael Guschlbauer

Jürgen Schäfer

## 73. MULTI-YEAR OVERVIEW BECHTLE GROUP

		2007	2008	2009	2010	2011	2012	2013	2014	2015	Change in % 2015-2014
<b>Regions</b>											
Revenue	€k	1,383,453	1,431,462	1,379,307	1,722,919	1,994,881	2,096,835	2,273,485	2,580,448	2,831,303	9.7
Domestic	€k	902,367	938,868	921,578	1,158,213	1,315,185	1,433,869	1,570,816	1,775,409	1,957,610	10.3
of total revenue	%	65.2	65.6	66.8	67.2	65.9	68.4	69.1	68.8	69.1	
Abroad	€k	481,086	492,594	457,729	564,706	679,696	662,966	702,669	805,039	873,693	8.5
<b>Segments</b>											
Revenue	€k	1,383,453	1,431,462	1,379,307	1,722,919	1,994,881	2,096,835	2,273,485	2,580,448	2,831,303	9.7
IT system house & managed services	€k	885,772	927,530	919,956	1,151,119	1,315,669	1,394,455	1,535,316	1,727,073	1,889,494	9.4
of total revenue	%	64.0	64.8	66.7	66.8	66.0	66.5	67.5	66.9	66.7	
IT e-commerce	€k	497,681	503,932	459,351	571,800	679,212	702,380	738,169	853,375	941,809	10.4
EBIT	€k	58,253	60,229	42,712	60,728	86,403	80,265	91,048	108,498	129,484	19.3
IT system house & managed services	€k	33,065	38,444	25,768	35,852	49,891	44,320	56,185	68,907	80,293	16.5
EBIT margin	%	3.7	4.1	2.8	3.1	3.8	3.2	3.7	4.0	4.2	
IT e-commerce	€k	25,188	21,785	16,944	24,876	36,512	35,945	34,863	39,591	49,191	24.2
EBIT margin	%	5.1	4.3	3.7	4.4	5.4	5.1	4.7	4.6	5.2	
<b>Income Statement</b>											
Revenue	€k	1,383,453	1,431,462	1,379,307	1,722,919	1,994,881	2,096,835	2,273,485	2,580,448	2,831,303	9.7
Cost of sales	€k	1,188,121	1,213,331	1,179,770	1,486,440	1,697,185	1,778,139	1,933,071	2,197,212	2,401,917	9.3
Gross profit	€k	195,332	218,131	199,537	236,479	297,696	318,696	340,414	383,236	429,386	12.0
Distribution costs	€k	81,355	90,455	87,944	99,015	127,145	145,405	151,546	166,556	182,806	9.8
Administrative expenses	€k	67,236	75,709	76,171	86,001	93,671	104,300	110,483	124,001	138,415	11.6
Other operating income	€k	11,512	8,262	7,290	9,265	9,523	11,274	12,663	15,819	21,319	34.8
EBIT	€k	58,253	60,229	42,712	60,728	86,403	80,265	91,048	108,498	129,484	19.3
Financial income	€k	1,263	1,987	1,503	1,727	1,776	2,026	1,560	1,944	2,607	34.1
Financial expenses	€k	510	683	553	671	1,890	3,290	3,300	3,057	2,687	-12.1
Earnings before taxes (EBT)	€k	59,006	61,533	43,662	61,784	86,289	79,001	89,308	107,385	129,404	20.5
Income taxes	€k	18,047	16,105	9,404	15,362	23,566	22,643	25,911	31,191	36,527	17.1
Earnings after taxes (EAT)	€k	40,959	45,428	34,258	46,422	62,723	56,358	63,397	76,194	92,877	21.9
Material costs	€k	1,051,860	1,079,543	1,043,059	1,338,651	1,520,407	1,584,912	1,726,409	1,971,664	2,160,011	9.6
Revenue less material costs	€k	343,105	360,181	343,538	393,533	483,997	523,197	559,739	624,603	692,611	10.9
Personnel expenses	€k	203,253	217,710	220,418	241,420	294,649	326,590	348,848	388,764	423,040	8.8
Depreciation and amortisation (on property, plant and equipment and other intangible assets without goodwill)	€k	13,501	13,910	14,264	15,399	18,361	21,748	22,493	23,753	26,436	11.3
EBITDA	€k	71,754	74,139	56,976	76,127	104,764	102,013	113,541	132,251	155,920	17.9
Financial earnings	€k	753	1,304	950	1,056	-114	-1,264	-1,740	-1,113	-80	-92.8

		2007	2008	2009	2010	2011	2012	2013	2014	2015	Change in % 2015–2014
<b>Balance Sheet (selected items)</b>											
<b>Assets</b>											
<b>Non-current assets</b>	€k	145,560	156,955	164,510	206,258	279,525	296,139	299,212	321,940	344,401	7.0
Goodwill	€k	99,909	105,823	106,395	115,835	135,648	137,483	139,885	144,499	166,398	15.2
Other intangible assets	€k	19,214	19,559	14,932	17,698	22,348	20,991	19,293	19,980	29,161	46.0
Property, plant and equipment	€k	19,563	23,758	27,740	29,162	79,645	94,537	99,747	104,224	101,870	-2.3
Other provisions	€k	264	366	145	231	975	2,243	1,547	19,774	22,020	11.4
Deferred taxes	€k	4,461	4,696	9,874	10,652	7,720	6,489	4,131	3,722	4,425	18.9
Other assets	€k	1,946	2,564	2,253	1,870	2,356	2,224	2,513	2,676	3,495	30.6
Time deposits and securities	€k	–	–	3,000	30,654	30,700	32,059	32,012	27,008	16,999	-37.1
<b>Current assets</b>	€k	305,863	339,113	356,155	447,458	521,778	547,859	611,136	694,650	806,036	16.0
Inventories	€k	46,817	52,118	59,322	75,056	91,190	90,065	107,638	131,165	150,415	14.7
Other provisions	€k	189,312	188,402	183,979	249,046	286,773	307,348	345,195	387,828	406,167	4.7
Other assets	€k	13,395	19,410	19,221	21,880	31,955	35,423	33,181	45,469	58,738	29.2
Time deposits and securities	€k	1,929	338	15,510	13,619	16,219	35,888	18,255	22,272	24,894	11.8
Cash and cash equivalents	€k	52,300	77,300	76,467	85,477	94,569	78,208	105,838	106,720	164,767	54.4
<b>Equity and liabilities</b>											
<b>Equity</b>	€k	276,465	311,449	334,961	371,483	421,597	459,584	501,565	553,996	620,651	12.0
Issued capital	€k	21,200	21,200	21,000	21,000	21,000	21,000	21,000	21,000	21,000	0.0
Capital reserves	€k	143,454	143,454	145,228	145,228	145,228	145,228	145,228	145,228	145,228	0.0
Retained earnings	€k	111,457	149,042	168,733	205,255	255,369	293,356	335,337	387,768	454,423	17.2
<b>Non-current liabilities</b>	€k	23,765	30,964	32,284	46,727	94,004	96,644	90,787	95,878	119,196	24.3
Pension provisions	€k	5,775	8,859	8,631	13,227	11,873	9,260	6,382	11,990	15,889	32.5
Other provisions	€k	227	452	232	810	1,182	2,139	2,307	4,836	5,978	23.6
Financial liabilities	€k	3,709	5,185	6,604	12,266	57,280	61,142	53,625	47,522	56,393	18.7
Deferred taxes	€k	10,102	11,558	11,598	13,209	14,094	14,905	15,128	17,266	20,927	21.2
Other liabilities	€k	176	473	302	650	1,216	296	538	2,652	7,293	175.0
Deferred income	€k	3,769	4,153	4,820	6,565	8,359	8,902	12,369	11,343	12,346	8.8
<b>Current liabilities</b>	€k	151,193	153,655	153,420	235,506	285,702	287,770	317,996	366,716	410,590	12.0
Other provisions	€k	3,310	4,019	3,959	5,338	5,643	5,241	5,774	6,239	6,416	2.8
Financial liabilities	€k	6,049	10,466	2,561	4,812	9,002	12,567	10,546	12,711	9,627	-24.3
Trade payables	€k	88,267	83,250	79,460	129,060	148,799	145,964	170,518	178,644	204,067	14.2
Income tax payables	€k	6,055	4,448	5,455	6,337	8,735	6,906	6,519	6,418	8,176	27.4
Other liabilities	€k	38,043	40,763	42,381	64,624	72,237	74,963	79,941	95,695	104,052	8.7
Deferred income	€k	9,469	10,709	19,604	25,335	41,286	42,129	44,698	67,009	78,252	16.8
<b>Balance sheet total</b>	€k	451,423	496,068	520,665	653,716	801,303	843,998	910,348	1,016,590	1,150,437	13.2
<b>Cash flow and investments</b>											
Cash flow from operating activities	€k	41,993	49,941	47,330	59,114	55,782	56,669	73,098	55,965	115,945	107.2
Cash flow from investing activities	€k	-9,500	-18,074	-30,292	-47,625	-45,282	-56,031	-10,201	-25,853	-34,480	33.4
Cash flow from financing activities	€k	-16,145	-10,136	-17,772	-7,173	-2,246	-17,282	-35,002	-29,973	-25,668	-14.4
Cash and cash equivalents incl. time deposits and securities	€k	54,229	77,638	94,977	129,750	141,488	146,155	156,105	156,000	206,660	32.5
Free Cash flow	€k	25,831	28,252	34,437	41,751	12,159	19,485	43,123	29,252	78,590	168.7
Investments (in property, plant and equipment and other intangible assets without goodwill)	€k	10,285	13,683	14,045	11,822	61,120	32,015	23,091	24,102	21,779	-9.6
Investment ratio (= Investments/ Average property, plant and equipment + other intangible assets without goodwill)	%	26.67	33.33	32.67	26.41	82.12	29.44	19.69	19.82	17.07	



		2007	2008	2009	2010	2011	2012	2013	2014	2015	Change in % 2015-2014
<b>Key figures of the share<sup>1</sup></b>											
Annual closing price	€	27.42	13.66	18.79	28.99	26.20	30.65	49.47	65.98	88.06	33.5
Annual high	€	35.59	27.86	20.50	30.65	34.35	35.10	50.95	65.98	92.64	40.4
Annual low	€	19.45	9.64	11.02	17.01	23.48	25.50	30.07	49.33	64.49	30.7
Weighted average shares	th. shares	21,200	21,165	20,853	21,000	21,000	21,000	21,000	21,000	21,000	0.0
Market capitalisation (31.12)	€k	581,304	289,592	394,590	608,790	550,200	643,650	1,038,870	1,385,580	1,849,260	33.5
Average turnover/trading day <sup>2</sup>	shares	71,856	69,743	37,129	30,543	51,873	42,143	34,201	41,281	46,580	12.8
Average turnover/trading day <sup>2</sup>	€	1,953,582	1,228,978	538,189	705,260	1,460,183	1,281,620	1,364,142	2,452,888	3,452,399	40.7
Cash dividend per share	€	0.60	0.60	0.60	0.75	1.00	1.00	1.10	1.20	1.40 <sup>3</sup>	16.7
Dividend amount distributed	€k	12,720	12,445	12,600	15,750	21,000	21,000	23,100	25,200	29,400 <sup>3</sup>	16.7
Pay out ratio	%	31.1	27.4	36.8	33.9	33.5	37.3	36.4	33.1	31.7 <sup>3</sup>	
Dividend yield (31.12)	%	2.2	4.4	3.2	2.6	3.8	3.3	2.2	1.8	1.6 <sup>3</sup>	
Enterprise value (EV)	€k	582,580	277,565	378,300	618,242	607,239	723,670	1,084,064	1,449,430	1,877,747	29.6
Earnings per share	€	1.93	2.14	1.64	2.21	2.99	2.68	3.02	3.63	4.42	21.9
Cash flow per share	€	1.98	2.36	2.25	2.81	2.66	2.70	3.48	2.67	5.52	107.2
Net asset value per share (= Equity/Weighted average shares)	€	13.04	14.72	16.06	17.69	20.08	21.88	23.88	26.38	29.55	12.0
Market capitalisation to revenue		0.4	0.2	0.3	0.4	0.3	0.3	0.5	0.5	0.7	21.6
Price earning ratio (P/E)		14.2	6.4	11.5	13.1	8.8	11.4	16.4	18.2	19.9	9.5
EV/EBITDA		8.1	3.7	6.6	8.1	5.8	7.1	9.5	11.0	12.0	9.9
EV/EBIT		10.0	4.6	8.9	10.2	7.0	9.0	11.9	13.4	14.5	8.6
EV/EBT		9.9	4.5	8.7	10.0	7.0	9.2	12.1	13.5	14.5	7.5
EV/EAT		14.2	6.1	11.0	13.3	9.7	12.8	17.1	19.0	20.2	6.3
EV/Revenue		0.4	0.2	0.3	0.4	0.3	0.3	0.5	0.6	0.7	18.1
<b>Personnel</b>											
Employees <sup>4</sup> (31.12)		4,250	4,405	4,354	4,766	5,479	5,970	6,219	6,572	7,205	9.6
Domestic		3,036	3,169	3,158	3,471	4,065	4,550	4,743	4,996	5,633	12.8
Abroad		1,214	1,236	1,196	1,295	1,414	1,420	1,476	1,576	1,572	-0.3
IT system house & managed services		3,303	3,450	3,443	3,763	4,305	4,754	4,953	5,164	5,766	11.7
IT e-commerce		947	955	911	1,003	1,174	1,216	1,266	1,408	1,439	2.2
Trainees		257	281	289	306	356	428	473	455	473	4.0
Employees (annual average)		4,103	4,288	4,396	4,496	5,146	5,780	6,072	6,421	6,924	7.8
Full-time and part-time employees		3,805	3,971	4,058	4,137	4,753	5,315	5,542	5,872	6,376	8.6
IT system house & managed services		2,975	3,048	3,178	3,243	3,727	4,191	4,415	4,647	5,055	8.8
IT e-commerce		830	923	880	894	1,026	1,124	1,127	1,225	1,321	7.8
Personnel expense ratio	%	14.7	15.2	16.0	14.0	14.8	15.6	15.3	15.1	14.9	
Personnel intensity	%	59.2	60.4	64.2	61.3	60.9	62.4	62.3	62.2	61.1	

<sup>1</sup> XETRA share prices<sup>2</sup> All German stock exchanges<sup>3</sup> Subject to approval by the Annual General Meeting<sup>4</sup> Without temporary staff

		2007	2008	2009	2010	2011	2012	2013	2014	2015	Change in % 2015–2014
<b>Efficiency ratios</b>											
Contribution margin	%	24.8	25.2	24.9	22.8	24.3	25.0	24.6	24.2	24.5	
Gross margin	%	14.1	15.2	14.5	13.7	14.9	15.2	15.0	14.9	15.2	
EBITDA margin	%	5.2	5.2	4.1	4.4	5.3	4.9	5.0	5.1	5.5	
EBIT margin	%	4.2	4.2	3.1	3.5	4.3	3.8	4.0	4.2	4.6	
EBT margin	%	4.3	4.3	3.2	3.6	4.3	3.8	3.9	4.2	4.6	
EAT margin	%	3.0	3.2	2.5	2.7	3.1	2.7	2.8	3.0	3.3	
Revenue per employee	€k	363.6	360.5	339.9	416.5	419.7	394.5	410.2	439.4	444.1	1.0
IT system house & managed services	€k	297.7	304.3	289.5	355.0	353.0	332.7	347.7	371.7	373.8	0.6
IT e-commerce	€k	599.6	546.0	522.0	639.6	662.0	624.9	655.0	696.6	713.0	2.3
EBIT per employees	€k	15.3	15.2	10.5	14.7	18.2	15.1	16.4	18.5	20.3	9.9
Return on equity (EAT/Average annual equity)	%	16.9	16.9	11.3	14.2	17.3	13.7	14.2	15.6	17.2	
Return on total assets (EAT/Average annual total assets)	%	10.3	10.7	7.4	8.7	9.8	7.9	8.2	8.9	9.5	
ROA (= EBIT/Average annual total assets)	%	14.5	13.9	9.1	11.3	13.1	10.6	11.3	12.2	12.9	
ROE (= EBIT/Average annual equity)	%	24.0	22.2	14.1	18.4	23.8	19.6	20.4	21.5	23.9	
ROCE (= EBIT/Capital Employed)	%	23.4	22.7	15.7	21.0	25.2	19.6	20.6	22.3	23.7	
<b>Balance sheet ratios</b>											
Capitalisation ratio of non-current assets (= non-current assets/total assets)	%	32.2	31.6	31.6	31.6	34.9	35.1	32.9	31.7	29.9	
Working intensity of current assets (= current assets/total assets)	%	67.8	68.4	68.4	68.4	65.1	64.9	67.1	68.3	70.1	
Equity ratio	%	61.2	62.8	64.3	56.8	52.6	54.5	55.1	54.5	53.9	
Total liabilities to total assets	%	38.8	37.2	35.7	43.2	47.4	45.5	44.9	45.5	46.1	
Asset structure (= non-current/current assets)	%	47.6	46.3	46.2	46.1	53.6	54.1	49.0	46.3	42.7	
Capital structure (= equity/liabilities)	%	158.0	168.7	180.4	131.6	111.0	119.6	122.7	119.8	117.2	
<b>Financial ratios</b>											
Net debt	€k	-44,471	-61,987	-85,812	-112,672	-75,206	-72,446	-91,934	-95,767	-140,640	46.9
Debt ratio (total liabilities to total equity)		0.63	0.59	0.55	0.76	0.90	0.84	0.82	0.84	0.85	2.2
Working Capital	€k	134,881	142,490	139,465	166,780	189,881	211,595	234,624	291,326	294,872	1.2
Working Capital to revenue	%	9.7	10.0	10.1	9.7	9.5	10.1	10.3	11.3	10.4	
Working Capital to annual total asset	%	29.9	28.7	26.8	25.5	23.7	25.1	25.8	28.7	25.6	
Capital Employed	€k	249,469	264,928	272,247	288,600	342,244	410,023	442,050	486,403	546,404	12.3
Capital Employed to annual total asset	%	55.3	53.4	52.3	44.1	42.7	48.6	48.6	47.8	47.5	
Capital Employed to revenue	%	18.0	18.5	19.7	16.8	17.2	19.6	19.4	18.8	19.3	
<b>Structural analysis ratios</b>											
Revenue to inventory		29.6	27.5	23.3	23.0	21.9	23.3	21.1	19.7	18.8	-4.3
Revenue to average net trade receivables		9.4	9.5	10.1	10.3	10.2	9.8	9.7	9.5	9.1	-4.0
Revenue to average total assets		3.4	3.3	2.9	3.2	3.0	2.8	2.8	2.9	2.8	-2.8
DSO		38.7	38.4	36.2	35.3	35.8	37.3	37.6	38.3	39.9	4.2

## GLOSSARY

**Augmented reality.** Describes a computer-aided perception or rendering that expands the real world with virtual aspects. For example, the use of smart glasses enables the direct integration of additional information in a current image of the real world.

**bios®.** The BECHTLE information ordering system is an online hardware and software procurement system that is tailored to the needs of customers.

**Business intelligence.** Generic term for the IT-based access to information as well as IT-based analysis and processing of this information. The objective is to gain insight that can form the basis for better operational or strategic decisions with a view to the corporate goals.

**CAD.** Computer-aided design – CAD refers to computer-aided design with the help of suitable programs or software solutions.

**Capitalisation ratio.** Indicates the ratio of non-current assets to the balance sheet total.

**Capital employed (CE).** Annual average interest-bearing capital tied up on a long-term basis.

**Cash pooling.** Corporate liquidity management in the scope of which surplus liquidity is withdrawn from group companies or liquidity is provided in the form of loans in the event of liquidity shortfalls.

**Cloud Computing.** In cloud computing, IT services are provided in real time in a needs-oriented, flexible manner via the Internet and billed according to use. The IT services may comprise software, platforms for development and application of operations and the basic infrastructure.

**Contribution margin.** Difference between revenue and material costs in relation to revenue.

**Currency forwards.** Obligation to buy or sell foreign currencies at a date and price determined in advance.

**Data warehouse.** A data warehouse is a central collection of data (usually a database) from various sources. The data stored in the data warehouse are kept over long periods, especially for analyses, as well as a basis for administrative decisions and for corporate management purposes.

**Debt ratio.** Ratio of borrowed capital to equity.

**Deferred taxes.** Temporary differences between calculated taxes on earnings presented in the commercial balance sheet and tax balance sheet for the purpose of presenting the tax expense according to the earnings under commercial law.

**Derivative (derivative financial instrument, financial derivative).** Financial instrument whose measurement depends on the price development of the underlying. For example financial derivatives include → currency forwards and → interest rate swaps.

**Discounted cash flow method.** Model calculation, in particular for the valuation of an enterprise, in which all future → free cash flows are discounted and added up taking into account variable parameters such as the term and capital cost rate at the time of the calculation.

**Dividend payout ratio.** Indicates how much of the annual profit is paid out to the shareholders in the form of a dividend. It is calculated as follows: dividend paid out divided by the consolidated earnings after taxes and minority interests, in per cent.

**Dividend yield.** Indicates the annual yield that the shareholder receives in the form of a dividend for their share investment measured at the annual closing rate. It is calculated as follows: dividend per share divided by the annual closing rate, multiplied by 100.

**DPO.** Days payable outstanding – indicates after how many days a company pays its liabilities to suppliers.

**DSO.** Days sales outstanding. DSO indicates the average number of days until due receivables are paid.

**EITO.** European Information Technology Observatory

**Equity ratio.** Ratio of equity to total capital. The higher the equity ratio, the lower the → debt ratio of the company.

**ERP.** The enterprise resource planning system is complex management software for efficient, smart resource planning.

**ESC.** European Sales Cockpit – a controlling instrument that analyses the revenue, earnings and specific sales figures for all of BECHTLE'S European trading companies and merges them in systematic, continuous benchmarks.

**Free cash flow.** Cash flow from operating activities less the balances from outgoing and incoming payments related to the acquisition or sale of companies, as well as outgoing and incoming payments related to investments in intangible assets and property, plant and equipment.

**Fulfilment.** All activities related to the performance of a contract concluded with a customer. The services range from the acceptance of the order to picking and the shipping of the goods.

**Gross profit.** Difference between revenue and cost of sales.

**iLearn.** A web-based training portal designed for all employees. Offered in various languages, the individual courses on all relevant industry subjects can be expanded flexibly. The use of iLearn promotes modern, media-aided training at BECHTLE.

**Interest rate swap.** Agreement between two contracting parties to swap different interest payment streams. Interest rate swaps are financial derivatives and are generally used to hedge interest rate risks (→ derivative).

**Investment grade.** Credit rating by a rating agency. Credit ratings can be roughly split into two categories: "investment grade" (= sufficiently safe) and "non investment grade" (= speculative).

**Investment ratio.** Ratio of investments in other intangible assets and property, plant and equipment to the average annual carrying amount of other intangible assets and of property, plant and equipment.

**ISO 14001.** An international standard of the International Organization for Standardization (ISO) that defines general requirements for an environmental management system for voluntary certification.

**Leverage.** Describes the leveraging effect that occurs when improving the → return on equity through increased use of borrowed capital.

**Managed services.** Defined IT services rendered for customers. Among other things, this includes the operation and management of hosting services, virtual private networks (VPN), voice over IP (VOIP), Internet access and network security.

**Market cap.** Market value of a company. The market cap is calculated by multiplying the share price with the number of a company's issued shares.

**Navision Financial.** Decentralised ERP system of the individual BECHTLE locations, with data replication in the central SAP system.

**Net indebtedness (Net debt).** Indicates the indebtedness or debt potential of an enterprise if all interest-bearing liabilities were to be paid with current assets. It is calculated from the financial liabilities less cash and cash equivalents as well as time deposits and securities.

**Outsourcing.** In the field of IT, outsourcing or out-tasking refers to the delegation of specific tasks or part of them to external IT service providers. → Managed Services.

**Personnel intensity.** The ratio of personnel expenses to the revenue less material costs.

**Planos.** Internally developed IT system that collects the individual planning elements of the departments and merges them in the overall operational planning.

**Return on assets (ROA).** Ratio of earnings after taxes and before financial expenses to the average annual total capital employed.

**Return on capital employed (ROCE).** Ratio of earnings before financial earnings and taxes to the → capital employed. The ROCE shows the operating interest on the company's capital employed or tied up on a long-term basis.

**Return on equity (ROE).** Ratio of earnings after taxes to the average annual equity as reported in the balance sheet. The return on equity shows how much interest the shareholders' equity as reported in the balance sheet bears.

**SQL.** Structured Query Language – a specific database language for defining, querying, inserting, editing and deleting data records in relational databases.

**Treasury.** An area that is concerned with the use and investment of financial resources. This area is also responsible for hedging financial risks, which can go far beyond the hedging of interest rate risks or exchange rate risks.

**Virtualisation.** Abstraction of physical resources. The individual systems are provided with a complete virtual computer with all hardware components. Software virtualisation can be used to simulate an operating system or an application. This makes it possible to execute applications locally without installing them.

**Working capital.** Inventories plus trade receivables less trade payables and deferrals.

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## LIST OF ABBREVIATIONS

<b>AktG</b>	German Stock Corporation Act (Aktiengesetz)
<b>AR</b>	Augmented Reality
<b>BELOS</b>	Bechtle Event Control and Organisation System
<b>BVG</b>	Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pensions (Bundesgesetz zur beruflichen Alters-, Hinterlassen- und Invalidenfürsorge)
<b>CAGR</b>	Compound annual growth rate
<b>CODM</b>	Chief operating decision maker
<b>CRM</b>	Customer relationship management
<b>DCGK</b>	German Corporate Governance Code (Deutscher Corporate Governance Kodex)
<b>EBITDA</b>	Earnings before interest, taxes, depreciation, and amortisation
<b>EBT</b>	Earnings before taxes
<b>EPS</b>	Earnings per share
<b>EU</b>	European Union
<b>EV</b>	Enterprise value
<b>GDP</b>	Gross domestic product
<b>GITA</b>	Global IT Alliance
<b>HGB</b>	German Commercial Code (Handelsgesetzbuch)
<b>ifo</b>	Institute for Economic Research (Institut für Wirtschaftsforschung)
<b>IFRS</b>	International Financial Reporting Standards
<b>LAN</b>	Local area network
<b>MitbestG</b>	German co-determination Act (Mitbestimmungsgesetz)
<b>SAN</b>	Storage Area Network
<b>ROA</b>	Return on Assets
<b>ROE</b>	Return on Equity
<b>VIPM</b>	Vender Integrated Product Manager



For further  
comments  
see Glossary,  
page 238 ff

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**FINANCIAL CALENDAR****Accounts Press Conference**

Wednesday, 16 March 2016, Stuttgart

**DVFA Analysts' Conference**

Wednesday, 16 March 2016, Frankfurt

**Quarterly Statement 1st Quarter 2016 (31 March)**

Friday, 13 May 2016

**Annual General Meeting**

Thursday, 9 June 2016, 10.00 a.m.

Konzert- und Kongresszentrum Harmonie, Heilbronn

**Dividend Payment**

as of 10 June 2016

(subject to approval by the Annual General Meeting)

**Half-year Financial Report 2016 (30 June)**

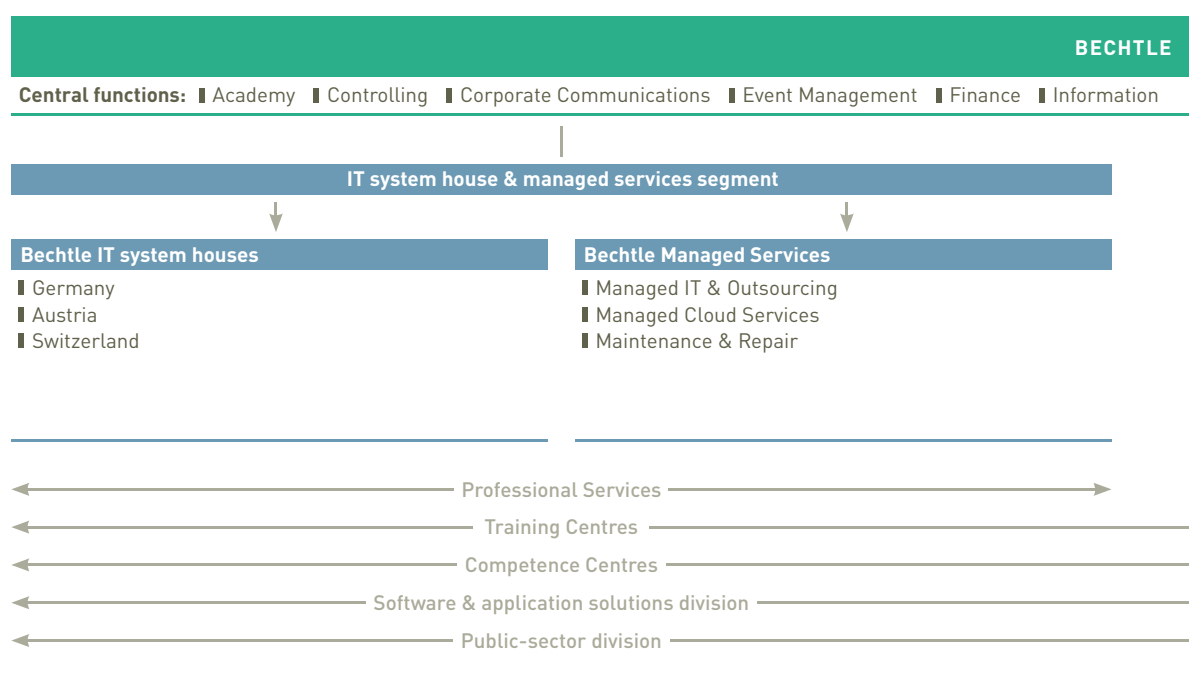
Thursday, 11 August 2016

**Quarterly Statement 3rd Quarter 2016 (30 September)**

Friday, 11 November 2016

See [bechtle.com/events](http://bechtle.com/events) or [bechtle.com/financial-calendar](http://bechtle.com/financial-calendar) for further dates and changes.

## 74. ORGANISATIONAL STRUCTURE BECHTLE GROUP



**Germany**  
52 IT system houses

**Switzerland**  
9 IT system houses

**Austria**  
5 IT system houses



**Logistics & Service:** ■ Address Management ■ European Logistics ■ Marketing ■ Product Management ■ Purchasing

Simplified organisational structure (status: March 2016). The legal corporate structure is presented on page 40f.

AG

Technology ■ IR ■ HR and Staff Development ■ Legal and Compliance ■ Project Management ■ Quality Management

IT e-commerce segment

BECHTLE DIRECT

■ Austria ■ Belgium  
■ Czech Republic ■ France  
■ Germany ■ Germany ÖA ■ Hungary  
■ Ireland ■ Italy ■ Netherlands  
■ Poland ■ Portugal ■ Spain  
■ Switzerland ■ United Kingdom

COMSOFT DIRECT

■ Austria ■ Belgium ■ France  
■ Germany ■ Italy ■ Netherlands  
■ Spain ■ Switzerland

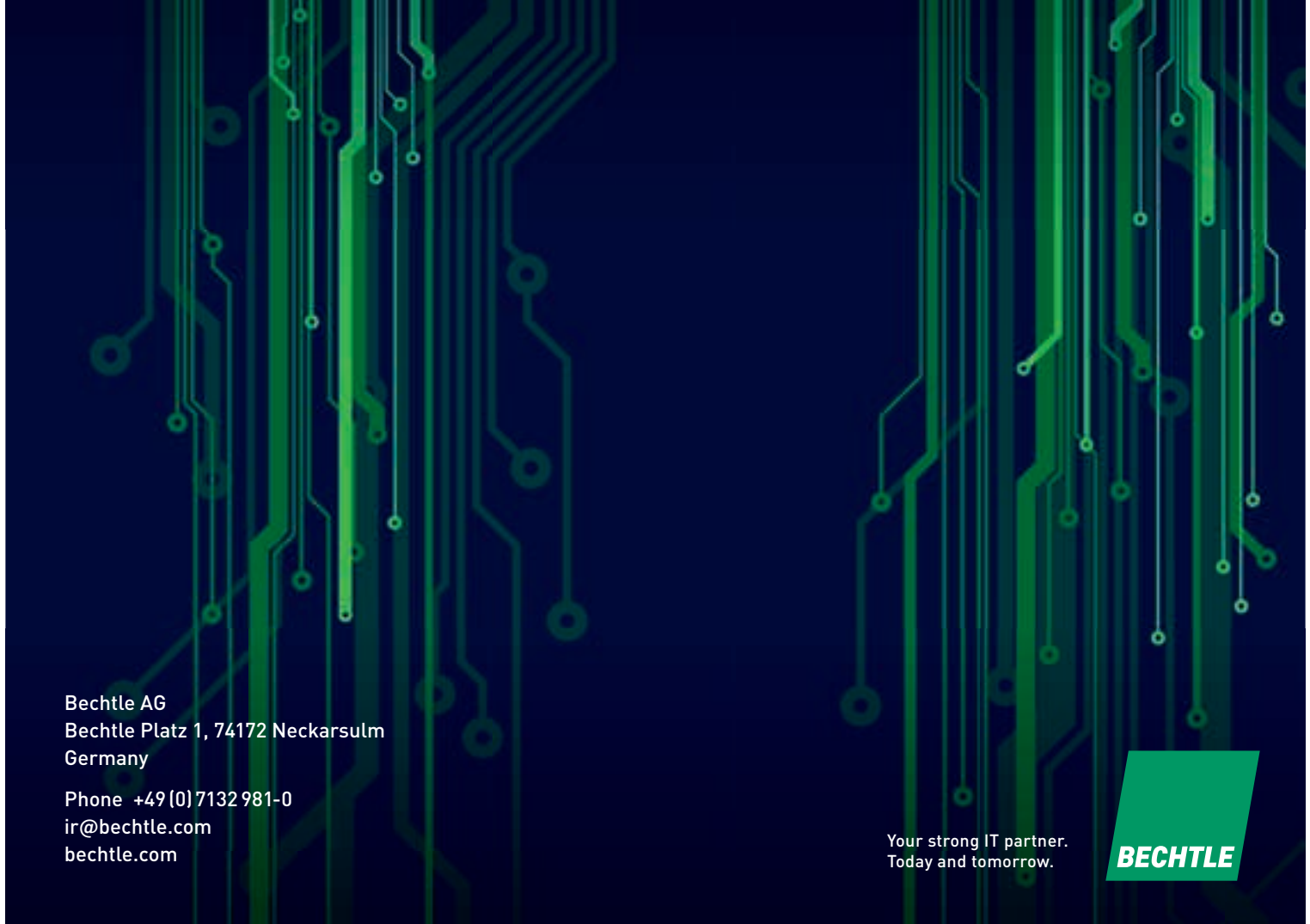
ARP

■ Austria  
■ France  
■ Germany  
■ Netherlands  
■ Switzerland

14 european countries

Austria  
Belgium  
Czech Republic  
France  
Germany  
Hungary  
Ireland  
Italy  
Netherlands  
Poland  
Portugal  
Spain  
Switzerland  
United Kingdom

■ Returns and Replacement Management ■ Warehouse



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